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The China Factor:
Understanding Hungary's Foreign Policy
Vetoes in the EU

Why has Hungary vetoed EU CFSPs regarding China?

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Abstract

Euroscepticism has been growing among EU member states and is also prevalent in Hungary. Hungary's relations with the EU have become strained due to the illiberal turn happening in Hungary. The strained relationship between Hungary and the EU is also present in the voting records of the EU's CFSP regarding China where Hungary has vetoed negative statements on China's human rights violations and restricting laws. While its relations with the EU have deteriorated their relations with China have deepened. It is on this background that this thesis aims to investigate Hungary's behaviour regarding the EU's CFSP on China, employing both Realist and Constructivist theoretical frameworks. The study aims to explain Hungary's motivations for vetoing EU policies concerning China, analysing whether these actions stem from altered norms and identity due to deepening Sino-Hungarian relations or are driven by economic security considerations.

The analysis was based on Causal Process Tracing to explore causal mechanisms and validate the four hypotheses derived from Realism and Constructivism. Realism hypothesised that Hungary's actions are motivated by self-help to ensure economic benefits from China. Constructivism posits that Hungary's changing norms and identity, influenced by its growing relationship with China, underpin its behaviour towards the EU's CFSP. The thesis adopted a dual approach, integrating positivist and interpretivist methods. The research design incorporates both qualitative and quantitative data, including official statements, economic records, and media reports, to provide a comprehensive analysis of Hungary's actions.

Key findings indicated that the Constructivist hypotheses offered a more robust explanation for Hungary's behaviour than the Realist ones. Hungary's norms had evolved, rendering them incompatible with EU standards, which led to policy vetoes. Additionally, Hungary's identity had shifted from Euro-centric to China-centric due to socialization processes within its diplomatic interactions with China. Economic motivations also played a role, as Hungary sought to diversify its economic dependencies away from the EU towards China, ensuring favourable perceptions from Chinese investors. In conclusion, this thesis demonstrates that Hungary's vetoes of EU CFSP policies regarding China are primarily driven by changed norms and identity resulting from its deepening relationship with China, supplemented by economic self-interest. These insights contribute to the broader discourse on the influence of global powers on the foreign policies of smaller states within multilateral institutions.

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1. Introduction

The political cooperation of the European Union (EU) expanded with the signing of the Maastricht Treaty in 1993. The treaty introduced two new areas of cooperation the Justice and Home Affairs and Common Foreign and Security Policy (CFSP).¹ The CFSP was established with the objective to “safeguard the common values, fundamental interests, independence, and integrity of the Union”.² Furthermore, the objectives of the CFSP also included the development and consolidation of democracy, the rule-of-law and respect for human rights.³ These last objectives have been a point of contention between member states and the High Representative for the CFSP; more specifically, between member state officials of CFSP and Hungary on matters related to China.

China has, since the late 1970s, been following the "opening up" strategy, initiated by Deng Xiaoping, which marked a transformative era of economic liberalisation and integration into the global economy.⁴ The strategy was instrumental in propelling China to the forefront of the global economic stage. As part of this broader initiative, China has actively sought to establish robust economic ties with the EU, recognising the EU's substantial market potential, advanced technological landscape, and significant role in global trade.

A pivotal component of China's outreach has been its engagement with Central and Eastern European (CEE) countries, which serve as crucial gateways to the broader European market.⁵ Among these countries, Hungary has emerged as a focal point of China's strategic ambitions in the region. This relationship was solidified through the "17+1" cooperation framework, which aims to enhance trade and investment between China and CEE countries.⁶

In Hungary, China has significantly increased its economic footprint through a combination of investments in infrastructure, manufacturing, and technology sectors.⁷ The Belt and Road Initiative (BRI), China's ambitious global development strategy, has been a key driver of these

¹ Michelle Cini and Nieves Pérez-Solórzano Borragán, *European Union Politics*, Sixth Edition (Oxford, United Kingdom ; New York: Oxford University Press, 2019)., p. 22.

² Ibid., p. 282

³ Ibid.

⁴ Cai Fang, Ross Garnaut, and Ligang Song, ‘40 Years of China’s Reform and Development:’, in *China’s 40 Years of Reform and Development*, ed. Cai Fang, Ross Garnaut, and Ligang Song, 1978–2018 (ANU Press, 2018), 5–26, <http://www.jstor.org/stable/j.ctv5cgbnk.9.>, pp. 5-6.

⁵ Erik Brattberg et al., ‘China’s Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’, October 2021, https://carnegieendowment.org/files/202110-Brattberg_et_al_EuropeChina_final.pdf., p. 9.

⁶ Weiqing Song, ed., *China’s Relations with Central and Eastern Europe: From ‘Old Comrades’ to New Partners*, Routledge Contemporary China Series 172 (London ; New York: Routledge Taylor & Francis Group, 2018)., p. 29.

⁷ Erik Brattberg et al., ‘China’s Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’.

investments. Additionally, Hungary has become a critical partner in China's efforts to gain a stronger foothold in the European market.⁸ This symbiotic relationship has provided China with a strategic entry point into the EU.

The deepening ties between China and Hungary underscore the geopolitical and economic implications of China's growing influence in Europe. As China continues to expand its presence in Hungary, the dynamics of EU-China relations will increasingly reflect the complexities of balancing economic cooperation with strategic autonomy and regional stability.

1.1 EU – Hungary Relations

Relations between Hungary and the EU began in 1989 when they became part of the Poland and Hungary Assistance for the Reconstruction of the Economy (PHARE) program which provided support from the EU on their economic transition.⁹ In 1994 Hungary applied for membership of the EU and negotiations started in 1998. Hungary became a member of the EU in 2004 alongside nine other countries, making it the largest enlargement in EU history.¹⁰ When Hungary joined the EU and the prospects of political, economic, and social development, it was seen as a “return to Europe”.¹¹ The relations between the EU and Hungary deepened when Hungary became part of the Schengen area in December 2007. When becoming part of the Schengen the relationship between Hungary and the EU covered politics, economics, free movement, and free trade paving the way for cooperation between the two. Unfortunately, this has shown to not be the case.

In 2010 Hungary had their governmental elections which resulted in a new government led by Victor Orbán and his centre-right conservative party, FIDESZ, replacing the former Socialist government.¹² Since the government change, the EU and Hungary's relations have consisted of pushback from Orbán and his rhetoric of “Hungary first” and this rhetoric has caused problems for the EU in several policy areas.¹³ An example is the blocking by Hungary on the release of an EU statement criticising the Chinese government over their new security law, restricting freedom in Hong

⁸ Ibid.

⁹ Robert Csehi, ‘Hungary and the European Union’, in *Oxford Research Encyclopedia of Politics*, by Robert Csehi (Oxford University Press, 2020), <https://doi.org/10.1093/acrefore/9780190228637.013.1110>.

¹⁰ European Commission, ‘From 6 to 27 Members’, 29 May 2019, https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/6-27-members_en.

¹¹ Csehi, ‘Hungary and the European Union’, p. 3.

¹² Krisztina Than and Gergely Szakacs, ‘Fidesz Wins Hungary Election with Strong Mandate’, *Reuters*, 12 April 2010, sec. United States, <https://www.reuters.com/article/idUSTRE63A1GE/>.

¹³ Krisztina Koenen, ‘Hungary and the EU: A Deepening Divide – GIS Reports’, 17 May 2023, <https://www.gisreportsonline.com/r/hungary-eu-divide/>.

Kong in 2021.¹⁴ It is argued by EU officials that the reason for Hungary blocking the statement is that the EU has enough issues with China, referring to EU sanctions on China's human rights abuses of the Uighur minority in the northern region of Xinjiang.¹⁵ Another explanation could be the fact that Hungary receives large investments from China and not blocking the statement that the EU wanted to put out, could harm the fruitful and deepening relationship between the two nations.

1.2 Hungary – China Relations

As stated above Hungary and China have a positive relationship on economic as well as political matters. Hungary established ties with China in 1949 when they formally recognised the People's Republic of China (PRC).¹⁶ Although Hungary formally recognised the PRC after the Cold War there was a priority in Hungary to distance themselves from communism and focus on integrating with the West. This ultimately put China and their respective relations on the sidelines for almost two decades.¹⁷ However, since Victor Orbán won the governmental elections in 2010, Orbán and his government have been cultivating their relations with China, and this has caused problems between Hungary and the EU (see section 1.1 EU – Hungary Relations above).

When entering into office in 2010 Orbán launched a policy targeted at opening the country to eastern states, such as China, India, Singapore, and Russia to “rebalance Hungary's foreign economic policy” and reduce their dependence on EU funds.¹⁸ Opening Hungary to the east allowed for the relations between the two nations to deepen; an example of this is the Belt and Road Initiative (BRI) launched by China to build a modern Silk Road to build infrastructure connecting Asia and Europe, to which Hungary was the first European country to sign the cooperation agreement.¹⁹ Both countries see Hungary as playing a significant role in the project given its central location between Europe and the East. Beyond taking part in the BRI, Hungary has since 2012 also been part of the 17+1 framework which promotes business and investment relations between participating states.

¹⁴ John Chalmers and Robin Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’, *Reuters*, 16 April 2021, sec. Asia Pacific, <https://www.reuters.com/world/asia-pacific/hungary-blocks-eu-statement-criticising-china-over-hong-kong-diplomats-say-2021-04-16/>.

¹⁵ *Ibid.*

¹⁶ Erik Brattberg et al., ‘China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’.

¹⁷ *Ibid.*, p. 28

¹⁸ *Ibid.*

¹⁹ Ben Blanchard and Paul Carsten, ‘Hungary First European Country to Sign up for China Silk Road Plan’, *Reuters*, 7 June 2015, sec. World, <https://www.reuters.com/article/idUSKBN0ON01V/>.

Both international initiatives show Hungary's commitment to China, and this culminated in their relationship being upgraded to a "comprehensive strategic partnership" in 2017.²⁰

Examples of the strong relations between Hungary and China are evident in the fact that Hungary has a large number of diplomatic missions, relative to its size. They have an embassy in Beijing and three consulates in Shanghai, Hong Kong, and Chongqing.²¹ Furthermore, when COVID-19 swept across the world, Hungary received medical equipment and pharmaceuticals from China to battle COVID-19. As vaccines became available and national vaccine programs began, Hungary was the first EU country to authorise emergency use of two Chinese vaccines.²² Another example of the far-reaching relationship between China and Hungary is a long list of Chinese institutions in Hungary; these include, several Confucius Institutes, a bilingual school, a traditional Chinese medicines facility, and formal associations with Hungarian universities.²³ Celebrating their 75th anniversary of diplomatic relations this year, it is clear that Hungary and China see great potential in each other for partnerships across many areas and for years to come.

1.3 EU – China Relations

EU established formal relations with China in 1975. The first couple of decades their diplomatic relations were without any major events other than a trade agreement in 1978. The limited interactions between the two actors were due to inward-looking reforms in China and a focus on Europeanisation in the EU.²⁴ The first major change in their diplomatic relations was their first summit taking place in 1998.²⁵ Over the years the areas of cooperation have evolved to include, foreign affairs, security, climate change and global governance. In the early 2000s, the EU and China recognised their relations as a strategic partnership. This change in relations came about as a result of China's opening up and reform changes.²⁶

With the rise of China as an international actor, the relations between China and the EU have become strained and China is now being categorised as a systemic rival. Furthermore, their

²⁰ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 31.

²¹ Ibid., p. 33.

²² Ibid., p. 34.

²³ Ibid., p. 35

²⁴ Bas Hooijmaaijers, *Unpacking EU Policy-Making towards China: How Member States, Bureaucracies, and Institutions Shape Its China Economic Policy* (Singapore: Palgrave Macmillan, 2021).

²⁵ Ibid.

²⁶ Ibid.

economic relations have changed from being complementary to competitive.²⁷ This is the result of competitiveness regarding economic partnerships with the Global South. Another cause for the change in relations between the EU and China is the BRI project that China launched in Eastern European countries as well as the 17+1 framework are of great concern to the EU.²⁸ Furthermore, the EU is becoming more conscious that China is not just a rival in economics and technology, but also a political and ideological challenger, advocating for different models of development and governance.²⁹ This is evident with the deepening of the relations between Hungary and China described above. Since 2017 the relations between the EU and China have been “on a downward spiral” that resulted in China, as mentioned above, being labelled as a systemic rival in 2019.³⁰ This label of rival occurred after several contentious moves by China such as Chinese threats towards Taiwan, human rights abuses against the Uighur people, and China’s position on Russia’s invasion of Ukraine.³¹

The future of EU-China relations is likely to be marked by increasing strain as economic interdependence clashes with political and ideological differences. The EU's concerns over China's human rights record, particularly regarding the treatment of Uyghurs in Xinjiang and the crackdown on freedoms in Hong Kong, have led to a more critical stance, straining diplomatic ties. Additionally, issues such as cybersecurity threats, intellectual property theft, and the lack of market reciprocity have fuelled European frustrations.³² The EU's efforts to protect its economic interests and maintain technological sovereignty may result in stricter regulations and reduced cooperation in key sectors. Furthermore, China's Belt and Road Initiative and its growing influence in Eastern Europe have caused unease within the EU, prompting fears of political and economic leverage.³³ As the EU seeks to balance engagement with strategic autonomy, relations with China are expected to remain fraught, characterized by a cautious and sometimes confrontational approach. This is evident in the EU’s new approach of “de-risking”.³⁴

²⁷ Xing Li, *China-EU Relations in a New Era of Global Transformation*, New Regionalisms Series (London: Routledge, Taylor & Francis group, 2022).

²⁸ Ibid.

²⁹ Ibid., p. 2.

³⁰ Andreea Brinza et al., ‘EU-China Relations: De-Risking or de-Coupling – the Future of the EU Strategy towards China’ (European Parliament, March 2024), [https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO_STU\(2024\)754446_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2024/754446/EXPO_STU(2024)754446_EN.pdf).

³¹ Ibid.

³² Thomas Christiansen, Emil Joseph Kirchner, and Philomena Murray, eds., *The Palgrave Handbook of EU-Asia Relations* (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2013), p. 500.

³³ Erik Brattberg et al., ‘China’s Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’.

³⁴ Brinza et al., ‘EU-China Relations: De-Risking or de-Coupling – the Future of the EU Strategy towards China’.

1.4 Research Question

The relations between all of the above parties have become ever more intertwined and from this problems in their respective relations have surfaced. One such problem is Hungary's behaviour when it comes to voting on foreign policies regarding China. This problem is interesting to understand in light of the political landscape in Hungary and how that has not only impacted Hungary's relations with the EU but also its relations with China. It is on this background that this thesis will be trying to explain Hungary's behaviour when it comes to the CFSPs regarding China; more specifically, the research question for this thesis is:

Why has Hungary vetoed EU CFSPs regarding China?

2. Methodology

2.1 Research Design

This thesis aims to explain and understand what reasons may lay behind Hungary's behaviour making it more difficult for the EU to settle on a united and thorough foreign policy on China. This has led to the research question: *Why has Hungary vetoed EU CFSPs regarding China?* The tools utilised in this thesis will be pencilled out below. Furthermore, this thesis aims to enter the academic literature and academic debate surrounding the EU's foreign policy on China and the wider debate of the EU's CFSP.

This thesis aims to research the causal relationship between Hungary's relations with China and its behaviour towards the EU and its CFSP on China. This will be done based on four hypotheses developed from the two central theories of International Relations (IR) utilised in this thesis (see 3. Theoretical framework). The two theories making up the theoretical framework of this thesis are Realism and Constructivism. The four hypotheses were formulated to be distinct from one another thereby eliminating the risk of overlapping and ultimately skewing the results of the analysis by providing identical answers. Furthermore, the hypotheses were developed from the central concepts of the two chosen theories (see 3. Theoretical framework below).

The two hypotheses based on Realism and its theoretical concepts are:

1. Hungary is blocking EU China policies to ensure its survival in its relationship with China.

2. Hungary's policy behaviour regarding the EU's CFSP on China can be seen as self-help as a means to ensure economic security from China.

The two hypotheses based on Constructivism and its theoretical concepts are:

3. Hungary blocked China related EU voting because their norms have changed due to its deepening relations with China.
4. Hungary's identity has changed from Euro-centric to China-centric due to their deepening relationship with China.

These four hypotheses form the basis of the analysis and will be confirmed or rejected on their ability to explain Hungary's behaviour in their interactions with the EU's CFSP on China. This confirmation, or rejection, will be done by the method of Causal Process Tracing (CPT), which will be described in detail below.

The research carried out in this thesis will be based on deductive reasoning. According to Lamont, deductive reasoning-based research is "engaged in theory-testing of hypotheses".³⁵ Additionally, Lamont explains that deductive reasoning research considers an already established IR theory and tests its assumptions against the empirical data, to analyse whether the theory can explain the examined research topic.³⁶ On the background of the explained topic of this thesis, deductive reasoning offers the best possible research design for the research of the topic of this thesis.

This thesis utilises a dual approach. In other words, both a positivist and an interpretivist approach have been utilised in this thesis. The approach of the thesis is positivist due to the aim of trying to confirm the proposed hypotheses through empirical analysis and because this thesis aims to explain the behaviour of Hungary and "generate generalizable findings" through the verification of hypotheses.³⁷ Furthermore, a positivist approach is utilised due to the approach's element of analysing and verifying causal claims. Finally, a positivist approach has been utilised on account of the theoretical framework of realism. On the other hand, the thesis is interpretivist as a result of the second theory of this thesis, constructivism. Constructivism is an interpretive theory because it is based on interpretations of the social world in which actors interact.³⁸ Interpretive research seeks to "understand identities, ideas, norms and culture", which corresponds with the use of the second utilised theory of this thesis, namely constructivism.³⁹ As a result of the interpretive background of

³⁵ Christopher Lamont, *Research Methods in International Relations*, Second (Thousand Oaks: SAGE Publications Ltd, 2021), p. 41.

³⁶ Ibid.

³⁷ Ibid., p. 26

³⁸ Lamont, *Research Methods in International Relations*.

³⁹ Ibid., p. 26.

constructivism, interpretivism is the approach used in the empirical analysis of the constructivist hypotheses. Therefore, because this thesis aims to analyse the causal relationship between Hungary's relations with China and their behaviour regarding the EU's CFSP on China based on the use of two theories based on both traditions, a dual approach is most appropriate to explain the causal relationship and ultimately the best approach to answer the research question.

2.2 Choice of Theory

The theories chosen for this thesis are that of Realism and Constructivism. As the aim of this thesis is to confirm which of the two central IR theories and their characteristics, in the form of hypotheses, to explain Hungary's behaviour towards the EU's CFSP on China the two chosen theories cover two different approaches to understanding the behaviour of states in IR. Both theories are prominent in the study of international relations and world politics, emerging as rivals to the established theories of their time. It is because of the contrast between the two theories that they were chosen for this thesis. In other words, on account of their ability to offer different understandings of the social world in which states interact, they can cover a broader area of the complex world of state interaction and by extension the complexity of this thesis. As a result of the complex nature of the topic of this thesis, competing theories make it possible to analyse the topic more in-depth than complementing theories would. Furthermore, the complexity of the topic also opens up the possibility of there being more than one explanation of the behaviour of Hungary.

The theories and their conceptual contributions to the field of international politics are valuable to this thesis in that they offer explanations for the behaviour of states within international politics. They touch upon different aspects of interactions between states and have been chosen for this exact reason. The two theories utilised for this thesis are also chosen due to their ability to explain global political outcomes to identify the variables that could explain the behaviour of Hungary. Furthermore, the theories provide concepts that are necessary for the understanding and explanation of the topic of this thesis. Though they agree on some areas of the international political world, for example, that hard power is important in interstate interactions, they differ significantly in their understanding of what is important for explaining the behaviour of states when interacting in the international arena.⁴⁰

⁴⁰ Tim Dunne and Brian C. Schmidt, 'Realism', in *The Globalization of World Politics: An Introduction to International Relations*, Eighth Edition (Oxford New York: Oxford University Press, 2020), 130–44.; Michael Barnett,

2.3 Research Method

On the background of the above research design and the aim of this thesis, this section will go into greater detail about which method will be used to analyse the chosen topic and hypotheses. The analysis that will be conducted in this thesis is that of Causal Process Tracing. Process tracing is defined by Bennet and Checkel as “the analysis of evidence on processes, sequences, and conjectures of events ... for the purposes of either developing or testing hypotheses about causal mechanisms...”.⁴¹ Causal process tracing is able to help to systematically study the case of this thesis. Below causal process tracing and its components will be described in detail.

2.3.1 Causal Process Tracing

According to Collier process tracing proposes four principal advantages for the analysis of qualitative data, these four advantages being:⁴²

1. Help identify and systematically describe new political and social phenomena.
2. Assists in evaluating pre-existing explanatory hypotheses and helps generate new hypotheses and assess new causal claims.
3. Helps gain insights into causal mechanisms.
4. Provides a complementary method of addressing limitations posed by statistical tools for causal inference.

From these four advantages, the second and third advantages are representative of what this thesis seeks to examine. The research method of process tracing is a discipline that has been used and developed by many academics, however, George and Bennett played the leading role in developing the method.⁴³ This thesis, however, will be based on the work of David Collier and his article ‘Understanding Process Tracing’ where he goes into depth with his development of the framework and describes the different characteristics of the method of process tracing.

Process tracing as a method contributes to describing “political and social phenomena and to evaluate causal claims”.⁴⁴ Furthermore, process tracing is focused on events over time, and it is therefore important to set temporal boundaries for the topic of analysis.⁴⁵ Starting far back in history

‘Social Constructivism’, in *The Globalization of World Politics: An Introduction to International Relations*, Eighth Edition (Oxford New York: Oxford University Press, 2020), 192–206.

⁴¹ Lamont, *Research Methods in International Relations*., p. 106.

⁴² Ibid., p. 107.

⁴³ David Collier, ‘Understanding Process Tracing’, *PS: Political Science and Politics* 44, no. 4 (October 2011): 823–30.

⁴⁴ Collier., p. 823

⁴⁵ Lamont, *Research Methods in International Relations*.

is important to understand some elements of the event of analysis, however, starting too far back can be unhelpful as it can make the process story “impossible to tell within the scope of a research paper or thesis”.⁴⁶

Process tracing, causal inference, and causal process tracing are interconnected terms within the realm of social science research methodology, particularly in the study of causality. Process tracing involves the systematic examination of the processes that link an independent variable to a dependent variable, aiming to understand the mechanisms behind causation in a specific case.⁴⁷ Causal process tracing is a specific method within process tracing that focuses explicitly on establishing and understanding these causal mechanisms. It is a detailed investigation into how and why a cause leads to an effect, emphasizing the sequence of events and actions. Causal inference, on the other hand, is a broader concept that encompasses various methods used to draw conclusions about causality. Within causal inference, process tracing and causal process tracing are techniques used to delve deeper into the causal relationships between variables, providing a systematic approach to understanding and explaining cause-and-effect relationships. Together, they form a powerful toolkit to unravel the complexities of causation in diverse contexts. In conclusion, the different terminology of the method used in this thesis are all elements of the same method, to gain a common insight into causal mechanisms that are evident in social interactions between, in the case of this thesis, states.

According to Collier and his framework, process tracing can be divided into two subcategories descriptive inference and causal inference; this thesis will utilise the method of causal inference. Causal inference can be found through four empirical tests: straw-in-the-wind, hoop, smoking-gun, and doubly decisive.⁴⁸ These four tests are classified in the manner of whether the tests are either necessary or sufficient for affirming a causal inference (see Table 1).⁴⁹ What is important to keep in mind is that if a hypothesis passes one empirical test does not necessarily eliminate the possibility for other hypotheses to be explanatory of causal inference.

⁴⁶ Lamont., p. 107.

⁴⁷ Ibid.

⁴⁸ Collier, ‘Understanding Process Tracing’, p. 825.

⁴⁹ Ibid.

Table 1: Process Tracing Tests for Causal Inference

		Sufficient for affirming causal inference	
		No	Yes
Necessary for affirming causal inference		1. Straw-in-the-wind	3. Smoking-gun
	No	a. Passing: Affirms relevance of hypothesis, but does not confirm it b. Failing: Hypothesis is not eliminated, but is slightly weakened c. Implications for rival hypotheses: Passing: <i>slightly</i> weakens them Failing: <i>slightly</i> strengthens them	a. Passing: Confirms hypothesis b. Failing: Hypothesis is not eliminated, but is somewhat weakened c. Implications for rival hypotheses: Passing: <i>substantially</i> weakens them Failing: <i>somewhat</i> strengthens them
		2. Hoop	4. Doubly Decisive
	Yes	a. Passing: Affirms relevance of hypothesis, but does not confirm it b. Failing: Eliminates hypothesis c. Implications for rival hypotheses: Passing: <i>somewhat</i> weakens them Failing: <i>somewhat</i> strengthens them	a. Passing: Confirms hypothesis and eliminates others b. Failing: Eliminates hypothesis c. Implications for rival hypotheses: Passing: <i>eliminates</i> them Failing: <i>substantially</i> strengthens them

Source 1: Collier, "Understanding Process Tracing"

The Straw-in-the-wind test is useful for providing the researcher with criteria that can provide neither sufficient nor necessary for accepting or rejecting the proposed hypothesis or hypotheses.⁵⁰ Out of the four empirical tests, this is the weakest of them all and this is due to its inability to ultimately eliminate other hypotheses, even if a hypothesis passes the Straw-in-the-wind test. Despite this fact, this test is still valuable because it provides the researcher with an initial assessment of the tested hypothesis and if the hypothesis passes multiple straw-in-the-wind tests it ultimately adds up to important affirmative evidence.⁵¹

The Hoop test, on the other hand, can offer the researcher greater evidence of the elimination of a hypothesis. Hoop tests are more demanding than straw-in-the-wind tests because a hypothesis can be eliminated if it does not pass the Hoop test.⁵² Even if a hypothesis passes the hoop test it does not affirm the hypothesis, it does however somewhat weaken the possibility of other hypotheses passing the test. According to Collier, the Hoop test does not yield “*sufficient* criterion for

⁵⁰ Collier, ‘Understanding Process Tracing’.

⁵¹ Ibid.

⁵² Ibid.

accepting the explanation, it [however] establishes a *necessary* criterion”.⁵³ As can be seen in Table 1, the hoop test can be used to eliminate a hypothesis and is therefore a stronger test.

The Smoking-gun test, as can be understood from Table 1, provides a sufficient but not necessary criterion for causal inference by passing the test. A proposed hypothesis, by passing this test, can be supported and thereby weakens rival hypotheses.⁵⁴ Furthermore, if a hypothesis fails the smoking-gun test, similar to the straw-in-the-wind test, it is not eliminated but it does weaken its validity to explain causal inference. Failing this test results in other hypotheses being somewhat strengthened, but the tested hypothesis could still explain causal inference, however with minimised certainty.⁵⁵

The last of the four tests, the Doubly Decisive test, is the strongest test to eliminate or confirm a hypothesis of causal inference. A hypothesis that passes this test meets both necessary and sufficient standards for demonstrating causal inference. If a hypothesis passes this test, the hypothesis is confirmed and simultaneously eliminates other hypotheses.⁵⁶ On the other hand, if a hypothesis fails the doubly decisive test, other proposed hypotheses are strengthened as failing this test eliminates the hypothesis for explaining causal inference as opposed to other tests where failing the test does not equate to the elimination of the tested hypothesis.

These four tests will serve as the basis for the analysis of the hypotheses operationalised above. In the first causal inference test, initial indicators related to each hypothesis will be presented. The data related to the initial indicators will be introduced rather than analysed due to the low analytical and confirmatory value of the first test. In the second test, the indicators found in the first test will be analysed to assess the consistency of the evidence with the proposed causal mechanism. It examines whether the observed events or processes align with the expected sequence of events implied by the hypotheses. The third causal inference test seeks to identify decisive evidence that directly links a particular cause to the observed outcome. It looks for clear and unambiguous evidence that provides strong support for the proposed causal mechanism. It is in this test that inconsistencies between the data or evidence and the hypothesis will be presented and analysed. The fourth and last test requires both smoking-gun evidence and the absence of evidence that would be expected if the proposed causal mechanism were not operating. It involves ruling out alternative explanations and demonstrating that the observed outcome is both caused by the proposed mechanism and not

⁵³ Collier, ‘Understanding Process Tracing’, p. 826.

⁵⁴ Collier.

⁵⁵ Ibid.

⁵⁶ Ibid.

attributable to other factors. These analytical tests – straw-in-the-wind, hoop, smoking-gun, and doubly decisive – offer different criteria for evaluating the plausibility of causal mechanisms identified through process tracing. They range from identifying initial indicators and assessing consistency to seeking conclusive evidence and ruling out alternative explanations. Each test serves a distinct purpose in the process of causal inference and helps with evaluating the strength of their causal arguments.

2.4 Data Selection

This thesis aims to analyse whether there are causal mechanisms that can explain Hungary's behaviour towards the EU's CFSP on China, by verifying the four hypotheses derived from realism and constructivism; to do this the qualitative approach of causal process tracing has been utilised. Causal process tracing is predominately a qualitative method of finding causal mechanisms that can explain the relationship between variables. The qualitative data utilised in this thesis is a combination of primary and secondary sources. Primary sources will be official EU press statements and official speeches or statements by Hungarian, EU, or Chinese officials. The secondary sources will be news articles covering events that could be useful in explaining Hungary's behaviour. Furthermore, due to the theoretical framework and dual approach, quantitative data will also be utilised. This data will be comprised of economic data such as Foreign Direct Investment (FDI) records. Similarly to the qualitative data, a combination of primary and secondary sources will also be used for the quantitative data.

The method used for this thesis, though a predominantly qualitative method, will use both qualitative and quantitative data. This is a consequence of the choice of theories. They each facilitate the use of various types of data. As noted earlier, due to their different approaches they also utilise different data to analyse a chosen topic; this is why both qualitative and quantitative data are utilised. The different data offer background knowledge that is important to both confirming or rejecting the four hypotheses and ultimately providing evidence that will assist in answering the research question.

2.5 Choice of Case

This thesis is based upon a small-n, single case study with Hungary and its behaviour as the case of analysis. Hungary, as a case, has been chosen due to its problems with the EU in recent years (see Introduction for information on this). Furthermore, due to Hungary's recent democratic backsliding

and its ever-closer ties with China in the form of the BRI and 17+1 framework, makes Hungary an interesting case to analyse. As a case for analysis, Hungary is interesting due to its compatibility with causal process tracing.

According to Lamont case studies can “generate new hypotheses and contribute to theory-building, as well as theory-testing”.⁵⁷ As this thesis uses hypotheses based on two theoretical backgrounds – realism and constructivism, the case study of this thesis aligns with Lamont’s description of what a case study can offer to academic research. Another definition of what a case study is is provided by Gerring stating that case studies are “an intensive study of a single unit for the purpose of understanding a large class of (similar) units”.⁵⁸ This definition also explains elements of which this thesis will analyse and provide explanations that could result in further research on the topic.

2.6 Operationalisation

Following the method of causal process tracing to explain causal mechanisms, this thesis will, based on realism and constructivism, confirm, or eliminate the four hypotheses as being possible answers to the research question. Two hypotheses will be based on the characteristics of realism and the other two on the characteristics of constructivism. Another operationalisation that is important to state is the temporal boundaries for this thesis. As stated in section 2.2.1, having temporal boundaries is important for the analysis of process tracing, therefore the timeline that this thesis operates from is from 2010 when Victor Orbán became Prime Minister of Hungary. The timeline is ongoing as there will continue to be votes on foreign policies towards China and the potential for Hungary to veto certain decisions regarding the EU’s foreign policy on China. Furthermore, events related to the variables present in the analysis of this thesis are likely to occur during the completion of this thesis, therefore, data from 2024 will also be utilised.

The four hypotheses are formulated to include central concepts from each of the two theories utilised in this thesis. One of the concepts connected to realism is survival. Survival in realism is the ultimate goal of a state and if threatened it should maximise its military power, however, in the Western world, the threat to a state’s survival is limited. Therefore, in the context of this thesis and the first realist hypothesis, the term survival is to be understood as the interest of Hungary to ensure

⁵⁷ Lamont, *Research Methods in International Relations.*, p. 213.

⁵⁸ Ibid.

its economy can withstand potential economic crises in the future but also ensure that their economy does not suffer from the EU withholding EU funds.

2.7 Limitations of Research Choices

Causal process tracing and qualitative research are valuable methods for gaining deep insights into complex phenomena, yet they each come with distinct limitations that one must carefully consider. Causal process tracing, for instance, faces challenges in identifying and accessing all relevant data points within intricate causal pathways. Relying on historical or official records can introduce biases or gaps in information, potentially limiting the method's accuracy. Moreover, the findings from causal process tracing may not always be easily generalisable to broader contexts, given its focus on specific case studies. There's also the risk of researchers inadvertently injecting their personal biases when interpreting the traced causal mechanisms, leading to subjective conclusions.

Qualitative research, on the other hand, also presents its own set of limitations. One significant challenge is the potential for researcher bias, as the interpretation of qualitative data heavily relies on the researcher's perspective and preconceptions. This subjectivity can influence everything from data collection methods to analysis, potentially skewing findings. Additionally, the smaller sample sizes common in qualitative studies can limit the generalisability of results. Moreover, qualitative research may lack replicability, as it focuses on the unique context and experiences of specific groups or situations, making it challenging to replicate studies exactly.

Despite these limitations, both causal process tracing and qualitative research remain invaluable for exploring complex social phenomena, generating hypotheses, and providing context to quantitative data. When used thoughtfully and in conjunction with other approaches, these methods can offer profound understanding and meaningful insights into the intricacies of human behaviour and society.

3. Theoretical framework

3.1 Realism

Realism, as a theory of IR, emerged as a rivalling theory to that of idealism following the Second World War and the rise of the Cold War. To this day realism remains one of the dominant theories to

study world politics.⁵⁹ Realism, in the realm of foreign policy, advocated for states to focus on interests rather than ideology to seek peace in the political environment of nuclear armament.⁶⁰ The realist tradition can be traced back to ancient Greece and has been developed throughout history by great theorists such as Machiavelli, Hobbes, and Rousseau. What they all agree on as the central part of realism is that international politics is a struggle for power and concern for the security of the state.⁶¹ However, despite their differing understandings of how world politics works, they also agree that human nature drives states' behaviour. According to realist Thucydides, "the desire for power and the need to follow self-interest are held to be fundamental aspects of human nature".⁶² The self-seeking behaviour of states can be understood as a reflection of the basic characteristics of human beings, and it is because of this that international politics can be explained as being about power politics.

Within realism, power is a central and pervasive concept that shapes the understanding of international relations. Realists view power not just as a means to achieve goals but as the defining feature of the international system. Power, whether military, economic, or diplomatic, is seen as the primary currency of states' interactions.⁶³ Realists argue that in an anarchic world where there is no central authority, states must rely on their own power to ensure survival and security. This pursuit of power is driven by the fundamental assumption that states are rational actors seeking to maximize their interests.⁶⁴ Realism recognises both the distribution of power among states and the dynamic nature of power relations, where states constantly compete and balance against each other. Power disparities lead to hierarchies in the international system, shaping alliances, conflicts, and the behaviour of states.⁶⁵ In essence, realism's understanding of power underscores its pervasive influence on shaping state behaviour, driving strategies for survival, and defining the structure of the international order.

Realism operates with three core elements that can explain the behaviour of actors in international politics. These are referred to as the "three Ss" – statism, survival, and self-help.⁶⁶ Statism is the term expressing the realist understanding of the state as the main actor in international

⁵⁹ Dunne and Schmidt, 'Realism', p. 131.

⁶⁰ Ibid.

⁶¹ Ibid., p. 132.

⁶² Ibid., p. 133.

⁶³ Sheldon R. Anderson, Mark Allen Peterson, and Stanley Toops, *International Studies: An Interdisciplinary Approach to Global Issues*, Fourth edition (Boulder, CO: Westview Press, 2018), p. 140.

⁶⁴ Dunne and Schmidt, 'Realism'.

⁶⁵ Ibid.

⁶⁶ Dunne and Schmidt, 'Realism', p. 139.s

politics. What defines the state is its sovereignty to “make and enforce laws” to ensure the internal security of the state.⁶⁷ Realists argue that states in a system of anarchy – the realm in which international politics takes place – compete for power and security. Here power can be understood as the “ability of a state to control or influence its environment in situations that are [nonconflictual]”.⁶⁸ Survival is, similarly to power, a core interest of states. The power that states seek, is sought to ensure the security and ultimately the survival of the state. Survival is, therefore, to some realists, not just a core interest, but the ultimate concern and interest of the state.⁶⁹ For that reason, it can be argued that security and survival can be understood as the same goal of the state and can be used synonymously. Each state actor is responsible for its own survival, and it therefore does not entrust its survival to another actor.⁷⁰ A state’s pursuit of survival includes increasing its military capabilities or entering into military alliances (e.g., NATO), ensuring a strong economy, and taking measures to limit its dependence on others. The last element of realism, self-help, is the idea that states can ultimately only rely on themselves to achieve security; this is due to the system of anarchy within which states interact.⁷¹ In a self-help system, realists emphasise that state leaders and diplomats play a crucial role in maintaining the balance of power. They further argue that the element of self-help goes against the possibility of the corporation, due to the concern of relative gains and the power that that provides rivalling states.⁷²

3.2 Constructivism

In contrast to realism, constructivism is a relatively new theory. In the time following the end of the Cold War, new ways of thinking about world politics were needed, as established theories like realism and neoliberal institutionalism fell short of explaining how the outcome of the Cold War was possible; this is where constructivist thinking could fill that gap.⁷³ Constructivism is “a social theory that concerns the relationship between agents and structures”.⁷⁴ Furthermore, it focuses on human consciousness and considers how structures establish agents’ identities and interests.

⁶⁷ Ibid., p. 139.

⁶⁸ Ibid.

⁶⁹ Dunne and Schmidt, ‘Realism’, p. 140

⁷⁰ Ibid., p. 135.

⁷¹ Ibid.

⁷² Dunne and Schmidt, ‘Realism’, p. 141.

⁷³ Barnett, ‘Social Constructivism’, p. 194.

⁷⁴ Ibid., p. 195.

Key elements of constructivism are norms, ideas, identity, and rules. Constructivists argue that these elements are central to the understanding of states' behaviour.⁷⁵ Identity and norms, according to constructivists, shape state interests. Identity, concerning international politics, is a social construct and is created through interactions i.e. state interactions. Due to the social aspect of identity, a state's identity can change depending on the context in which they interact.⁷⁶ Norms are adhered to by actors because of benefits, but also because it is related to a sense of self. Related to norms is the concept of socialisation. Socialisation can help explain how states change their identity and subsequent behaviour to that of the group they seek to become a part of. According to Alastair Johnston, socialisation can be produced by several mechanisms – mimicking, social influence, and persuasion.⁷⁷ For the purpose of this thesis, only the mechanism of social influence will be considered. Social influence as socialisation is when states are affected by other states' behaviour and try to align their policies and behaviour with that of the group they want to identify with.⁷⁸ Moreover, social influence is when states want to be seen as a legitimate actor to the existing group, and therefore their norms and behaviour change as well as their identity. In other words, identities are relational.⁷⁹ Alexander Wendt argues that a state can have multiple identities but the importance and commitment to each identity varies. He further argues that "processes of identity-formation ... are concerned ... with preservation or 'security' of the self".⁸⁰ The process of identity formation can, according to Wendt, be connected to the mechanism of socialisation, as described above.

In constructivism, the understanding and use of norms are crucial in explaining how state behaviour can change in new relations. When states enter into new relationships, whether through alliances, treaties, or diplomatic agreements, they encounter and often adopt new sets of norms that govern those relationships. Constructivists argue that states' behaviour in these new relations is influenced by their socialisation into these norms. As states interact with each other and adhere to and interact with these new norms, they begin to internalise and normalise these behaviours, leading to changes in their conduct.⁸¹ This process is often referred to as "norm diffusion," where new norms spread and become accepted within the international system. Norms can also be deliberately promoted by states or international organizations, to encourage others to adopt these new standards

⁷⁵ Ibid., p. 194.

⁷⁶ Ibid., p. 196.

⁷⁷ Ibid., p. 202.

⁷⁸ Ibid.

⁷⁹ Alexander Wendt, 'Anarchy Is What States Make of It: The Social Construction of Power Politics', *International Organization* 46, no. 2 (1992): 391–425, <https://doi.org/10.1017/S0020818300027764>, p. 397.

⁸⁰ Ibid., p. 399.

⁸¹ Barnett, 'Social Constructivism', p. 201.

of behaviour, an example of this is the EU where states who aspire to become members are to fulfil certain criteria which involve a change in state behaviour. Over time, these new norms can shape state identities and expectations, ultimately influencing their behaviour in the evolving landscape of international relations.

3.3 Theory implementation

The two theories offer different perspectives on the understanding of interactions between states in international politics and are therefore valuable to the analysis in that their conceptual understandings of the political world offer different explanations that will elucidate the behaviour of Hungary and provide the empirical analysis a strong foundation. Due to the different interpretations of the international political world, the two theories also touch upon different aspects that are important to the analysis in that they allow for a more comprehensive interpretation of Hungary's behaviour. Moreover, the two theories are rooted in different assessments of the driving forces of state's survival in the international system. For realism, the driving force is interest and power whereas the driving force of constructivism is norms, identity, and culture.

In the empirical analysis of this thesis realism and constructivism will be used to explain the behaviour of Hungary with a specific focus on the central concepts from both theories. For realism, these concepts are survival, self-help, and power; for constructivism, the concepts are identity and norms. In order to achieve an in-depth and satisfactory analysis, a set of hypotheses formulated based on both theories' concepts and understandings of international politics, has been formulated. The theory-based hypotheses will then be analysed through CPT tests, and either be confirmed or eliminated as possible answers to the research question. The realist hypotheses are tested based on quantitative data such as economic statistics of the Hungarian economy and the Chinese FDI into Hungary, as well as voting records of Hungary regarding the CFSP on China-related policies. On the other hand, the constructivist hypotheses are tested based on qualitative data such as news articles, EU press statements on Hungary, and official Chinese press statements.

The four theory-based hypotheses will, through the method of process tracing and the four causal inference tests, be analysed with supporting and opposing evidence provided by the qualitative- and quantitative data to conclude whether the hypotheses pass the four tests or not. Based on the results of the four tests one can make conclusive answers to which of the hypotheses have enough evidence and validity to explain Hungary's behaviour when vetoing CFSP decisions regarding China. Furthermore, the results of the causal inference tests will make it possible to

conclude which theory and what elements of that theory are best suited to answer the research question. The hypotheses and by extension the theories will lead the analysis with support from the data that is concurrent with each theoretical approach.

4. Analysis

In this chapter, a rigorous analysis aimed at scrutinizing or confirming the four theory-based hypotheses central to this study will be carried out. Grounded in the established theoretical framework of the previous chapter, these hypotheses serve as guiding principles for understanding and explaining the underlying mechanisms and predicting the relationships between key variables. Through systematic examination and empirical validation, we dive into each one, trying to ascertain whether they are valid and what perspective they offer in answering the research question. The first causal inference test will present initial indicators proving the validity of each hypothesis, whereupon the next test, the hoop test, will examine them and their expected sequence of events more in-depth. Following this, the smoking-gun test will introduce data that could potentially refute the proposed hypotheses. The last test looks at the evidence from the Smoking-gun test as well as the absence of evidence. Furthermore, it seeks to demonstrate that the observed outcome is both caused by the proposed mechanism and not attributable to other factors. The structural analysis conducted through the four causal inference tests will be an analysis of data based on the theoretical framework presented in the previous chapter.

The two realist hypotheses are similar and intertwined; in order to differentiate between them they will examine different areas relevant to the economic relations between Hungary and China, and Hungary and the EU. The realist hypotheses will be concerned with looking at different alliances that Hungary is a part of and what effect that has on the FDI inflows from China and the EU member states as well as the effect it has on Hungary's trade relations.

4.1 Straw-in-the-wind test

The first realist hypothesis, *Hungary is blocking EU China policies to ensure its survival in its relationship with China*, can be understood to include several understandings of what is seen as survival, therefore for the sake of the tests for the analysis, I will consider the economic indicators of survival that could lay behind Hungary's behaviour. One indicator for this hypothesis being valid in

explaining Hungary's behaviour is the rise in Chinese foreign direct investment (FDI) flows into Hungary after the 2009 financial crisis. With the financial crisis affecting several European nations including Hungary and the financial reforms in China in the early 2000s regarding opening up and relaxing restrictive investment policies, resulted in the opportunity for China to invest heavily in Hungary.⁸² A further indication that Hungary is pursuing economic survival is its participation in the 17+1 framework, initiated by the Chinese Ministry of Foreign Affairs to promote business and investment relations between China and 17 CEE countries as well as regional cooperation.⁸³ A third indicator is that the above indicators link to the causal mechanism of Hungary's relative power in the region is strengthened through the above-mentioned indicators. The inflow of Chinese FDI into the Hungarian economy, along with the 17+1 framework, positions Hungary to become a significant regional player in the region's relations with China and in the EU's Eastern expansion efforts.⁸⁴

The second realist hypothesis, *Hungary's policy behaviour regarding the EU's CFSP on China can be seen as self-help as a means to ensure economic security from China*, similarly to the first realist hypothesis, posits different elements concerning the notion of self-help. Several indicators support this hypothesis, one of which would be Hungary's participation in the 17+1 framework mentioned above, but also the subsequent BRI project that Hungary signed on for in 2015.⁸⁵ This indication lays forth the causal mechanism that entering into the 17+1 framework and the BRI is a way for Hungary to secure their economic prosperity in a self-help manner while simultaneously moving away from the dependency on EU funds. Another indicator of self-help behaviour by Hungary is the current Hungarian government's change in political values.⁸⁶ With a change in political values Hungary, and its succeeding policies will become a more desirable economic partner as economic reforms will align with that of its partners, more specifically align with those of China. The break with EU political values is a clear indicator that to ensure economic security, and according to the realist notion of self-help, the Hungarian government is changing its political values because it

⁸² Bijun Wang and Kailin Gao, 'Outward Direct Investment':, in *China's 40 Years of Reform and Development*, ed. Ross Garnaut, Ligang Song, and Cai Fang, 1978–2018 (ANU Press, 2018), 619–36, <http://www.jstor.org/stable/j.ctv5cgbnk.38>. ; Agnieszka McCaleb and Agnes Szunomar, 'Chinese Foreign Direct Investment in Central and Eastern Europe: An Institutional Perspective', in *Chinese Investment in Europe: Corporate Strategies and Labour Relations* (European Trade Union Institute, 2017), 121–40, https://www.researchgate.net/publication/318826812_Chinese_foreign_direct_investment_in_central_and_eastern_Europe_an_institutional_perspective.

⁸³ Song, *China's Relations with Central and Eastern Europe*.

⁸⁴ John Macri, 'How Hungary's Path Leads to China's Belt and Road', *The Diplomat*, 11 April 2019, <https://thediplomat.com/2019/04/how-hungarys-path-leads-to-chinas-belt-and-road/>.

⁸⁵ Blanchard and Carsten, 'Hungary First European Country to Sign up for China Silk Road Plan'.

⁸⁶ European Parliament, 'MEPs: Hungary Can No Longer Be Considered a Full Democracy', Press Statement, 15 September 2022, <https://www.europarl.europa.eu/news/en/press-room/20220909IPR40137/meps-hungary-can-no-longer-be-considered-a-full-democracy>.

would make them more appealing to the Chinese government as a place to invest, which in turn brings investment inflows that will boost the Hungarian economy.⁸⁷ A third indicator of Hungary's behaviour being a result of self-help is somewhat connected to an indicator from the previous realist hypothesis, this being the inflow of FDI from China. The inflow of FDI from China can be seen as self-help as Hungary ensures that they have economic cooperation with a state that lies outside of the EU, thereby maximising their economic security.⁸⁸

The first of the two constructivist-based hypotheses, *Hungary blocked China related EU voting because their norms have changed due to its deepening relations with China*, posits that some form of shift has happened in Hungary that would cause Hungary to behave differently when it comes to their foreign policy on China. Furthermore, it posits that the shift is more aligned with the Chinese worldview or ideology than that of the EU. One indicator of this hypothesis being valid in explaining Hungary's behaviour is that Hungary, under the current government, has made an ideological shift that breaks with the norms of the EU. Since the political party of Victor Orbán won the government elections in 2010, Orbán's government has made several judicial and political decisions which have caused problems with Brussels.⁸⁹ Additionally, the ideological shift also indicates a move towards a Chinese-inspired state.⁹⁰ Lastly, indicators of the validity of this hypothesis are the direct behaviour of Hungary on policies on China which they have vetoed or blocked. They blocked or vetoed possible EU statements on China's new security law in Hong Kong and a statement on China having to uphold the South China Sea tribunal ruling.⁹¹ A connected indicator is Hungary's statement that the EU sanctions on China related to the human rights abuses taking place in the Xinjiang region.⁹²

The second constructivist hypothesis, *Hungary's identity has changed from Euro-centric to China-centric due to their deepening relationship with China*, set forth that Hungary in its deepening relations with China, has changed how it perceives itself and formulates its subsequent

⁸⁷ Hungary Today, 'Significant Year to Come in Hungarian-Chinese Relations', *Hungary Today*, 28 December 2023, <https://hungarytoday.hu/significant-year-to-come-in-hungarian-chinese-relations/>.

⁸⁸ Hungary Today, 'Cooperation with China Is a Great Opportunity, Says Minister Szijjártó', *Hungary Today*, 17 November 2023, <https://hungarytoday.hu/cooperation-with-china-is-a-great-opportunity-says-minister-szijjarto/>.

⁸⁹ Zsuzsanna Végh, 'Hungary: The EU's Troublemaker', KEEPING EUROPEANS TOGETHER (European Council on Foreign Relations, 2016), JSTOR, <http://www.jstor.org/stable/resrep21671.17>.

⁹⁰ Government of Hungary, 'Prime Minister Viktor Orbán's Speech at the 25th Bálványos Summer Free University and Student Camp', Government of Hungary, 26 July 2014, <https://2015-2019.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-at-the-25th-balvanyos-summer-free-university-and-student-camp>.

⁹¹ Chalmers and Emmott, 'Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say'. ; Georgi Gotev, 'EU Unable to Adopt Statement Upholding South China Sea Ruling', www.euractiv.com, 14 July 2016, <https://www.euractiv.com/section/global-europe/news/eu-unable-to-adopt-statement-upholding-south-china-sea-ruling/>.

⁹² Ibid.

interests. Indicators for this hypothesis include positive imaging of China in the Hungarian media.⁹³ This suggests a causal mechanism between the relations between Hungary and China and a change in the identity of the Hungarian government. Furthermore, it indicates the validity of the proposition that Hungary has moved towards a more China-centric, than Euro-centric identity. Another indication of validity is the growing academic and cultural cooperation between the two nations. More specifically, the several Confucius Institutes and other Chinese-founded academic institutions.⁹⁴ The formation of these academic and cultural institutes indicates a move towards cooperation with China indicating a strong identification with Chinese teachings and by extension the Chinese government.⁹⁵

Having put all four hypotheses through the first causal inference test it has been made clear that all four hypotheses have passed the straw-in-the-wind test. In the first test, it was also proved that there is a close connection between the two realist hypotheses as the initial indicators of the two are present in both and are therefore intertwined in relation to the data presented. They all have initial indicators that prove their validity in explaining Hungary's behaviour. Conversely, as mentioned in the methodology chapter, this test is the weakest of the four causal inference tests. It simply indicates that they are relevant for explaining Hungary's behaviour but does not definitively confirm them. As a result of all hypotheses passing the test, none of them are significantly weakened and they could therefore still be able to contribute with theoretical insights that will assist in answering the research question.

4.2 Hoop test

In conducting the hoop test, I assess the consistency and coherence of the evidence with the proposed causal mechanism underlying the hypotheses and the initial indicators found in the straw-in-the-wind tests. The hoop test examines whether the observed events and processes align with the expected sequence of events implied by our theoretical framework. Unlike the straw-in-the-wind test, which identifies early indicators, the hoop test delves deeper into the narrative, scrutinising the extent to which the observed pattern of events matches the hypothesised causal explanations. By evaluating the internal consistency of the evidence, this test seeks to ascertain the strength of the causal arguments and validate the plausibility of our hypotheses.

⁹³ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', pp. 34-35

⁹⁴ Ibid., p. 35.

⁹⁵ Euronews, 'Hungary Agrees to Open Chinese University Campus in Budapest by 2024', euronews, 2 May 2021, <https://www.euronews.com/2021/05/02/hungary-agrees-to-open-chinese-university-campus-in-budapest-by-2024>.

Looking at the first realist hypothesis, *Hungary is blocking the EU's China policies to ensure its survival in its relationship with China*, the evidence for the first indicator of causality, a rise in Chinese FDI is an indicator of Hungary securing its survival by deepening its relations with China. One event that can explain this is the Eastern Opening policy which was established when the government of Victor Orbán took office in 2010. The policy was established as an approach following the already emerging trends of the time, in what has been described as “an Eastern wind blowing is blowing in the world economy”.⁹⁶ This policy came on the back end of the 2008 financial crisis where Hungary’s national debt rose from 71 per cent of its GDP in 2008 to 80 per cent in 2010.⁹⁷ As a result of the financial crisis, it can be argued, that the Orbán government saw the ‘Eastern wind’ as an opportunity to engage in economic partnerships with states outside of the EU. One country, in particular, was important for the Eastern Opening policy to succeed this being China. Chinese outward foreign direct investment (OFDI) into Hungary after the financial crisis in 2008 rose 450 per cent from around 100 million USD in 2009 to around 550 million in 2014.⁹⁸ It can therefore be argued that the Eastern Opening policy has been the main driving force behind Hungary’s foreign relations since its introduction in 2010.

The second indicator presented for the first hypothesis above, the 17+1 framework, is another event that was pursued as part of Hungary’s Eastern Opening policy. Entering into the framework boosted the cooperation between Hungary and China. Among the members of the cooperation framework, Hungary is China’s most important trading partner.⁹⁹ Within the 17+1 framework, Hungary, compared to the other participating CEE countries, primarily focuses on the economic spheres of the framework.¹⁰⁰ These economic spheres are, as mentioned, the attraction of Chinese FDI. Another event connected to the 17+1 framework is the formation of the BRI project, also known as the “New Silk Road”, aimed at connecting China with Eastern and Central Europe.¹⁰¹ Since Hungary signed on to the BRI in 2015 their annual inflow of FDI has slowly been rising from

⁹⁶ Ágnes Szunomár, ‘Blowing from the East’, *International Issues & Slovak Foreign Policy Affairs* 24, no. 3 (2015): 60–77., p. 61.

⁹⁷ International Monetary Fund, ‘World Economic Outlook Database: April 2024’, April 2024, https://www.imf.org/en/Publications/WEO/weo-database/2024/April/weo-report?c=944,&s=GGXWDG,GGXWDG_NGDP,&sy=2004&ey=2024&ssm=0&scsm=1&sc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1.

⁹⁸ McCaleb and Szunomar, ‘Chinese Foreign Direct Investment in Central and Eastern Europe: An Institutional Perspective’.

⁹⁹ Erik Brattberg et al., ‘China’s Influence in Southeastern, Central, and Eastern Europe: Vulnerabilities, and Resilience in Four Countries’.

¹⁰⁰ Song, *China’s Relations with Central and Eastern Europe*., p. 140.

¹⁰¹ Andrew Chatzky and James McBride, ‘China’s Massive Belt and Road Initiative’, Council on Foreign Relations, 28 January 2020, <https://www.cfr.org/backgrounders/chinas-massive-belt-and-road-initiative>.

86 million USD in 2015 to almost 106 million USD in 2022.¹⁰² This further speaks to the importance of FDI and by extension their foreign relations with China, for the Hungarian economy. Furthermore, of the Eastern European countries, that are also EU members, and are a part of the Chinese-funded BRI project, Hungary received the largest flow of FDI in the amount of 53 million USD in 2021.¹⁰³ Such major Chinese investments into Hungary are significant influxes of economic capital that could contribute to economic restructuring and future-proof their economy.

The economic impact that FDI has had on the Hungarian economy is related to the impact that FDI has had on the relative power of Hungary both concerning their position in the EU and its regional relations, but also in its power to realise their interests in other aspects than their economic interests. As Hungary has strengthened its economy through increased FDI from China, its relative power within the Eastern European bloc is reinforced. With a bolstered economic foundation, Hungary asserts itself as a significant actor within the region, potentially influencing the dynamics of the 17+1 framework and other Eastern European alliances. This enhanced economic capacity grants Hungary greater leverage in regional affairs, allowing it to pursue its interests more assertively and potentially shape the political and economic agendas of neighbouring countries. From the realist notion of survival, Hungary's economic growth enhances its capacity to ensure its survival and sovereignty. By diversifying its economic partnerships and strengthening its economic resilience, Hungary mitigates potential vulnerabilities and reinforces its position as a sovereign actor in the international arena, capable of navigating power dynamics within both the Eastern European bloc and the European Union.

Events connected to the indicators of the second realist hypothesis, *Hungary's policy behaviour regarding the EU's CFSP on China can be seen as self-help as a means to ensure economic security from China*, is analysed below. The first event to support the indicator presented in the first causal inference test is Hungary's participation in alliances with relevant international actors. Being a part of the 17+1 framework is an example of such an alliance. It is an alternative to the EU and offers a different platform for investments, development, and cooperation with less political and economic requirements for receiving these investments, which primarily come from China.¹⁰⁴

¹⁰² OECD, 'Foreign Direct Investment (FDI) Inward Stock in Hungary from 2013 to 2022 (in Million U.S Dollars)', Chart (Statista, 10 November 2023), <https://www.statista.com/statistics/933402/foreign-direct-investment-inward-stock-in-hungary/>.

¹⁰³ National Bureau of Statistics of China, 'China's Outward FDI Flows along the Belt and Road Initiative in 2021, by Country', Chart (Statista, 30 November 2022), <https://www.statista.com/statistics/722672/china-outward-fdi-flows-along-the-belt-and-road-initiative-by-country/>.

¹⁰⁴ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 30.

Additionally, the BRI, as an infrastructure alliance between Hungary and China, is another alliance that Hungary has entered into with the interest of self-help and survival in mind. The fact that Hungary was the first EU member state to sign up to the BRI indicates a wish from Hungary to seek alliances with countries outside of the EU and saw the BRI as an alliance that could bring investment and deeper relations with China, in line with the government's Eastern Opening policy.¹⁰⁵ The BRI similar to the 17+1 framework brought with it investments used for the development of infrastructure projects such as a network of railways, highways, oil and gas pipelines, power grids, and internet networks.¹⁰⁶ One of the most prominent infrastructure projects under the BRI is the Budapest-Belgrade railway connecting the two capitals of Hungary and Serbia.

Instead of relying solely on funding and investments from the EU or EU member states, Hungary has sought out alternative and less conditional alliances concerning economic and social development as well as political relations. The director of the Eurasia Center in Hungary commented on the relations between Hungary and China and the deepening relations between the two nations he stated that "every country wants to build good relations with the most developed, fastest growing, and richest countries".¹⁰⁷ As China is becoming a bigger international actor in both economic and political areas of international relations, the comment from the Eurasia Center director cements the government's Eastern Opening policy where Hungary is seeking deeper relations with Eastern countries such as China. Furthermore, his statement points to an incitement for countries to seek new alliances and diplomatic ties with China or rising powers, to ensure their survival and thereby ensure that their interests are respected internationally. The self-help that Hungary engages with when building good relations with China is to ensure their political survival as a worthy international actor and this is done through alliances and bilateral engagements.

The high revenue of FDI from China is another indicator that Hungary engages in self-help. Being the fifth-highest EU member state receiving Chinese FDI and the second-highest EU member state, that is also a part of the BRI, receiving Chinese FDI.¹⁰⁸ Receiving such significant investments from China is a way of securing economic stability that will pay back and provide Hungary with an economic partner that can elevate the economy of Hungary. Furthermore, receiving

¹⁰⁵ Gabriela Greilinger, 'Hungary's Eastern Opening Policy as a Long-Term Political-Economic Strategy' (Austria Institut für Europa- und Sicherheitspolitik, 2023), <https://www.aies.at/download/2023/AIES-Fokus-2023-04.pdf>.

¹⁰⁶ Blanchard and Carsten, 'Hungary First European Country to Sign up for China Silk Road Plan'.

¹⁰⁷ Hungary Today, 'Significant Year to Come in Hungarian-Chinese Relations'.

¹⁰⁸ National Bureau of Statistics of China, 'China's Outward FDI Flows to the European Union in 2022, by Country (in Million U.S. Dollars)', Chart (Statista, 29 September 2023), <https://www-statista-com.zorac.aub.aau.dk/statistics/722569/china-outward-fdi-flows-to-the-eu-by-country/>.

this kind of investment from China signals to the EU that Hungary can find alliances that do not impose conditions for obtaining any kind of funding for projects.¹⁰⁹

Taken together and in succession the above events all stem from the same original event that being the Hungarian government's Eastern Opening policy. Participating in both the 17+1 framework and the BRI is an expression of Hungary's determination to seek alliances outside of the dominant European-American alliance in international relations. Seeking to reduce Hungary's economic trade dependency on the West, Orbán has sought to find alternative pathways and the Eastern Opening, the programme his government announced in 2010, was the solution.¹¹⁰ With its geographic location as a CEE country, Hungary has positioned itself as the regional hub for China's entry into Central and Eastern Europe;¹¹¹ the Eastern Opening policy has made this possible.

For the first constructivist hypothesis, *Hungary blocked China related EU voting because their norms have changed due to its deepening relations with China*, a speech in 2014 held by Prime Minister Orbán at the 25th Bálványos Summer Free University and Student Camp in Romania was an event where Orbán stated that the adopted form of governance under his rule, is similar to that of Russia, Turkey, and China.¹¹² Orbán promoted in this speech China's success in establishing an illiberal and non-democratic state and it was interpreted and translated into the appropriate context of the Hungarian government. In connection to this Orbán stated, "if I think back on what we have done over the past four years ... then things can indeed be interpreted from this perspective".¹¹³ This indicates that Hungary is looking at the governance and subsequent ideology and norms of the Chinese governance for how a country could organise itself. It further shows that Hungary does not intend to follow the liberal ideas of governance prevalent in Western European countries. Aligning its form of governance with that of China and other authoritarian governments points to an incentive for Hungary to block EU policies on China that are not compatible with the norms of Hungary and by extension China regarding international matters. Moreover, it signals to

¹⁰⁹ Kate Abnett and Jan Strupszewski, 'EU Holds Back All of Hungary's Cohesion Funds over Rights Concerns', *Reuters*, 22 December 2022, <https://www.reuters.com/world/europe/eu-holds-back-all-hungarys-cohesion-funds-over-rights-concerns-2022-12-22/>. ; Rade Rankovic, 'China Grows Balkan Investments by Asking Less Than EU, Say Experts', *VOA News*, 12 December 2021, <https://www.voanews.com/a/china-grows-balkan-investments-by-asking-less-than-eu-say-experts-/6349558.html>.

¹¹⁰ Vedran Obućina, 'Economic Traits of the Hungarian Eastern Opening Policy | Obserwator Finansowy: Ekonomia | Gospodarka | Polska | Świat', *Obserwator Finansowy: ekonomia, debata, Polska, świat*, 9 January 2020, <https://www.obserwatorfinansowy.pl/in-english/macroeconomics/economic-traits-of-the-hungarian-eastern-opening-policy-2/>.

¹¹¹ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 27.

¹¹² Government of Hungary, 'Prime Minister Viktor Orbán's Speech at the 25th Bálványos Summer Free University and Student Camp'.

¹¹³ *Ibid.*

China that Hungary is a reliable economic and political partner and a strong advocate for their collective and individual interests in the European continent. This is supported by a news report stating that Hungary provides “predictability in terms of policy and business environment”.¹¹⁴ It shows that China sees Hungary as a country that is profitable to invest in due to its aligned norms and ways of doing business. Additionally, Hungary has become one of the main defenders of Chinese interests within the EU.¹¹⁵ This position of Hungary, it can be argued, is due to the norm shift in Hungary towards those associated with Chinese political ideology and away from the Western liberal norms of the EU.

A further event that supports the hypothesis is the ideological change that has happened in Hungary since Orbán won the 2010 elections. The above-mentioned speech is an event that made evermore clear that Orbán intended to break with the norms and values of the Western liberal governance that is persisting in Europe. Furthermore, statements made in the speech can be interpreted as him calling into question the validity of the EU and their norms and values which Hungary accepted when they joined the EU in 2004.¹¹⁶ Another event that supports the hypothesis and indicators is the ability of Orbán to implement a new constitution, that changed hundreds of laws including, freedom of media, voting rights, rights of minorities such as homosexuals, freedom of religion, and judicial limitations.¹¹⁷

Another underpinning indication of this hypothesis being valid is Hungary’s blocking of EU statements on human rights abuses as well as disapproving of EU sanctions on China.¹¹⁸ It can be interpreted that blocking statements or sanctions on Chinese human rights abuses plays into the Chinese statements on human rights being a matter of the state, or in other words a matter of internal affairs and not for other international actors, whether it is individual states or international organisations such as the EU or the United Nations.¹¹⁹ From the constructivist point of view, Hungary’s blocking of EU China statements is because of a change in norms. It can therefore be understood that Hungary shares the Chinese sentiments of human rights being a matter of the state

¹¹⁴ Gabriela Greiling, ‘China’s Growing Foothold in Hungary’, 27 February 2023, <https://thediplomat.com/2023/02/chinas-growing-foothold-in-hungary/>.

¹¹⁵ Veronika Józwiak, ‘Hungarian Policy Increasingly Linked to China’ (The Polish Institute of International Affairs, 26 November 2023), [https://www.pism.pl/webroot/upload/files/PISM%20Bulletin%20no%20152%20\(2271\)%2026%20October%202023.pdf](https://www.pism.pl/webroot/upload/files/PISM%20Bulletin%20no%20152%20(2271)%2026%20October%202023.pdf).

¹¹⁶ Végh, ‘Hungary: The EU’s Troublemaker’.

¹¹⁷ Lydia Gall, ‘Wrong Direction on Rights’, *Human Rights Watch*, 16 May 2013, <https://www.hrw.org/report/2013/05/16/wrong-direction-rights/assessing-impact-hungarys-new-constitution-and-laws>.

¹¹⁸ Chalmers and Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’.

¹¹⁹ Zhou Qi, ‘Conflicts over Human Rights between China and the US’, *Human Rights Quarterly* 27, no. 1 (2005): 105–24., p. 119.

and that any sanction or statements condemning the actions of China are “pointless”.¹²⁰ The change in Hungary’s norms can be argued to have changed through its deepening diplomatic relations with China, and this has manifested itself in Hungary aligning its interests with that of China and its subsequent behaviour when voting on foreign policy matters concerning China.

An event relevant to mention in connection with the second constructivist hypothesis, *Hungary’s identity has changed from Euro-centric to China-centric due to their deepening relationship with China*, is the minimal need for China to engage in soft power in Hungary. The soft power referred to here is the presence of Chinese media in Hungary. The reason for this is that the national media is either government-controlled or FIDESZ-oriented.¹²¹ With the media portraying China in a positive light and China being an economic and political actor that will bring prosperity to Hungary, China does not need to influence the national media. This indicates that Hungary’s identity is China-centric in that its media is state-owned, and the journalistic freedom of the media is minimal, similar to the media in China. Moreover, the positive imaging of China and negative imaging of the EU further speaks to a turn in Hungary from Euro-centric to China-centric.

It is not only with the media that Chinese soft power has a hold in the Hungarian society, it is also present in the academic and cultural institutions. China has established think-tanks, five Confucius Institutes, and academic cooperation between several Hungarian and Chinese universities, as well as a traditional Chinese medicine facility.¹²² Having several Confucius Institutions operate in Hungary can be interpreted as an endorsement by the Hungarian government of China’s Confucian ideology. In addition to the Confucius Institutes, there are plans to establish a Chinese university campus in Budapest by 2024, making it the first Chinese campus in the EU.¹²³ The creation of the campus of the Shanghai-based Fudan University, further indicates that their identity has changed to one that attaches importance to China and its influence in the world, thereby moving away from a European identity. At the same time, there have been concerns about the Hungarian Fudan Campus, with the mayor of Budapest commenting that it poses serious security risks and that, although a prestigious university, “its charter requires that it represent the world view of the Chinese Communist Party”.¹²⁴ This further indicates that the Hungarian government’s identity has changed, but also that

¹²⁰ Chalmers and Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’.

¹²¹ Andrea Schmidt, ‘Illiberal Turn in Hungary’, in *Politics and Security of Central and Eastern Europe*, ed. Ryszard Zięba, Contributions to Political Science (Cham: Springer International Publishing, 2023), 57–82, https://doi.org/10.1007/978-3-031-16419-4_4.

¹²² Erik Brattberg et al., ‘China’s Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’. p. 35.

¹²³ Euronews, ‘Hungary Agrees to Open Chinese University Campus in Budapest by 2024’.

¹²⁴ Ibid.

it agrees with or at least accepts the worldview of the Chinese government. Furthermore, it enhances Chinese soft power in Hungary, deepens the relations between the two governments, and facilitates China's continuous presence in Hungary.

Another important event that strongly confirms that Hungary is becoming less Euro-centric and more China-centric is the COVID-19 pandemic of 2020. Hungary did not bandwagon many Western states when they blamed China for the outbreak of the pandemic.¹²⁵ During the pandemic, Hungary received massive amounts of medical equipment and pharmaceuticals from China and these deliveries were portrayed as a clear indicator of the two countries' close cooperation. It was, however, not only medical equipment that Hungary received from China they were also the first EU country to authorise the use of two Chinese-developed vaccines.¹²⁶ By authorising vaccines from China and not waiting for the EU to authorise, procure and rollout vaccines, Orbán could present himself as solving the pandemic's grip on Hungary while presenting the EU as doing little to tackle the pandemic. This further plays into the move away from EU norms but is also an indicator of Hungary no longer being Euro-centric but leaning more towards a country that is China-centric in its policies and behaviour.

For the second causal inference test several events related to each hypothesis have been presented and they support the validity of the four hypotheses. Passing the hoop test does not definitively eliminate the validity of other hypotheses and therefore, after the second causal inference test, all hypotheses are still valid in explaining Hungary's behaviour when it comes to vetoing or blocking the EU's CFSP decisions. Referring back to Table 1 presented in the methodology chapter, hypotheses are not eliminated but are only somewhat weakened as all hypotheses have passed the test. Furthermore, the hoop test has, according to Table 1, not confirmed the hypotheses but simply affirmed the relevance of all four hypotheses in explaining Hungary's policy behaviour.

4.3 Smoking-gun test

From the previous two causal inference tests of the first realist hypothesis, *Hungary is blocking the EU's China policies to ensure its survival in its relationship with China*, it has been made clear that Hungary's Eastern Opening policy was the policy that was to be the starting point for possibilities to seek partnerships and alliances with other nations than its Western and EU neighbours and ultimately

¹²⁵ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries'.

¹²⁶ Ibid., p. 34.

ensure Hungary's survival in the world. The Eastern Opening policy was to bring opportunities for investments from Eastern countries as well as counterbalance the EU and Hungary's economic dependence on the EU and Western countries. At the outset of the implementation of the Eastern Opening policy, the Chinese Wanhua Chemical Group acquired the Hungarian chemical plant, BorsodChem, for 1,7 billion USD.¹²⁷ This acquirement was a promising indication that the policy could bring important investments from the East, and more specifically from an important, rising international actor like China. As a foreign and economic policy, the Eastern Opening seemed to be a profitable policy. Of the many CEE countries, Hungary is the top destination for Chinese investments.¹²⁸ This further confirms that Hungary, with the Eastern Opening, is seeking survival by engaging with China and receiving their investments as a way of ensuring economic security.

The beginning of the implementation of the Eastern Opening policy brought with it a big investment, as mentioned above, however, it did not result in a major change in the Hungarian trade or a rise in significant investments from China. The investments that Hungary obtained from China are concentrated around a few areas such as infrastructure or acquisitions.¹²⁹ Japan and South Korea have, comparatively, a larger share in Hungarian companies than China.¹³⁰ Moreover, despite Hungary trying to make itself more attractive to FDI from Eastern countries, especially China, Hungary is the 5th highest recipient amongst EU member countries that receive FDI from China. Even though Hungary is an important country for Chinese investments, Luxembourg and Germany receive significantly more than Hungary.¹³¹

In the area of trade, the outcome has been less than what could have been expected from the great promises that Hungarian officials made at the launch of the policy. In 2020, emerging Asian economies and China only made up 2,4 per cent and 1,7 per cent, respectively, of Hungary's exports.¹³² Since 2010 and the establishment of the Eastern Opening policy the trade between Hungary and emerging Asian economies, as well as China, has not changed. The EU and the Eurozone remain the biggest export partners of Hungary, totalling 77,3 per cent and 59,2 per cent in 2020.¹³³

¹²⁷ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 31.

¹²⁸ Ibid., p. 32.

¹²⁹ Ibid.

¹³⁰ Obućina, 'Economic Traits of the Hungarian Eastern Opening Policy | Obserwator Finansowy'.

¹³¹ National Bureau of Statistics of China, 'China's Outward FDI Flows to the European Union in 2022, by Country (in Million U.S. Dollars)'.

¹³² Tamás R. Mészáros, 'As Hungary Lauds Its "Eastern Opening" Policy, Statistics Fail to Show Benefits', *Euractiv*, 12 May 2021, <https://www.euractiv.com/section/economy-jobs/news/as-hungary-lauds-its-eastern-opening-policy-statistics-fail-to-show-benefits/>.

¹³³ Ibid.

Since 2010 the exports to the EU and Eurozone, though not exponential, did have a slight growth, cementing the failure of the Eastern Opening to generate a significant economic difference between trade with Eastern countries and trade with Western countries. Additionally, it shows that good political relations, such as the one between Hungary and China, are not enough to attract major inflows of investment or trade. Regardless of the incentives behind the Eastern Opening policy, the results have clearly shown that economically it had no major effect. In 2015 both the Hungarian Minister of Foreign Affairs and Trade, Péter Szijjártó, and Prime Minister Orbán made statements stating that “The Eastern Opening has occurred”.¹³⁴ Stating that the policy has been successfully implemented, though this is true, the effects of the Eastern Opening are not present in the data.

Direct evidence related to the second realist hypothesis, *Hungary’s policy behaviour regarding the EU’s CFSP on China can be seen as self-help as a means to ensure economic security from China*, is the 17+1 alliance that Hungary became a part of in 2013. The alliance was established by China to encourage cooperation between China and CEE countries, with Hungary being a participant, as well as developing China and EU relations.¹³⁵ Additionally, the 17+1 framework is an opportunity for the participating countries to “look for external opportunities for economic development”.¹³⁶ This underpins the idea that the framework was to concentrate on economic parameters of cooperation and does not insist on ideological and geopolitical orders. It is set up so that participating countries can forge new economic pathways with new partners to ensure economic prosperity with each other and China. China promised that the investments, infrastructure developments and trade cooperation between each country and China would create growth of the regional economies making the region more attractive for investment by other actors.¹³⁷

China made investment promises and development projects were proposed when the 17+1 framework was established, however, only a few have been actualised.¹³⁸ The initial promises and intentions of the 17+1 framework seemed to have failed or, as a minimum, not mounted to what had been promised, however, it has provided China with a way to access the European market due to several EU member states’ participation. The hope that the framework would strengthen the economies of the 17 CEE countries has been less successful; it has even led to an increase in trade

¹³⁴ Sean Lambert, ‘Eastern Opening’, *The Orange Files* (blog), 21 May 2018, <https://theorangefiles.hu/eastern-opening/>.

¹³⁵ Song, *China’s Relations with Central and Eastern Europe*.

¹³⁶ Ibid.

¹³⁷ Observer Research Foundation, ‘The “17+1” Initiative: Is China Losing Its Charm in Central and Eastern Europe?’, [orfonline.org](https://www.orfonline.org/expert-speak/17-plus-1-initiative-china-losing-charm-central-eastern-europe), 18 September 2020, <https://www.orfonline.org/expert-speak/17-plus-1-initiative-china-losing-charm-central-eastern-europe>.

¹³⁸ Ibid.

deficits between China and the CEE countries.¹³⁹ The projects that have been completed have been followed by concerns for their environmental impact or the Chinese loans behind funding of the projects risking debt trapping Hungary.¹⁴⁰ Moreover, even though an important regional trade partner for China, Hungary remain less important compared to European countries as a whole.¹⁴¹ It can also be argued that due to the illiberal turn happening in Hungary, the investments entering Hungary can, on the one hand, be seen as positive for the country, on the other it is only beneficial for the Hungarian governing and business elites.¹⁴² Ultimately Hungary's participation in the 17+1 framework has resulted in no real economic progress for Hungary as a whole as well as a continuing Hungarian dependence on EU funds and exports.

The biggest Chinese investment as part of the 17+1 framework that Hungary has received was the Budapest-Belgrade high-speed railway that was announced back in 2013 but because of delays due to discussions on whether Orbán followed EU regulations on issuing a 'public tender' for the project.¹⁴³ Additionally, 85 per cent of the railway project is financed by China through Chinese loans that, as mentioned above, has caused concerns about the loans potentially being a debt trap.¹⁴⁴ Finally, the 17+1 framework, though a promising way to ensure economic prosperity, has not become an economic alliance alternative to the West or the EU. The investments and trade that have materialised remain limited and a change of this fact is doubtful.¹⁴⁵

Clear evidence for the first constructivist hypothesis, *Hungary blocked China related EU voting because their norms have changed due to its deepening relations with China*, is the indisputable ideological change that has happened in Hungary since Orbán took government in 2010. When Hungary became a member of the EU in 2004 its membership rested upon meeting the Copenhagen criteria, where they for example agreed to having "stable institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities".¹⁴⁶ Since Orbán and his political party came to power in 2010, this criterion has slowly eroded and has been replaced

¹³⁹ Ibid.

¹⁴⁰ Józwiak, 'Hungarian Policy Increasingly Linked to China'.; Greilinger, 'Hungary's Eastern Opening Policy as a Long-Term Political-Economic Strategy'.

¹⁴¹ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 32.

¹⁴² Greilinger, 'Hungary's Eastern Opening Policy as a Long-Term Political-Economic Strategy'.

¹⁴³ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 33.

¹⁴⁴ Ibid.

¹⁴⁵ Paweł Paszak, 'Hungary's "Opening to the East" Hasn't Delivered', CEPA, 8 March 2021, <https://cepa.org/article/hungarys-opening-to-the-east-hasnt-delivered/>.

¹⁴⁶ European Commission, 'Conditions for Membership', European Commission, 6 June 2012, https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/conditions-membership_en.

with laws that ultimately support the formation of an “autocratic political system that undermines democratic norms”.¹⁴⁷ In the previously mentioned speech in 2014 held by Orbán, he stated that “just because a state is not liberal, it can still be a democracy”, indicating that even though Orbán intended to build an illiberal government, he did not state that it was not going to be a democratic government.¹⁴⁸ The laws and the reported rule of law backsliding that Hungary is being accused of by European Parliament rapporteurs, however, show a different picture.

The norms that are associated with the EU and liberal democracies embody “corruption, sex, and violence” according to Orbán and he is seeking to break with these by establishing an illiberal Hungarian state. Whether these norms are correctly associated with the liberal state is beyond the topic of this thesis, however, what is important here is that Orbán believes them to be true and the state that he wishes to establish is one that breaks with these norms. It is therefore evident that the norms associated with the current Hungarian government have changed. In connection with this, the norms that the Hungarian government put confidence in are those connected with Russia, Turkey, and China. This can be deduced from his statement in the 2014 speech at the 25th Bálványos Summer Free University and Student Camp, where Orbán said, “the stars of international analysts today are Singapore, China, Russia, and Turkey”.¹⁴⁹ He pointed to these countries because they are connected with countries that have, made their nations successful despite not being democratic and that he also intends to make the Hungarian nation capable of competing internationally. Taken together, all these comments can be interpreted as Orbán regards the mentioned countries and their way of governance and subsequent norms as desirable examples of how he would organise the ideal Hungarian state. Through Hungary’s interactions with China and China’s growing presence in Hungary in the form of companies, banking, and cultural exchanges, the normative relation between the two nations has become intertwined.

Finally, the blocking of EU statements regarding China’s human rights violations, or Chinese policies, for example, the Hong Kong security law is evidence that Hungary, similarly to China, sees these issues as matters of the state that are not to be commented on or dealt with by external forces such as the EU. A Chinese state representative stated in a speech held at an international symposium commemorating the 75th anniversary of the Universal Declaration of Human Rights in Beijing in December 2023 that “we must reject any attempt to interfere in other countries’

¹⁴⁷ AFP, ‘Hungary Passes Controversial Law “Protecting National Sovereignty”’, *Euronews*, 14 December 2023, <https://www.euronews.com/2023/12/13/hungary-passes-controversial-law-protecting-national-sovereignty>.

¹⁴⁸ Government of Hungary, ‘Prime Minister Viktor Orbán’s Speech at the 25th Bálványos Summer Free University and Student Camp’.

¹⁴⁹ Ibid.

internal affairs ... under the pretext of human rights”.¹⁵⁰ Moreover, a Hungarian diplomat stated that the already imposed sanctions on China over human rights violations in Xinjiang are “pointless”;¹⁵¹ this plays into the understanding of human rights being an internal affairs issue and that sanctions do not change that fact. Therefore, blocking EU statements on human rights violations in China, shows that Hungary follows the same norms on matters of human rights as China.

The academic and cultural cooperation between China and Hungary decisively supports the second constructivist hypothesis, *Hungary's identity has changed from Euro-centric to China-centric due to their deepening relationship with China*, and its validity in explaining Hungary's behaviour. Hungary and China have cooperation in many areas such as trade, investment, and politics but they also have cooperation in areas of culture and academia. As of 2021, China has, as mentioned, established five Confucius Institutes, formal linkages with Hungarian universities, bilingual schools, and a traditional Chinese medicine facility.¹⁵² In 2017, the China-CEE Institute was established in Budapest. The institute was the first Chinese-sponsored policy research institution in the region.¹⁵³ The inauguration of the institute shows that Hungary is willing to allow Chinese state-owned institutions to operate in Hungary under the guise of establishing “linkages with academic institutions across Central and Eastern Europe”.¹⁵⁴ The Institute was in 2021 suspected of spying on the region and gathering “information for the Chinese government”.¹⁵⁵ Being an institute whose research is monitored and financed by Chinese managers demonstrates the turn of not only academic integrity, but also the identity of Hungary, or more precisely the Hungarian government has changed from Euro-centric to China-centric.

The five Confucius institutions present in Hungary further demonstrate the turn of identity. The institutions work to further Chinese soft power in Hungary with programs that are aimed at “cultivating potential future elites”.¹⁵⁶ These elites could be advocating for Chinese-inspired policies in the Hungarian government, which will cultivate the already beginning tendency of the

¹⁵⁰ Yi Wang, ‘Pursuing a Country-Specific Path to Human Rights Advancement And Jointly Promoting Worldwide Progress in Human Rights’, Ministry of Foreign Affairs of the People's Republic of China, 5 December 2023, https://www.fmprc.gov.cn/eng/wjdt_665385/zyjh_665391/202312/t20231205_11195127.html.

¹⁵¹ Chalmers and Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’.

¹⁵² Erik Brattberg et al., ‘China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’.

¹⁵³ Ibid., p. 35.

¹⁵⁴ Ibid.

¹⁵⁵ Aneta Zachová, ‘Budapest-Based Research Institute Suspected of Spying for China’, *Www.Euractiv.Com*, 25 November 2021, sec. Politics, https://www.euractiv.com/section/politics/short_news/budapest-based-research-institute-suspected-of-spying-for-china/.

¹⁵⁶ Erik Brattberg et al., ‘China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries’, pp. 35-36.

Hungarian elite or government to prioritise cooperation with China rather than Western Europe. These programs are not the only way that Hungary is promoting Chinese teachings. In 2021 Hungary announced that they had signed an agreement to establish a satellite campus in Budapest. The campus would be the first Chinese campus in the European Union.¹⁵⁷ The campus in question is the Shanghai-based Fudan University which is ranked among the top 100 universities in the world. According to Hungarian government officials, the campus will “help raise the standard of higher education in Hungary”.¹⁵⁸ The university’s charter requiring that the university will represent “the world view of the Chinese Communist Party”, has been a topic of concern for the Hungarian opposition.¹⁵⁹ The construction of the Fudan University campus in Budapest will not only strengthen China’s soft power in Hungary but also push the already changing identity of Hungary towards China.

It is however not only the growing interactions between Chinese cultural and academic institutions that are evidence of Hungary’s identity change from Euro-centric to China-centric. It is also the changes made to educational laws. In 2019, the Hungarian-U.S. Central European University was forced out of the country due to a new education law that the Orbán government implemented.¹⁶⁰ The law that forced the university to move to Vienna, told by government officials, would ensure the transparent flow of money in the civil sector, and hold nongovernmental organizations accountable for political actions. This translates to the Hungarian government trying to get rid of any institution that is not government-friendly and thereby seen, in the eyes of the Hungarian government, as trying to politically influence the government. The law was controversial and ultimately resulted in the European Commission filing a lawsuit against Hungary because the law was deemed incompatible with EU legislation.¹⁶¹ The law however still took effect and the Central European University had to move its operations to Austria to keep operating. Interfering with educational institutions’ rights further cements the change of identity that has happened in Hungary since 2010 and that the Euro-centric sentiments that once resided in Hungary have changed towards more China-centric behaviour.

The third causal inference test has revealed that even though the initial indicators and events related to the hypotheses seemed to confirm them, a deeper analysis shows inconsistencies between the hypothesised outcome and the results. The third test’s results show that the two realist

¹⁵⁷ Euronews, ‘Hungary Agrees to Open Chinese University Campus in Budapest by 2024’.

¹⁵⁸ Ibid.

¹⁵⁹ Ibid.

¹⁶⁰ Anne Clary, ‘Higher Education and Security in Hungary - per Concordiam’, *Per Concordiam* (blog), 17 November 2022, <https://perconcordiam.com/higher-education-and-security-in-hungary/>, <https://perconcordiam.com/higher-education-and-security-in-hungary/>.

¹⁶¹ Ibid.

hypotheses did not pass the test and, according to Table 1, they are not eliminated they are however weakened in their ability to explain Hungary's behaviour. Moreover, the two constructivist hypotheses have passed and are according to Table 1 confirmed. The implications for the passing and failing of this test are that the confirmed constructivist hypotheses are substantially strengthened due to the realist hypotheses failing to pass and the realist hypotheses are eliminated as valid hypotheses that will answer the research question of this thesis.

4.4 Doubly Decisive test

The 17+1 framework, which Hungary is a part of with several other CEE countries, is an example of the cooperation that Hungary is seeking to enter into to ensure survival, as the first realist hypothesis states that *Hungary is blocking the EU's China policies to ensure its survival in its relationship with China*. Though the cooperation within this framework has been below what could be expected in the first ten years this changed in 2022 with an influx of Chinese FDI primarily in the electromobility sector.¹⁶² The investment comes from the China-based Contemporary Amperex Technology Co., Limited (CATL) totalling €7,3 billion and includes the construction of a battery plant in the northeastern city of Debrecen.¹⁶³ This large investment from CATL and the fact that this is only their second factory in Europe, as well as the largest factory in Hungary, demonstrates that the 17+1 framework though not bringing a lot of major investments from China is a way for Hungary to lessen their investment dependency on the EU and its member states. Furthermore, it offers Hungary an alternative partner in the future, a partner that the EU is growingly taking steps to disengage within some areas.

In May of 2024, China's President Xi Jinping had a five-day European tour where he paid visits to France, Serbia, and Hungary. President Xi Jinping's visit to Hungary coincided with the two nations' 75 years of diplomatic relations.¹⁶⁴ During the visit to Hungary, a total of 18 agreements and memoranda of understanding were signed, and government officials concluded a strategic partnership agreement.¹⁶⁵ Despite the many signed agreements, no major investments were announced during the visit. On the other hand, in a press briefing, Prime Minister Orbán stated that

¹⁶² Józwiak, 'Hungarian Policy Increasingly Linked to China'.

¹⁶³ Ibid.

¹⁶⁴ Hungary Today, 'Significant Year to Come in Hungarian-Chinese Relations'.

¹⁶⁵ Bela Szandelszky, 'Hungary and China Sign Strategic Cooperation Agreement during Visit by Chinese President Xi', The Associated Press, 10 May 2024, <https://apnews.com/article/chinas-xi-welcomed-hungary-talks-orban-0719880a351a5ef0763ae6a623a7798b>.

“Hungary will continue to provide fair conditions for Chinese companies investing in our country”, cementing that Hungary will continue to pursue Chinese investments to not only boost the Hungarian economy but also, as mentioned above, lessen the country’s dependency on the EU.¹⁶⁶ Participating in the 17+1 framework could continuously strengthen Hungary’s position as the region’s strongest contender for Chinese investments.

In 2023, the FDI inflows in Hungary exceeded €13 billion, where more than 80% came from Asia. Furthermore, Chinese investors invested for more than €7,6 billion and it was spread over eight projects.¹⁶⁷ Most of the investment from China can be attributed to the CATL investment. Although it is a major investment in Hungary, it primarily involves only one of the eight projects financed by Chinese investors. Despite this, the fact that China was the biggest investor in 2023, with Germany and the US taking 3rd and 4th place on the list of investors, is a clear sign that China has become a viable option for economic survival in the future. It also clearly shows that, among other factors, Hungary’s participation in the 17+1 framework is boosting the attractiveness of Hungary as an investment destination.

As the second realist hypothesis states, *Hungary’s policy behaviour regarding the EU’s CFSP on China can be seen as self-help as a means to ensure economic security from China*, Hungary’s participation in the BRI, though having had a slow start when it comes to infrastructure investments related to the initiative, can still be seen as an act of self-help. The BRI is China’s big project of re-establishing the old trade route Silk Road. The biggest Hungarian project connected to the BRI is the Budapest-Belgrade railway stretching between the two capitals. The railway is to mainly transport cargo from the Port of Piraeus in Greece to Central Europe.¹⁶⁸ This railway would, despite concerns that it will largely benefit China, make it easier to conduct trade between Hungary and eastern and Asian countries. Therefore, once the BRI projects have come to fruition the real benefit of Hungary’s participation would begin to show, however, this may take another decade to materialise. Nonetheless, Hungary’s participation in the BRI can be seen as them engaging in self-help, i.e. they can only rely on themselves for (economic) security and taking part in the BRI is a way for Hungary to strengthen their trade attractiveness as well as the appeal of investments into the country.

¹⁶⁶ Ibid.

¹⁶⁷ Hungarian Investment Promotion Agency, ‘Previous All-Time High FDI Inflow Doubled in Hungary - Hungarian Investment Promotion Agency’, 15 January 2024, <https://hipa.hu/news/previous-all-time-high-fdi-inflow-doubled-in-hungary/>.

¹⁶⁸ Greilinger, ‘China’s Growing Foothold in Hungary’.

During President Xi Jinping's visit to Hungary in May of 2024, no less than 18 agreements between China and Hungary were signed. The Hungarian Foreign Minister announced on Facebook that discussions between the two nations had begun regarding the development of a freight railway bypass of Budapest and a rail link between the capital and the Budapest Ferihegy airport.¹⁶⁹ In connection with this, the Chinese President said in a joint press statement with Prime Minister Orbán that the two countries “will connect [their] development strategies more closely, deepen economic, trade, investment, and financial cooperation, and advance the Budapest-Belgrade railway and other key projects”.¹⁷⁰ This not only shows that China is as equally interested in deepening its relations with Hungary, but it also shows that Hungary's involvement in the BRI will bring with it further opportunities in several areas and that China is a willing partner in pursuing them. Additionally, the statement from Xi Jinping shows that there is more to come in their relations, and this will facilitate the self-help that Hungary is engaging in, as they seek deeper relations with China.

From 2000 to 2022 Hungary received €4.4 billion in FDI from China where it would be assumed most of them were received since the launch of not only the 17+1 but also their involvement in the BRI.¹⁷¹ Though not the highest receiver of FDI in the EU, Hungary was the country, that is also part of the BRI, that received the largest amount of FDI from China. From this, it can be argued that despite not receiving massive amounts of FDI from China, the investments that they do receive have been largely related to their involvement with the BRI. Furthermore, taken together with the Chinese President's statement from his state visit to Hungary, Hungary is in a great position to engage in furthering their self-help through their relations with China through the BRI.

The action of blocking EU statements on China shows that Hungary does not agree with the way that the EU is dealing with China and supports the first constructivist hypothesis that *Hungary blocked China related EU voting because their norms have changed due to its deepening relations with China*. The action of imposing sanctions when countries act in ways that the international community deems immoral, or illegal is a common practice of the EU to impose sanctions on the country in question. China's human rights abuses are an example of such practice, but Hungary, though they reluctantly agreed to some sanctions, later stated that they were “pointless”.¹⁷² From

¹⁶⁹ Szandelszky, ‘Hungary and China Sign Strategic Cooperation Agreement during Visit by Chinese President Xi’.

¹⁷⁰ Xi Jinping, ‘Remarks by President Xi Jinping At the Joint Meeting with the Press with Prime Minister of Hungary Viktor Orbán’, Ministry of Foreign Affairs of the People's Republic of China, 9 May 2024, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202405/t20240510_11302195.html.

¹⁷¹ MERICS, ‘Cumulative Value of Completed Foreign Direct Investment (FDI) Transactions from China in EU-27 and UK between 2000 and 2022, by Country’, Chart (Statista, 9 May 2023), <https://www.statista.com/statistics/1244460/china-cumulative-foreign-direct-investment-to-eu-by-country/>.

¹⁷² Chalmers and Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’.

2016 to 2022, Hungary was the member state that most often opposed or delayed EU foreign affairs. They were responsible for 60 per cent of such cases where one-third involved China.¹⁷³ From this, it is clear that Hungary has become a strong advocate and defender of China and Chinese interests. Furthermore, the voting system of the CFSP, makes it easier for Hungary to follow its own interests when it comes to China, however, that discussion is beyond the scope of this thesis.

Hungary's efforts have not been going unnoticed, with President Xi Jinping stating in a press statement during his May 2024 state visit to Hungary, that China "supports Hungary in playing a bigger role in the EU and promoting greater progress in China-EU relations".¹⁷⁴ Moreover, in the same statement, he also declared that "China and Hungary share similar views and positions on international and regional situations".¹⁷⁵ This statement in particular is clear and indisputable evidence that Hungary and China share the same worldview and by extension also share the same norms when it comes to bilateral and multilateral relations. By aligning their norms with that of China they not only strengthen their relations with China but are also in a position to push for more China-friendly policies within the EU. Furthermore, Hungary breaking with the norms of the EU is also a way for them to not do anything that may harm their relations with China and therefore the best option for the foreign policy that Hungary is pursuing regarding China.¹⁷⁶

Changing norms is evident in Hungary's actions to weaken EU unity on foreign affairs. The EU's inability to stand together on issues of foreign policy brings into question the effectiveness of the CFSP and the EU's ability to unite on important issues regarding human rights or invasive national policies as seen in the case of China. It is clear from the action of Hungary to block statements criticising China that, as one EU diplomat stated, "some countries don't want to annoy China".¹⁷⁷ Hungary does not want to engage in behaviour that may negatively affect its relations with China, therefore blocking critical statements such as the Hong Kong security law or the South China Sea ruling is a clear statement from Hungary that it does not only not want to jeopardise its relations with China but also that their norms have changed when it comes to condemning or criticising, not only China but any country for actions that the EU deems illegal or immoral. The change in norms, it can be argued, stems from their deepening relations with China both politically but also economically.

¹⁷³ Józwiak, 'Hungarian Policy Increasingly Linked to China'.

¹⁷⁴ Xi Jinping, 'Remarks by President Xi Jinping At the Joint Meeting with the Press with Prime Minister of Hungary Viktor Orbán'.

¹⁷⁵ Ibid.

¹⁷⁶ Erik Brattberg et al., 'China's Influence in Southeastern, Central, and Easter Europe: Vulnerabilities, and Resilience in Four Countries', p. 38.

¹⁷⁷ Gotev, 'EU Unable to Adopt Statement Upholding South China Sea Ruling'.

The overall identity of Hungary, as already mentioned, has changed, and as stated in the second constructivist hypothesis, *Hungary's identity has changed from Euro-centric to China-centric due to their deepening relationship with China*, it has changed from being Euro-centric to China-centric. Taking into consideration the ideological shift that has happened since Prime Minister Orbán took government after the 2010 Hungarian elections, Hungary's alliance with China serves the interest of Hungary. Hungary's interests are changing from being Euro-centric with a focus on cooperation and integration into the EU in several areas, to being Eurosceptic with a focus on national interests and interests that benefit the Hungarian government and its power.¹⁷⁸ Such national interest became even more glaring during the COVID-19 pandemic where instead of waiting for the EU-authorized vaccines to be rolled out in an EU-wide vaccine program, Hungary engaged in vaccine diplomacy with China. Hungary criticised the EU for being inefficient when it came to dealings related to the pandemic.¹⁷⁹ In connection with this, the Hungarian Prime Minister Orbán made statements to the state media that “when it comes to vaccines, the matters of ideology and origin should be put aside and instead one should focus on their safety and effectiveness”.¹⁸⁰ This comment from Orbán demonstrates the identity change in Hungary in that they have little scrutiny when it comes to Chinese vaccines as opposed to other EU member states. It also demonstrates that the relations between Hungary and China have become stronger in the face of the pandemic, which supports the change from being Euro-centric to becoming China-centric. Furthermore, instead of waiting for the EU vaccine program to take effect, Hungary's actions of buying Chinese vaccines resulted in Hungary paying significantly more for vaccines than if they had bought for example Pfizer-BioNTech, Moderna or Johnson and Johnson vaccines.¹⁸¹

The pandemic became a clear sign of the “all-weather” relationship that Hungary now has with China.¹⁸² It exacerbated the growingly apparent turn in Hungary since Orbán took government in 2010 and the Eastern Opening policy they have pursued. Not only did the diplomacy between them involve vaccines it also included medical equipment and protective gear which similarly to the vaccines were bought at higher prices than what the equipment could have been bought for if they did not come from China. The fact that Hungary was willing to buy medical

¹⁷⁸ European Parliament, ‘MEPs: Hungary Can No Longer Be Considered a Full Democracy’.

¹⁷⁹ Paweł Paszak, ‘China's Vaccine and Mask Diplomacy in Hungary’, *Warsaw Institute* (blog), 5 April 2021, <https://warsawinstitute.org/chinas-vaccine-mask-diplomacy-hungary/>.

¹⁸⁰ Ibid.

¹⁸¹ Ibid.

¹⁸² Xi Jinping, ‘Remarks by President Xi Jinping At the Joint Meeting with the Press with Prime Minister of Hungary Viktor Orbán’.

equipment, protective gear, and vaccines from China at higher prices rather than buying them from the EU at lower prices undoubtedly cement the notion that Hungary has turned more China-centric than ever before. Moreover, Hungary's elite refraining from blaming China for the outbreak and ultimate responsibility of the global pandemic is further evidence of Hungary's changing identity from Euro-centric to China-centric. There is no doubt that Hungary and China's relations will continue to grow and cover more and more areas that will ultimately limit Hungary's dependency on the EU.

The fourth and last causal inference test has shown that all four hypotheses passed the doubly decisive test. With all four hypotheses passing the last test they are all valid in explaining Hungary's behaviour when it comes to the EU's CFSP on China. The evidence presented to confirm the hypotheses has shown causality and that despite slow outcomes regarding the economic advantages of the alliances and projects that Hungary is part of are sufficient in proving that their participation is valid and that the corresponding hypothesis is valid in answering the research question.

4.5 Results

The analysis applied the four causal inference tests to evaluate the validity of the four hypotheses developed from two central IR theories aimed at looking for causal mechanisms that can help explain Hungary's behaviour regarding the EU's CFSP on China. The results of these tests are summarized below

Straw-in-the-Wind Test: All four hypotheses passed this initial test, demonstrating that preliminary indicators of validity were present. While this is the weakest of the causal inference tests and does not definitively confirm any hypothesis, it indicates that all four are somewhat relevant for explaining Hungary's behaviour. None of the hypotheses were significantly weakened by this test, suggesting they may still offer theoretical insights when answering the research question.

Hoop Test: In the second test, several events supporting each hypothesis were presented, and all hypotheses passed the hoop test. This test does not eliminate other hypotheses but somewhat weakens them, as indicated in Table 1 of the methodology chapter. While this does not confirm any hypothesis definitively, it affirms their relevance in explaining Hungary's actions concerning the EU's CFSP decisions.

Smoking-Gun Test: A deeper analysis of this test revealed inconsistencies in the outcomes predicted by the two realist hypotheses. Consequently, these hypotheses did not pass the

test and are thus weakened in their explanatory power. In contrast, the two constructivist hypotheses passed the test, confirming their validity. The confirmed constructivist hypotheses are substantially strengthened due to the realist hypotheses' failure, which eliminates the latter from being viable explanations for Hungary's behaviour in this context.

Doubly Decisive Test: The fourth and final test demonstrated that all four hypotheses passed, indicating their validity in explaining Hungary's behaviour towards the EU's CFSP on China. The evidence showed causality and confirmed that Hungary's participation in various alliances and projects, despite slow economic outcomes, supports the corresponding hypotheses. Thus, all four hypotheses are valid in answering the research question.

In conclusion, the results of the causal inference tests indicate that while initial tests (straw-in-the-wind and hoop tests) affirmed the relevance of all hypotheses, the more rigorous third test eliminated the realist hypotheses due to inconsistencies. The constructivist hypotheses were confirmed as valid and are substantially strengthened. However, the final doubly decisive test validated all four hypotheses, demonstrating that each can contribute to understanding Hungary's behaviour regarding the EU's CFSP on China. From the analysis, it can also be concluded that all four hypotheses have more or less explanatory power when it comes to answering the research question. Moreover, it can be concluded that the constructivist has the strongest evidence in explaining Hungary's behaviour.

5. Discussion

5.1 summary of results

In the analysis the four theory-based hypotheses were put through four causal inference tests to confirm their validity in answering the research question: *Why has Hungary vetoed EU CFSPs regarding China?* The results of the analysis were that all four hypotheses are confirmed and are all able to explain why Hungary has vetoed EU CFSPs. Furthermore, it found that the constructivist hypotheses had greater explanatory power than the realist hypotheses, which was a result of them not passing the smoking-gun test as there was no supportive economic evidence that Hungary's partnership with China has yielded great results; however, the realist hypotheses are still able to answer some aspects of the research question. Thereby the analysis supports both theories and their validity in answering the research question. Furthermore, the four causal inference tests helped with establishing causal mechanisms between the hypotheses and the evidence.

5.2 Interpretation of results

Of the two chosen theories realism is the most dominant theory in IR and one would expect it to have the greatest explanatory power, however, the results of the analysis did not meet this expectation. Due to the realist hypotheses not passing the third causal inference test their validity is weakened and this strengthens the constructivist hypotheses. The evidence presented in the first causal inference test, it turned out, did not withstand the more in-depth examination in the smoking-gun test. Despite the expectations that the results were not met, it does still have validity and cannot be written off entirely.

The realist hypotheses' inability to pass the smoking-gun test illuminated a point worthy of discussion, this being that the realist hypotheses can be seen as an effect of the constructivist hypotheses. There is no doubt that the evidence supporting the constructivist hypotheses is strong and that the political relations between Hungary and China cover many areas where there is room for even deeper cooperation. The cooperation between Hungary and China is clearly facilitated by the Orbán government's illiberal and autocratic political turn since he came to power in 2010 and their subsequent change in identity. Their change from Euro-centric, which was present in the early 2000s with their accession to the EU membership as the driving force for the Euro-centricity of the former governments, to China-centric it would be argued, is the effect of Hungary's illiberal policies. The change in the Hungarian government's identity and their change in norms both facilitate the economic cooperation between Hungary and China. Most of the economic evidence presented in the analysis can be seen as being an effect of the political cooperation between the two nations. As a result of the constructivist hypotheses having greater explanatory power, they can be seen as the main reason for the other subsequent economic interactions between China and Hungary and the realist hypotheses are the effects of the constructivist hypotheses.

There are correlations between the two constructivist hypotheses and the constructivist notion of socialisation. Socialisation between China and Hungary is present in the political agreements and alliances that they are a part of. The fact that Hungary is part of the 17+1 and the BRI makes for perfect conditions for Hungary to engage in socialisation with China. The growing cooperation and political interactions between the two nations show that there is a form of norm diffusion from China to Hungary. An important evidence of this is the statement of a Hungarian diplomat calling the sanctions the EU has introduced on China over their human rights violations in

the Xinjiang region “pointless”.¹⁸³ It can be argued that Hungary has, through socialisation, changed its identity and norms, supporting the constructivist claim that identities are relational. The socialisation happened through Hungary’s participation in political and economic agreements between the two nations. China’s recent state visit to Hungary is also a great example of socialisation in that during the visit the two nations deepened their relations to establish an “all-weather comprehensive strategic partnership”.¹⁸⁴ This development of their relations shows that the norm diffusion that has happened between China and Hungary has positively affected their relations and is further evidence that the constructivist theory is most suited for explaining why Hungary has vetoed EU CFSPs regarding China.

A surprising discovery from the analysis was that the results of the third causal inference test concluded that the realist hypotheses did not pass, which was due to conflicting evidence. There were inconsistencies between the statements of government officials and the quantitative data. The statements from government officials said that the cooperation between Hungary and China has brought a lot of investments and that the trade between the two nations was positive and had positive developments. The quantitative data, however, showed that on trade China was only 22nd on the list of Hungary’s trade partners and that Hungary was not the highest receiver of investments among countries that are a part of the EU or the BRI. The difference between what the data showed and what government officials made statements on was surprising and showed that Hungary is trying to look more attractive to the media and the public and trying to push the narrative that the economic relations with China are a positive thing for its economy and Hungary as a whole. Moreover, the policies and ideological changes to appear more attractive to Chinese investors are not translatable to direct economic results.

5.3 limitations of research

The analysis showed that the realist hypotheses were intertwined in many aspects and therefore made it difficult to separate the two hypotheses as the data used to analyse their validity was able to explain both hypotheses. This limited the data that could be used to analyse them and therefore made it even more difficult to differentiate between the two hypotheses. Their similarities are therefore a limitation to the analysis. Despite this, the two hypotheses were however still relevant for the analysis as they

¹⁸³ Chalmers and Emmott, ‘Hungary Blocks EU Statement Criticising China over Hong Kong, Diplomats Say’.

¹⁸⁴ Xi Jinping, ‘Remarks by President Xi Jinping At the Joint Meeting with the Press with Prime Minister of Hungary Viktor Orbán’.

covered two different central aspects of the realist theory, that offered insights that were relevant for answering the research question.

Another limitation of the research is the short period between Hungary's participation in both the 17+1 and the BRI and the preparation of this thesis. Although time is a relative thing and the years between Hungary signing on to the two cooperative frameworks are 12 and 9 years respectively, there could still be a delay in the effects of these to show in the data. The fact that work is still being done to increase either trade or FDI in Hungary can be delayed and is not yet a part of the available data and the analysis can therefore not accurately evaluate the effectiveness of the two realist hypotheses. Economic cooperation is an ever-growing field, and the outcomes of initiatives can take years to yield tangible data that show the development. This can be the limitation that affected the outcome of the third causal inference test as data did not show a significant change in the Hungarian FDI or trade since they joined the 17+1 framework or the BRI.

5.4 Recommendations for further research

Due to the above-mentioned limitation of available data, similar research to the one done in this thesis should be reproduced in 10-15 years to get a more representative data sample that will more accurately assess whether the realist hypotheses, that were analysed in this thesis, are able to explain Hungary's behaviour. Furthermore, the 18 agreements that were signed during the Chinese President's state visit to Hungary in May of 2024 should in 10-15 years have had ample time to come into effect and the outcome of their implementation would be visible in the data. With the new data, a more thorough analysis can be reproduced that will make better assessments of the relations between Hungary and China, but also the relations between Hungary and the EU.

To better understand Hungary and China's relations, research examining the effect of their deepening relations would help us understand why Hungary continues to pursue Chinese investments or deeper relations. Contrary to how this thesis was conducted, i.e., using hypotheses as the basis of the analysis, this new research would be conducted from the perspective of what the output of the many agreements and investments does for Hungary and China's relations. This can be done from a theoretical framework where the research will determine whether a specific theory can explain which effects can be explained from the chosen theory. The theories in this research could be realism and constructivism or an entirely different theory.

6. Conclusion

This thesis aimed to explain and understand what reasons lay behind Hungary's behaviour when it comes to the EU's CFSP. This was reached through the method of causal process tracing, more specifically through four causal inference tests developed by Collier. From this method, the four hypotheses derived from two IR theories were tested and examined for their validity in answering the research question.

From the analysis, it can be concluded that the constructivist hypotheses had the greatest explanatory power and that the realist hypotheses, though still valid, have less explanatory power. Therefore, the answer to the research question *Why has Hungary vetoed EU CFSPs regarding China?*, is that Hungary vetoed CFSPs regarding China because Hungary's norms have changed and are no longer compatible with those of the EU and they can therefore not align themselves with the policies which have resulted in Hungary vetoing the policies regarding China. Additionally, Hungary vetoes CFSPs regarding China because their identity has changed due to their growing diplomatic interactions with China. Their identity has changed from one that is Euro-centric to one that is China-centric as a result of the constructivist-related notion of socialisation. Secondly, it can be concluded that Hungary vetoes CFSPs regarding China for economic reasons. Hungary is seeking to become less dependent on EU funds, economic connections and trade from the EU or its member states and as a result of this Hungary vetoes policies regarding China to ensure that they are seen as an ally of China with whom China can trust with their investments and business. The results indicate that the constructivist point of view is best at explaining why Hungary is vetoing CFSPs regarding China, with the realist aspects being an effect of Hungary's constructivist behaviour.

From the findings of the analysis, it is concluded that despite one theory having greater explanatory power than the other, they are both relevant to answering the research question as they touch upon different aspects of the China–Hungary relationship and are equally important to touch upon, but the result of the analysis showed that one theory's evidence supported the connected hypotheses through all four causal inference tests.

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