

SLOVAK RELATIONS WITH EAST ASIA: A LOST DECADE?

MATEJ ŠIMALČÍK

In recent years, the international system has seen a gradual shifting of the geopolitical and geo-economic centers of gravity. China's growing power and rising assertiveness under the rule of Xi Jinping, the US trade war with China, and the ever-present threat of North Korea's nuclear program suggest that the geopolitical shift has been following an eastward vector. This means the most important global processes, which will shape the world in the upcoming decades, are taking place in the Indo-Pacific region.

East Asia has been notably absent from Slovakia's foreign policy thinking, and barely mentioned in its strategic documents beyond the perceived economic opportunities for Slovak economic diplomacy.

However, as the countries located in the region are playing an increasingly important role in the shaping of global affairs (partly due to US isolationism under President Donald Trump and internal incoherence within the EU), the region warrants more attention within Slovakia's overall approach to foreign policy.

The lack of strategic thinking on East Asia means that most policymakers (be they politicians, diplomats or officials from other ministries) tend to see East Asia solely in economic terms, typically as a cornucopia of trade and investment opportunities. Nowhere is this more evident than in the case of China.¹

Bearing this in mind, this chapter attempts to comprehensively assess the general trends of Slovakia's engagement with Northeast and Southeast Asia.

¹ For the sake of clarity, here China refers to the People's Republic of China. When the Republic of China is meant, Taiwan is used.

CHINA: A SILK ROAD TO NOWHERE?

Modern relations between Slovakia and China can be divided into four distinct periods. Following the establishment of the People's Republic in 1949, Sino-Slovak relations were largely determined by Slovakia being a puppet state of the Soviet Union. Relations were largely cordial reflecting relations between China and the Soviet Union. This historic relationship serves, even today, as an important point of reference for China when discussing its current-day engagement with Slovakia and other countries in Central and Eastern Europe (CEE).² This period of cordiality lasted until the Sino-Soviet split, after which Slovakia (along with other CEE countries) followed the Soviet example and did not interact with China. Since the fall of communism in 1989 and the establishment of the independent Slovak Republic in 1993, Slovak foreign policy has focused on integration into the structures of the global West. As a result, China (and even the East Asia region) was notably low on the radar of Slovak policymakers. This began to change after the 2009 financial crisis, when Slovakia started looking around for alternative markets to offset the overall dependency of the Slovak economy on the EU market.

A significant turning point in Slovakia's engagement with China came in 2012, when Slovakia joined the China-initiated China-CEEC Cooperation platform, a grouping of China and CEE countries.³ The following year, the Belt and Road Initiative (BRI) was announced, and in 2015 Slovakia signed a BRI Memorandum of Understanding.

On a discursive level, China has been gaining increasing importance in public debate. According to ChinfluencE, media coverage of China and China-related topics almost doubled between 2010 and 2016.⁴ Most attention has been paid to economics-related issues with political and security-related aspects representing only a marginal share of the overall volume. This has ramifications for Slovak security policy as it distorts public opinion on China in that it does not sufficiently consider major contentious issues like human rights or territorial conflicts. As a result, the Slovak public and elites are not sensitive to the security risks posed by China, and this in turn feeds into Slovak government attitudes towards China.⁵ This may change in light of the COVID-19 pandemic as more analysts and politicians are becoming aware of China's impact on global affairs beyond economic relations.

Partly because of the low level of awareness about the security risks, engagement with China has predominantly focused on improving economic relations. Slovakia has

² R. Q. Turcsányi, R. Qiaoan, "Friends or foes? How diverging views of communist past undermine the China-CEE '17+1 platform,'" *Asia Europe Journal*, May 27, 2019. Available online: <https://link.springer.com/article/10.1007%2Fs10308-019-00550-6> (accessed on March 15, 2020).

³ The grouping, also known as "16+1" at the time of its inception, originally included 16 CEE countries. In 2019, membership was extended to Greece. Since then, the grouping has been known as "17+1".

⁴ I. Karásková, T. Matura, R. Q. Turcsányi, M. Šimalčík, *Central Europe for Sale: The Politics of China's Influence*. Prague: Association for International Affairs, 2018. Available online: <https://www.chinfluence.eu/central-europe-for-sale-the-politics-of-chinas-influence-2/> (accessed on March 15, 2020).

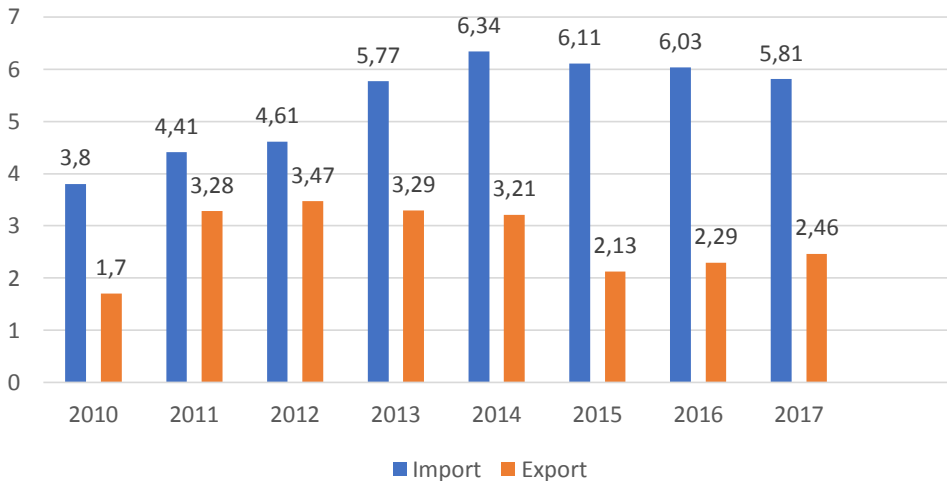
⁵ M. Šimalčík, "Stories about Middle Kingdom: Case study of the Slovak perception of China and its implications for the security policy," in R. Ondrejcsák et al., eds., *Panorama of Global Security Environment 2017–2018: The Central European Perspective*, Bratislava: Stratpol, 2018, pp. 343–60.

run a long-term negative trade balance with China, which it is aiming to improve. Another goal has been to attract high-quality investment, preferably greenfield investment.

As a result, Slovakia is only now starting to realize its own security vulnerabilities, which could be targeted by China through a *prima facie* economic engagement. Because China uses economic tools like investments to achieve its political goals, Slovakia has to kickstart its own security debate on China. An investment screening mechanism, the Chinese presence in 5G networks, and attempts to influence media and discourse are key areas where Slovakia has to carefully consider the potential economic benefits *vis-à-vis* the security risks.⁶

Despite engaging with China in the BRI and 17+1 platforms, China has not become one of Slovakia's major economic partners. Slovakia's trade deficit with China has been increasing in recent years. This is not only because Slovakia's imports almost doubled between 2010 and 2016 (China is Slovakia's third-largest import partner), but also because of falling Slovak exports. Paradoxically after increasing for several years, Slovak exports shrunk noticeably after it joined the 17+1 platform. While in 2012 exports amounted to \$3.47 billion, in 2017 they were only \$2.46 billion, which represents a mere 2.9 per cent of total exports.⁷ As a result, the trade deficit with China deepened from – \$2.1 billion to \$3.74 billion. At the same time, it should be noted that the negative trade balance with China is largely logical, as it is predominantly caused by the structure of global value chains.

Figure 1. Slovak trade with China (billions of USD)



Source: Atlas of Economic Complexity

⁶ See e.g. M. Šimalčík, “When investments are not in state interest,” CEIAS, December 15, 2018. Available online: <https://ceias.eu/when-investments-are-not-in-state-interest/> (accessed on March 15, 2020).

⁷ “The Atlas of Economic Complexity,” Center for International Development at Harvard University. Available online: <http://atlas.cid.harvard.edu> (accessed on March 15, 2020).

Nevertheless, some success was achieved in the agricultural sector. In 2019, Slovakia concluded a veterinary agreement with China on dairy exports. After certification by the Chinese authorities, the first dairy farmers began exporting their products to China in early 2020. While this is certainly beneficial from the microeconomic perspective of individual farmers, from a macroeconomic perspective, it is only a minor achievement as agriculture represents only 1.5 per cent of overall Slovak exports (with dairy representing an even smaller share) and employs less than 3 per cent of the Slovak workforce.⁸ Despite the low economic impact of dairy exports, they have been disproportionately presented by some politicians as a major success of Slovakia's China policy.

Looking at investment, the stock of China's foreign direct investment did not increase significantly either. Chinese investors in Slovakia were mostly interested in investing in the ICT, logistics, automotive, or banking sectors. These investments mostly took on the form of mergers and acquisitions (i.e. brownfield investment). Greenfield investments are mostly an exception. According to the Slovak National Bank, the total stock of Chinese FDI reached €30.1 million in 2017 and €30.8 million in 2018 (provisional data). Of the V4 countries, Slovakia has received by far the lowest amount of Chinese FDI. Moreover, Chinese FDI stock is lower even than Japanese, Korean, or Taiwanese investment.

However, it must be noted that measuring FDI stock is a notoriously imprecise activity. The volumes reported by the Slovak National Bank tend to be deflated, as it follows the OECD guidelines, which dictate that inter-company transfers from the local subsidiary to its parent should be subtracted from the total volume of FDI (which can sometimes lead to paradoxical reporting of negative FDI stock).⁹ To compare, data from the Chinese Ministry of Commerce (MOFCOM) indicate an FDI stock of \$99.3 million. Nevertheless, even according to Chinese MOFCOM data, Slovakia is the least successful FDI recipient among the V4. At the same time, a former Chinese ambassador to Slovakia recently stated that China invested at least €400 million in Slovakia (however, it is not clear whether that data included Hong Kong and Taiwan).¹⁰

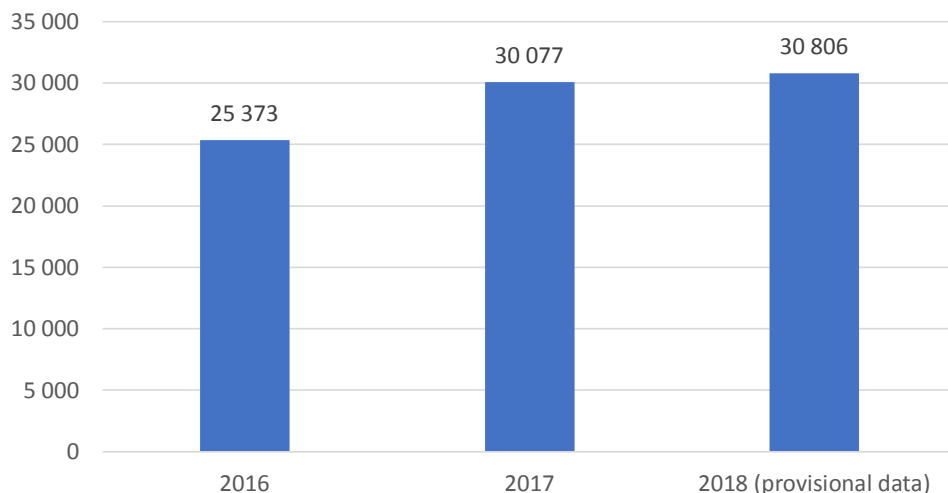
Slovak investment relations with China thus exist mostly on the "wishful thinking" level. Several noteworthy investments were planned in the past but fell through. An illustrative case was the planned purchase of US Steel by Hesteel worth approximately \$1.6 billion, with an estimated \$1.1 billion in further investment to be made by Hesteel after the acquisition.¹¹

⁸ M. Šimalčík, "Na čom stojí Pellegriniho čínský sen," [What is Pellegrini's Chinese dream based on?] *Sme*, November 28, 2018. Available online: <https://komentare.sme.sk/c/20970356/na-com-stoji-pellegriniho-cinsky-sen.html> (accessed on March 15, 2020).

⁹ See "Foreign direct investment statistics: Explanatory notes," OECD. Available online: <https://www.oecd.org/daf/inv/FDI-statistics-explanatory-notes.pdf> (accessed on March 15, 2020).

¹⁰ L. Yar, "Čínsky veľvyslanec: Snažíme sa nájsť najlepší spôsob, ako využiť centrálnu polohu Slovenska," [Chinese ambassador: we're trying to find the best way to use Slovakia's central location] *EURACTIV.sk*, 6 September, 2019, Available online: <https://euractiv.sk/section/vonkajsie-vztahy/interview/cinsky-velvyslanec-snazime-sa-najst-najlepsi-sposob-ako-vyuzit-centralnu-polohu-slovenska> (accessed on March 15, 2020).

¹¹ L. Husenicová, K. Kironská, F. Šebok, M. Šimalčík, R. Q. Turcsányi, *Potenciál Novej hodvábnej cesty pre Slovensko*, [Potential of the New Silk Road for Slovakia] Bratislava: CEIAS, 2019. Available online: <https://ceias.eu/potencial-novej-hodvabnej-cesty-pre-slovensko/> (accessed on March 15, 2020).

Figure 2. Chinese FDI stock in Slovakia (thousands of EUR)

Source: National Bank of the Slovak Republic

Despite the proclaimed interest in promoting economic cooperation with China and formal participation in the BRI and 17+1, the Slovak government did not go out of its way to engage in pro-Chinese diplomacy. In the history of modern Sino-Slovak relations, several events stand out which show that China has not been particularly high on the government's foreign policy agenda. The first such event was the acceptance of Uighur detainees from the Guantanamo base despite China's objections,¹² and thus directly challenging China's core interests.¹³ The second such event occurred when the then Prime Minister Robert Fico was visibly absent from the 17+1 summit of prime ministers in Suzhou. The official reason given was his health. However, that is doubtful for Fico continued his program in Bratislava, seemingly as prepared. Moreover, at the previous summit, Fico had stated publicly that he would not go to China on a tourist trip if there was to be no meaningful progress.¹⁴ The third such event was in 2016, when the then President Andrej Kiska met with the Dalai Lama. Lastly in 2019 newly elected President Zuzana Čaputová raised China's violation of human rights at a meeting with Wang Yi (Chinese Minister of Foreign Affairs).

¹² S. Ackerman, "Uighur men held for 12 years leave Guantanamo for Slovakia," *The Guardian*, December 31, 2013. Available online: <https://www.theguardian.com/world/2013/dec/31/uighur-men-leave-guantanamo-bay-slovakia> (accessed on March 15, 2020).

¹³ For a detailed discussion of China's core interests see: B. Kelemen, K. Kironská, F. Šebok, M. Šimalčík, R. Q. Turcsányi, *Slovakia and China: Challenges to the future of the relationship*, Bratislava: CEIAS, 2020. Available online: <https://ceias.eu/wp-content/uploads/2020/01/Slovakia-and-China-Challenges-to-the-Future-of-the-Relationship.pdf> (accessed on March 15, 2020).

¹⁴ R. Turcsányi, "Fico pre rozvoj vzťahov s Čínou neurobil prakticky nič," [Fico did practically nothing to expand relations with China] *Denník N*, November 7, 2016. Available online: <https://dennikn.sk/602336/fico-pre-rozvoj-vztahov-s-cinou-neurobil-prakticky-nic/> (accessed on March 15, 2020).

Čaputová and Kiska drew criticism over purportedly endangering Slovak economic relations with China. Paradoxically though, following Kiska's meeting with the Dalai Lama exports to China did not diminish but improved.¹⁵

Interestingly, in the last few years China has increasingly become a domestic political tool. This was particularly true after President Kiska met with Dalai Lama and President Čaputová criticized China's human rights violations. In both instances, the two events resulted in narrative clashes between the proponents of a value-based foreign policy anchored in the principles of liberal democracy on one hand, and supporters of engagement with China (be it for pragmatic or ideological reasons) on the other.

TAIWAN: A NEGLECTED PARTNER?

Thinking about relations between Slovakia and China is tricky. On one hand, Slovakia pursues the "One China Policy" and so does not maintain diplomatic relations with Taiwan. On the other hand, Taiwan is an important economic partner.

On an institutional level, Taiwan handles its relations with Slovakia through a local Taipei Representative Office, which opened in 2003. Slovakia was the last country from the V4 region in which such an institution was opened.¹⁶ Despite being a regional latecomer, Slovakia has achieved a substantial level of economic interaction with Taiwan over the years, especially in investments.

Notable cases of Taiwanese investment in Slovakia include Foxconn in Nitra, AU Optronics in Trenčín, Delta Electronics in Dubnica nad Váhom, ELTEK in Liptovský Hrádok, and Darwin Precisions in Trenčín. Altogether, these companies accounted for an FDI stock of approximately €404 million.¹⁷

The successful development of economic relations was partly the result of avoiding highly politicized public debates on Taiwan in Slovakia. Compared to neighboring Czech Republic, Taiwan has not so far become a hot topic in Slovak foreign policy or domestic politics. Nevertheless, Slovak policymakers should recognize the proximity of Slovak and Taiwanese political values, as both countries are currently liberal democracies with experience of autocratic rule.

As the events of the past few years indicate, China-related developments will prove to be even more contentious issues in global affairs. Thus, it is prudent for Slovakia, a member of the liberal democratic global community of nations, to build partnerships with like-minded nations beyond the traditional domains of Slovak foreign policy,

¹⁵ M. Šimalčík, "Čínske omyly súdruha Blahu," [Comrade Blaha's Chinese misconceptions] CEIAS, July 18, 2019. Available online: <https://ceias.eu/sk/cinske-omyly-sudruha-blahu/> (accessed on March 15, 2020).

¹⁶ C. Tubilewicz, *Taiwan and Post-Communist Europe: Shopping for Allies*, London: Routledge, 2007.

¹⁷ Data provided by Taipei Representative Office in Bratislava. At the same time, the Slovak National Bank (SNB) recorded FDI stock of €75.5 million in 2016, €15 million in 2017, and €-5.5 million in 2018 (provisional data). The sharp decrease is explained by the SNB following OECD guidelines, discussed in the section on China. Negative FDI stock may be logical from an accounting perspective, but does not represent the reality on the ground, thus this section does not focus on the SNB data.

including with East Asian countries. As political relations with Taiwan have so far been neglected for pragmatic reasons, it is a prime candidate in this regard.

However, since Slovakia subscribes to the "One China Policy," opening official political channels will have ramifications for the relations with China, which views Taiwan as its "core interest." To mitigate the risk of a Chinese backlash, paradiplomacy and track 1.5 diplomacy are suitable options on how to engage with Taiwan more intensely. However, as Prague's recent experience indicates, improperly guided paradiplomatic engagement can create diplomatic conundrums.¹⁸ Thus, it is imperative to have a clear set of guidelines on engagement with Taiwan and mainland China for paradiplomatic actors (cities, self-governing regions) so that national interests are not damaged when pursuing a sub-national, regional interest.

Slovak businesses have also proved to be a viable vehicle for advancing a positive image of Slovakia in Taiwan in recent years. Several Slovak companies regularly cooperate with Taiwanese counterparts on cutting-edge technologies like blockchain. A Slovak pioneer in this regard is Decent, which even opened a local branch in Taipei in 2019.¹⁹

SOUTH KOREA & JAPAN: ORIENTALISM OVERSHADOWS IMPORTANT BUSINESS PARTNERS?

As mentioned above, both Japan and South Korea have invested substantially in Slovakia, in both cases more than China (according to Slovak National Bank data).

South Korea is an economic powerhouse in Slovakia, with investment worth almost €3 billion. This makes South Korea the largest non-European investor in Slovakia by a wide margin and the sixth-largest investor overall. The investment wave was led by KIA Motors and Samsung, which set up manufacturing plants in Slovakia. Altogether, over 100 Korean companies have a presence in Slovakia. Both KIA and Samsung are responsible for the bulk of Slovak exports (€3.8 billion and €3.6 billion respectively), thus contributing significantly to Slovak GDP.²⁰

According to Slovak National Bank data, Japan is the second-largest Asian investor in Slovakia. Altogether, 67 Japanese companies operate in Slovakia, employing some 13,000 workers. Important investments in the manufacturing sector have been made

¹⁸ M. Šimalčík, A. Kalivoda, "Sister-city relations and identity politics: the case of Prague, Beijing, Taipei, and Shanghai," *The Diplomat*, February 25, 2020. Available online: <https://thediplomat.com/2020/02/sister-city-relations-and-identity-politics-the-case-of-prague-beijing-taipei-and-shanghai/> (accessed on March 15, 2020); M. Eckert, R. Q. Turcsányi, "Prague vs. Beijing: estranged sister cities," *The Diplomat*, October 8, 2019. Available online: <https://thediplomat.com/2019/10/prague-vs-beijing-estranged-sister-cities/> (accessed on March 15, 2020).

¹⁹ "O možnostiach spolupráce s magistrátom hlavného mesta Taipei," [On the potential for cooperation with the City Council of Taipei] Ministry of Foreign and European Affairs of the Slovak Republic, October 29, 2019. Available online: https://www.mzv.sk/aktuality/vsetky_spravy/-/asset_publisher/Rp2fPY0svzsu/content/o-moznostiach-spoluprace-s-magistratom-hlavneho-mesta-taipei?p_auth=B0SuxTol (accessed on March 15, 2020).

²⁰ R. Q. Turcsányi, T. Boshkoska, "Asian Investment in Slovakia," unpublished manuscript.

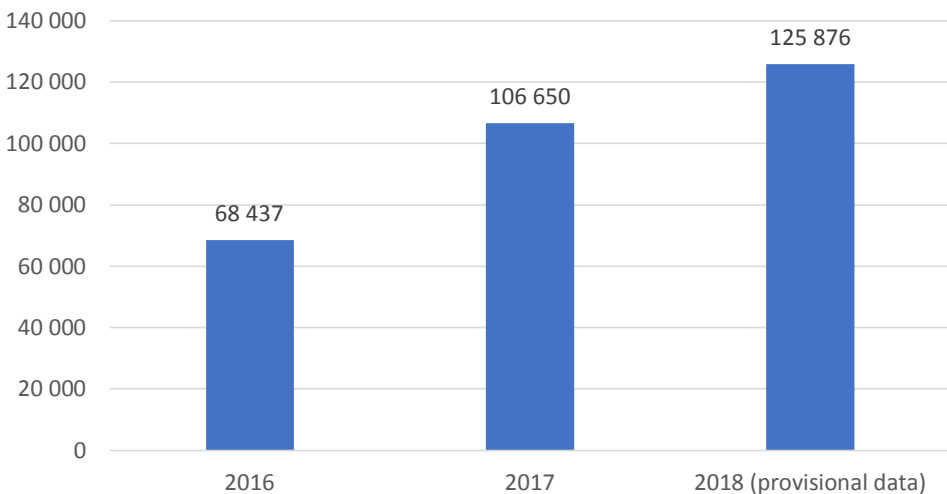
by Nidec, Panasonic Industrial Devices Slovakia, Yazaki Wiring Technologies Slovakia, U-Shin Slovakia, and Marelli Kechnec Slovakia.²¹

These companies were attracted to Slovakia mainly because of its low labor costs and open economy. However, with rising wages and increasing bureaucratic burdens, Slovakia now faces the danger of some companies relocating elsewhere. If any of the big players (like KIA or Samsung) were to abandon their operations in Slovakia, the move would create a substantial ripple effect, as many subcontractors are tied to these operations. For instance, Samsung has already started moving a portion of its production to Hungary, which has resulted in several Japanese and Korean subcontractors stopping their production as well.

Despite being important economic actors in Slovakia, both countries suffer from low visibility. In the case of Japan, this is mostly due to the Slovak public perceiving the country through its culture and history, rather than its current presence in the country. This was illustrated during President Čaputová's visit to Japan in 2019 to attend the enthronement ceremony of Emperor Naruhito. While most of the media coverage in Slovakia focused on the traditional ceremony and aspects of Japanese culture such as the emperor's divine substance, there was no substantial coverage of President Čaputová's contribution to economic diplomacy, when she met with Japanese Prime Minister Abe Shinzo, and discussed cooperation in innovations and environmental protection, and visited several Japanese companies.

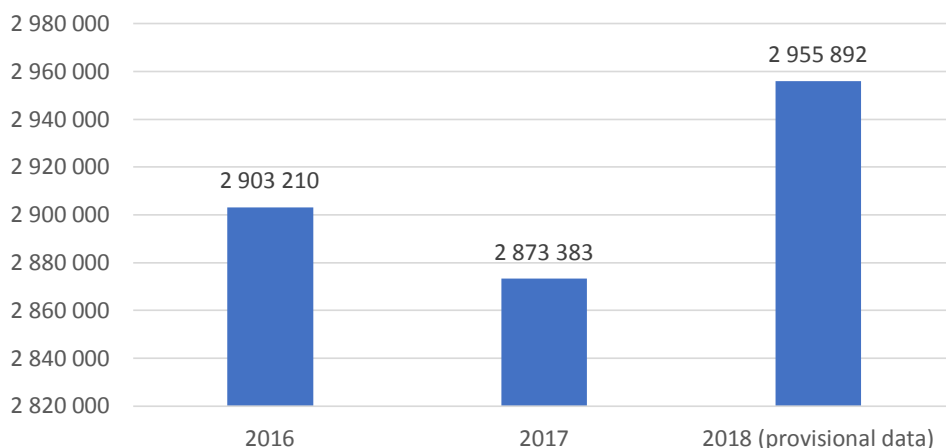
Like Taiwan, Slovakia also shares values with Japan and South Korea, which makes them natural partners for developing a Slovak presence in East Asia. Moreover, Slovakia has no unresolved contentious issues which could hamper cooperation. As already mentioned in the previous section on Taiwan, this value-affinity will be an important factor in the future for maintaining partnerships which will offset the impact of China on global affairs.

Figure 3. Japanese FDI stocks in Slovakia (thousands of EUR)



Source: National Bank of the Slovak Republic

²¹ Ibid

Figure 4. South Korean FDI stocks in Slovakia (thousands of EUR)

Source: National Bank of the Slovak Republic

Engagement within the V4+ platform was an important means of developing Slovak relations with Japan and South Korea.

The V4+Japan partnership, formed in 2004, has over the years become one of the most mature V4+ partnerships. It was the framework within which three prime ministerial summits took place (in 2013, 2018, and 2019), the last of which was in Bratislava. The 2018 summit in Brussels serves as a reminder of how the rise in Chinese influence in the V4 region can impact relations with other Asian countries. No common statement was issued at the end of the summit. It was reported that the reason behind this was Hungary's refusal to sign a document that contained references to controversial China-related topics – one concerning South China Sea disputes and another discussing the safety of sea travel. Japan allegedly declined to issue a statement without the references and so no statement was adopted. The Hungarian government refuted these claims but all indications point to the veracity of the reports about Budapest's role.²² Within the V4+ platform, Slovakia successfully partnered with Japan on development projects in Eastern Partnership countries, the Western Balkans, and even Afghanistan and Central Asia. Should Slovakia's development aid policy refocus on Southeast Asia in the future (see below), Japan could be a natural partner for Slovak assistance in the region, as in many cases it is a far more important development partner than China.

The V4 partnership with South Korea was formed later, in 2014. Similarly to V4+Japan, the V4+Korea partnership has focused on cooperation in the fields of development aid, science and technology, good governance, and innovation of small and medium enterprises. Moreover, South Korea supported the activities of the International Visegrad Fund with a donation of €336,000.²³

²² K. Dubravčíková, F. Šebok, M. Šebeňa, M. Šimalčík, R. Q. Turcsányi, *Prospects for developing the V4+China cooperation platform*, Bratislava: CEIAS, 2019. Available online: https://ceias.eu/wp-content/uploads/2019/10/V4-China-cooperation_FINAL.pdf (accessed on March 15, 2020).

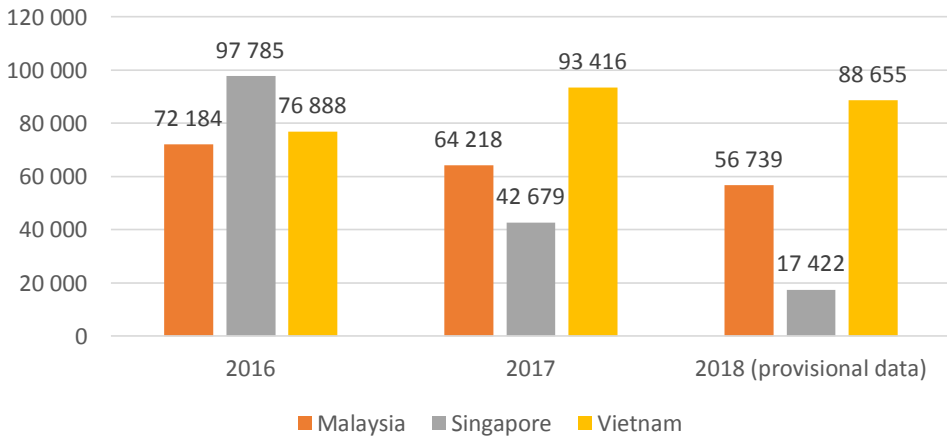
²³ Dubravčíková et al., 2019, op. cit.

As both countries have set up connectivity platforms, Slovakia should in the future explore the possibilities for cooperating in this area to offset the negative political impacts of China's BRI, possibly by looking at sources of co-financing for future infrastructure projects to avoid dependency on a single financing source.

ASEAN COUNTRIES: OVERLOOKED OPPORTUNITIES

When discussing Slovak relations with East Asia, most of the discussion is focused on Northeast Asian countries, while the countries of Southeast Asia tend to be overlooked. However, three countries in the region stand out in terms of their financial presence in Slovakia. According to the Slovak National Bank data, Malaysia, Singapore, and Vietnam have invested substantially in Slovakia, in some instances even on a par with the Northeast Asian economies.

Figure 5. FDI stocks of select ASEAN economies in Slovakia (thousands of EUR)



Source: National Bank of the Slovak Republic

From among the three countries, Vietnam receives the most attention in Slovak discourse, mainly due to the large Vietnamese diaspora living in the country. The remaining two countries are largely overlooked, despite being important financial centers. Slovakia currently does not have diplomatic representation in either Malaysia or Singapore and the relationships are handled by the embassy in Jakarta.

Vietnam has occupied the Slovak headlines on several occasions in recent years, due to an international scandal which involved the kidnapping of a Vietnamese asylum seeker from Germany who was transported through Czechia and Slovakia to Vietnam to face trial on corruption charges.

While the kidnapping occurred in the summer of 2017, it did not come to public attention in Slovakia until the summer of 2018. The events that transpired a year earlier resulted in a diplomatic freezing of relations with Vietnam and the status of the diplo-

matic mission in Hanoi was downgraded from a delegation headed by an ambassador extraordinary and plenipotentiary to a delegation headed by a chargé d'affaires en pied. Since then, relations have barely improved nor seen any positive developments. This is largely due to Slovakia's own inability to seize the moment and press Vietnam into offering concessions in areas of Slovak interest.

The kidnapping happened during the final phase of negotiations between the EU and Vietnam on a free trade agreement and investment protection agreement. This presented Slovakia with the chance to use the treaty as leverage over Vietnam, as the treaties required the consent of member states (in Council in the case of the FTA, and full national ratification for the investment protection treaty).²⁴ Another such opportunity presented itself in mid-2019, when Vietnam was pursuing a seat on the UN Security Council. Slovakia could have conditioned its potential support for Vietnam's bid by resolving the kidnapping issue and offering meaningful progress on the economic agenda. However, these opportunities were not seized and a Vietnamese diplomat was expelled from Slovakia in February 2020.²⁵

In comparison, Germany, where the kidnapping happened, suspended its strategic partnership with Vietnam.²⁶ The relationship was reset in February 2019,²⁷ reportedly after Vietnam made several concessions to Germany.

As for the specific opportunities Slovakia could pursue in Vietnam, the natural candidates are in the ICT and automotive sectors. As with Japan, cooperation on various "green" industries would also be of potential benefit to Slovakia. Vietnam has a long term waste management problem. Slovak companies could be ideal candidates to offer waste management solutions to Vietnamese entities.

Besides Vietnam, other ASEAN countries, especially the less developed ones, provide ample opportunities for Slovak businesses to export their products. The less developed economies of ASEAN (e.g. Indonesia, the Philippines, Laos, Cambodia, or Myanmar) represent markets that have so far been much less saturated by Western companies compared to the Northeast Asian economies on which Slovak economic diplomacy tends to focus.

Activities of Slovak businesses in ASEAN could also be connected to activities under the purview of the Slovak official development aid (ODA). However, Southeast Asia has been notably absent from the priorities of Slovak ODA. Southeast Asian countries offer opportunities for engaging in ODA projects in areas like waste management or river regulation. Ample opportunities exist for NGO sectors as well. With a largely

²⁴ "EU-Viet Nam free trade agreement – Joint press statement by Commissioner Malmström and Minister Tran Tuan Anh," European Commission, June 30, 2019. Available online: http://trade.ec.europa.eu/doclib/press/index.cfm?id=2041&utm_source=dlvr.it&utm_medium=facebook (accessed on March 15, 2020).

²⁵ "Slovakia expels a Vietnamese diplomat in relation to abduction case," *The Spectator*, February 5, 2020. Available online: <https://spectator.sme.sk/c/22319321/slovakia-expels-a-vietnamese-diplomat-in-relation-to-abduction-case.html> (accessed on March 15, 2020).

²⁶ R. Ebbighausen, "'Cold-War-style kidnapping' – Berlin waits in vain for signal from Hanoi," *Deutsche Welle*, December 27, 2017. Available online: <https://www.dw.com/en/cold-war-style-kidnapping-berlin-waits-in-vain-for-signal-from-hanoi/a-41888734> (accessed on March 15, 2020).

²⁷ "Germany aims to reset ties with Vietnam after kidnapping case," *Reuters*, February 20, 2019. Available online: <https://www.reuters.com/article/us-germany-vietnam/germany-aims-to-reset-ties-with-vietnam-after-kidnapping-case-idUSKCN1Q92V8> (accessed on March 15, 2020).

successful transition experience of its own, Slovakia could serve as a role model to ASEAN countries struggling with economic and political transition who could train local officials and NGO members in best practices on governance, transparency, anti-corruption, or market economy reforms.

In this regard, Slovakia could learn from neighboring Czech Republic, where NGOs have been engaged in transition-related ODA projects in ASEAN, with funding from the Czech Ministry of Foreign Affairs. To illustrate, the Czech branch of Transparency International (a global anti-corruption watchdog) has been carrying out workshops in Myanmar intending to educate future societal leaders in good governance best practices, with the aim of improving the efficiency of Myanmar government.²⁸

In Slovakia's case, the priorities of Slovak ODA would have to be redefined to include Southeast Asian countries on the list of countries eligible to receive project funding. A recent reform of the legislation on Slovak Eximbanka seems to be a good first step in encouraging ODA engagement beyond the regions where Slovakia has traditionally been active.

IN PLACE OF A CONCLUSION: ORGANIZATIONAL SHORTCOMINGS OF THE SLOVAK APPROACH TO EAST ASIA

Owing to a lack of resources, Slovakia has been unable to maintain close relations with every partner in the East-Asian region, even though many countries in the region besides those explicitly mentioned in this chapter offer plenty of opportunities for Slovak businesses to export or invest abroad.

In dealing with East Asia, Slovak diplomacy has to overcome two shortcomings of a structural and organizational nature. First, there are the limits of the current consular map. Second, there are the limits related to the capacity of the ministry's human resources.

Perhaps the most effective game-changer for a more active approach towards East Asia on the Slovak side would be to increase the presence of Slovak diplomatic representatives in China. These steps, however, should be taken with an already defined strategy towards the region in mind and after a cost-benefit analysis, thus avoiding the pitfalls of increasing capacities without having a clear agenda and objectives in the first place.

Potential additions to the consular map should be considered, especially in the ASEAN countries where Slovakia currently has only three diplomatic missions (embassies in Hanoi, Jakarta, and Bangkok). Singapore and Malaysia, both sources of substantial FDI stock in Slovakia and major economic and financial centers, are currently covered from Jakarta. Thus, at the very least, it is worth considering creating a separate

²⁸ See e.g. O. Cakl, "Blog Ondřeje Cakla – 'Myanmar: Jevištní demokracie jako metoda, state capture jako účel,'" [Ondřej Cakl's blog – Myanmar: stage democracy as a method, state capture as a purpose] Transparency International Česká republika, January 9, 2019. Available online: <https://www.transparency.cz/blog-ondreje-cakla-myanmar-jevistni-demokracie-jako-metoda-state-capture-jako-ucel/> (accessed on March 15, 2020).

posting covering those two countries (due to the relative proximity of Singapore and Kuala Lumpur, the two countries could be covered by a single embassy or consulate).

At home, Slovakia suffers from a lack of expertise on China and East Asian affairs in general. Most diplomats therefore gain Asia-related expertise on the job. This issue is further exacerbated by the fact that, under the current diplomatic rotation system, many diplomats who have Asian experience are rotated to non-Asian countries.

As China is becoming an ever more important actor in international affairs, it will be more and more crucial for the state to have sufficient access to domestic experts on economic, political, security and international affairs with specific knowledge of China and East Asia. To this end, the government should bolster training of experts at universities and support the nascent domestic community of think tanks that specialize in China and that can provide policymakers with tailored analyses.

To pick up the pace in places where Slovakia has lagged behind, it should also increasingly rely on its structural power stemming especially from its EU membership and to some extent NATO membership. EU relations with China provide the most important framework for Slovakia to achieve its interests there, not the least due to the fact economic exposure to China is mediated by EU partners. To this end, Slovakia should be a more constructive and responsible actor that participates in forming and adhering to EU-wide policies. This applies not only to policy on China, but also other countries in the Asia-Pacific region.

As Slovak interests in East Asia are predominantly economic, and since trade policy is an exclusive competence of the EU, Slovakia is destined to participate in EU-wide policy cooperation. Concluding EU-wide free trade agreements with East Asian economies (e.g. Japan, Vietnam, or Singapore) is especially important for an open economy like Slovakia's. Its EU membership could therefore be an important factor in offsetting the negative impact of the organizational shortcomings of the Slovak presence in Asia.