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**SLOVENIA'S RESPONSE TO CHINA'S BELT AND ROAD
INITIATIVE**

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ABSTRACT

This thesis examines Slovenia's response to China's Belt and Road Initiative and the broader dynamics of Slovenia–China cooperation. It aims to understand how a small state navigates engagement with China, perceived both as an opportunity and a potential threat. The study combines interviews with political, business, and academic stakeholders with discourse analysis of literature, media and policy documents, revealing diverse perspectives and dominant narratives. Findings highlight the challenges and opportunities Slovenia faces in global geopolitical shifts and underscore the importance of strategic decision-making for small states engaging with superpowers.

KEY WORDS: Slovenia, China, Belt and Road Initiative, small states, host-country perspective, opportunity, threat

SUSTAINABLE DEVELOPMENT GOALS



POVZETEK

Magistrska naloga preučuje odziv Slovenije na kitajsko pobudo Belt and Road Initiative ter širšo dinamiko sodelovanja med državama. Cilj je razumeti, kako majhna država pristopa k sodelovanju s Kitajsko, ki je hkrati videna kot priložnost in potencialna grožnja. Raziskava združuje intervjuje s političnimi, gospodarskimi in akademskimi deležniki z analizo diskurza literature, medijskih in političnih dokumentov, kar razkriva različne perspektive in prevladujoče narative. Ugotovitve osvetlujejo izzive in priložnosti Slovenije v globalnem svetu geopolitičnih sprememb ter poudarjajo pomen strateških odločitev male države pri sodelovanju z velesilami.

KLJUČNE BESEDE: Slovenija, Kitajska, Belt and Road Initiative, majhne države, vidik gostiteljske države, priložnost, grožnja

CILJI TRAJNOSTNEGA RAZVOJA



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LIST OF ABBREVIATIONS

sl. – Slovene

BRI – (sl. Pobuda Pas in cesta); Belt and Road Initiative

CAI – (sl. Celovit sporazum o naložbah); Comprehensive Agreement on Investment

CDB – (sl. Kitajska razvojna banka); China Development Bank

CESEE – (sl. srednje-, vzhodno- in jugovzhodnoevropske); Central, Eastern, and Southeastern European

CPEC – (sl. Kitajsko-pakistanski gospodarski koridor); China–Pakistan Economic Corridor

EU – (sl. Evropska unija); European Union

FDI – (sl. Neposredna tuja investicija); Foreign Direct Investment

G7 – (sl. Skupina sedmih); Group of Seven

IB – (sl. Mednarodno poslovanje); International Business

IR – (sl. Mednarodni odnosi); International Relations

MoU – (sl. Memorandum o soglasju); Memorandum of Understanding

NATO – (sl. Severnoatlantska pogodbeno organizacija); North Atlantic Treaty Organization

PGII – (sl. Partnerstvo za globalno infrastrukturo in naložbe); Partnership for Global Infrastructure and Investment

PM – (sl. Predsednik vlade); Prime Minister

R&D – (sl. Raziskave in razvoj); Research and Development

SOEs – (sl. državna podjetja); State-Owned Enterprises

UN – (sl. Združeni narodi); United Nations

US – (sl. Združene države Amerike); United States

1 INTRODUCTION

In recent years, China has increasingly embraced multilateralism as a central component of its global strategy in a multipolar world (Clegg, 2009; Song & Pavličević, 2019). This marks a pragmatic shift in China's approach to international relations (hereinafter: IR), with the country taking a more assertive and constructive role in both regional and global affairs. Through active participation in international institutions and adherence to global norms, China has managed to promote its own national interests while subtly influencing the international system to better align with its long-term goals (Medeiros & Fravel, 2003).

This approach reflects a broader strategy, as McMichael (2020, p. 28) notes: "Its recent history can be viewed as strategic manipulation of global neoliberal relations via a combination of short- and long-game maneuvers, anchored in a powerful neo-mercantilist model that resonates with rising national protectionism." This model could be described as "state-directed efforts aimed at making asymmetric economic gains at the expense of competitors" (Ziegler & Menon, 2014, p. 17).

China's strategic realignment is not only an expression of diplomatic pragmatism, but is also deeply rooted in the ideological framework of the Chinese Communist Party. The latest addition to Sinified Marxism, Xi Jinping's "Thought on Socialism for a New Era" builds on his "Four-Pronged Comprehensive Strategy," which includes the goals of achieving moderate prosperity, deepening reform, strengthening constitutional governance and enforcing stricter party discipline. Together, these diplomatic and domestic policies reflect a holistic approach in which China seeks to shape the global order while advancing its domestic agenda of socialism with national characteristics (Garrick & Bennett, 2018).

Under Xi Jinping's leadership, China's global engagement strategy is rhetorically anchored in the principles of amity, mutual benefit and inclusiveness. This approach is exemplified by the Belt and Road Initiative (hereinafter: BRI), which was first announced in 2013 and represents China's most ambitious global economic diplomacy effort to date. Xi's launch of the BRI in conjunction with the US global retreat has allowed China to offer an alternative pathway to global influence (Schortgen, 2017). Therefore, the BRI serves not only as a tool for economic integration but also as a means for China to improve its geopolitical standing in the modern era.

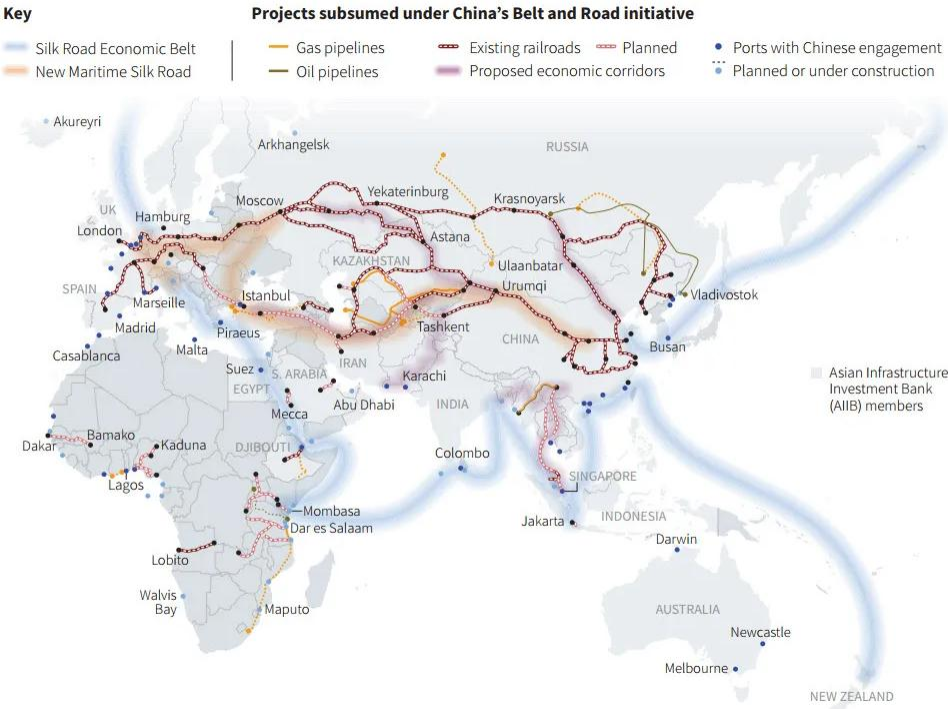
The BRI was first announced by Xi Jinping in 2013 during his speech at Nazarbayev University in Kazakhstan. He introduced the "21st Century Maritime Silk Road," a route by sea, and the "Silk Road Economic Belt," a route by land (Blanchard & Flint, 2017). The fundamental concept of the BRI was and is to promote economic integration (Li et al., 2022; Pepermans, 2018; Zhang et al., 2018). The BRI focuses on utilizing the "belt" to establish connections between China and Europe via Central Asia and Russia, the Middle East via Central Asia and Southeast Asia, South Asia and the Indian Ocean. At the same time, the

“road” will connect China to Europe via the South China Sea and the Indian Ocean and connect to the South Pacific via the South China Sea. As of May 2025, 146-150¹ countries (including China) were listed as signatories to the BRI, affecting more than 70% of the world’s population and accounting for more than half of global GDP (Nedopil, 2025a; Statista, 2023).

Scholars and analysts have used several terms to describe the BRI. They refer to it as a vision, doctrine, strategy, framework, policy, or even an umbrella for several domestic and foreign policy agendas of the Chinese government. Officially, however, the Chinese government refers to it as an “initiative,” a deliberate choice that has both diplomatic and ideological significance. The term was codified in 2015 in the policy document Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road (Berzina-Cerenkova, 2016). Rather than positioning the BRI as a top-down strategy, the use of the term “initiative” is intended to present it as a voluntary contribution or proposal that emphasizes cooperation and mutual benefit (Vangeli, 2019).

Figure 1 shows one of the many unofficial cartographic representations of the BRI.

Figure 1: Unofficial cartographic representation of the BRI



Source: Dews (2018).

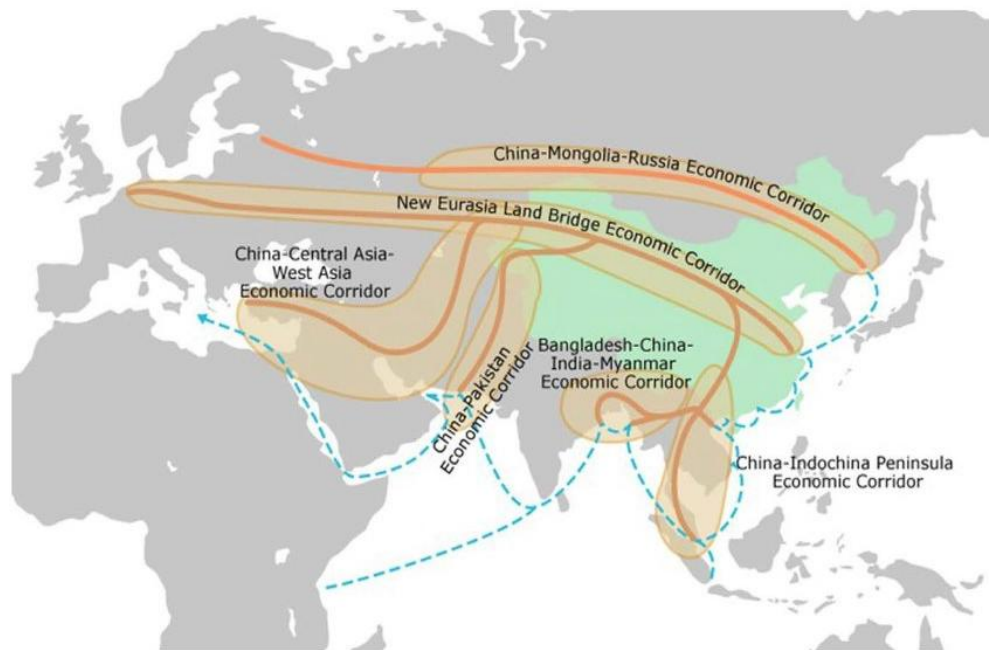
According to the official Vision and Actions document, the BRI aims to promote five forms of connectivity: policy coordination, infrastructure connectivity, unimpeded trade, financial

¹ The exact number of BRI’s MoUs is uncertain due to limited and contradictory data.

integration, and people-to-people bonds (Hu, 2023; Zhang et al., 2018). Infrastructure plays a visible role and includes transportation systems (roads, railroads, ports and airports), energy networks (oil and gas pipelines) and digital connectivity (fiber optic and communication systems).

Under the banner of infrastructural connectivity, the BRI comprises six major economic corridors illustrated in Figure 2. Together, these corridors form an important part of China’s global economic strategy—a new framework for international cooperation designed to position China as a key player in global development (Brona, 2018; Zhang et al., 2018).

Figure 2: Six economic corridors of the BRI



Source: Sarker et al. (2018).

China’s BRI is often described as the most ambitious global, multidimensional initiative of the 21st century. It is inspired by the ancient Silk Road, a network of trade routes established during the Han Dynasty (206 BC - 220 AD) that connected China with the Roman Empire and other great civilizations of Eurasia. This historic Silk Road stretched more than 10,000 kilometers and facilitated organized trade throughout the region, with Chinese silk being one of the most valuable commodities (Liu, 2010). After the advent of European maritime trade in the 15th century, the importance of the Silk Road declined, marking the end of one of the most important land routes in pre-modern history (Millward, 2013). In many ways, the BRI can be seen as a modern revival of this ancient network, aiming to re-establish China’s central role in global trade and economic integration.

The existing discourse on China’s presence in Europe often vacillates between viewing it as a strategic threat or a great opportunity (Broomfield, 2003; Pan, 2012; Pavlićević, 2018;

Vangeli, 2018). While the Chinese impact on major powers is widely discussed, the perspective of smaller participating countries, such as Slovenia, remains under-researched. As a strategically positioned but small country, Slovenia offers a unique vantage point from which to assess how global initiatives are filtered, adapted or resisted at the national level. Studying Slovenia's response to the BRI helps uncover broader dynamics between small states and global powers in a multipolar world.

This thesis aims to gain a deeper understanding of the factors behind Slovenia's cooperation (or lack thereof) with China in the BRI, from the perspective of the host country, conceptualizing Slovenia as a "small state" in global affairs.

Through discourse analysis of domestic and international media reports, policy documents, and academic literature, this thesis identifies three dominant frames that reflect broader debates about how countries engage with China. These frames typically portray China as either an "opportunity" or a "threat." In the Slovenian context, an additional dimension of "small state agency" emerges, resulting in the following three context-specific frames:

- "BRI as (missed) opportunity"
- "BRI and the China threat"
- "Small Slovenia engaging with a superpower"

These frames reflect recurring patterns also found in studies on China's engagement with Central and Eastern Europe (Pavličević, 2018) and in broader debates in international relations on the positioning of small states (Collins & O'Brien, 2022; Herrera, 2020; Keohane et al., 1969; Long, 2022).

By including the perspectives of Slovenian stakeholders in the form of interviews, including decision-makers, business representatives and academics, this thesis contributes to a more nuanced understanding of how these frames work in practice, shaped by both domestic political dynamics and Slovenia's international strategic context.

The research objectives of this thesis are:

- To examine China–Slovenia cooperation within the BRI, both bilaterally and through the China-CESEE platform, using macro indicators and comparisons with other Central, Eastern and Southeastern European (hereinafter: CESEE) countries and beyond.
- Systematically analyze and critically reflect on the prevailing frameworks and narratives on Slovenia-China relations prevalent in academic and policy discourse.
- Identify key Slovenian stakeholders in Slovenia-China relations in the context of the BRI and collect original empirical evidence from these stakeholders.
- Identify and analyze the policy choices Slovenia has made in relation to China and the BRI, and the factors responsible for them.

- To provide recommendations for action for Slovenian stakeholders regarding their future cooperation with China.

These objectives are to be achieved by answering the following research questions:

RQ1: What are the observable outcomes of Slovenia-China relations under the BRI, including the related China-CESEE platform?

- What is the current status of Slovenia's participation in the BRI?
- What are the economic, political and strategic outcomes of Slovenia's participation in the BRI?
- What is the historical development and current status of Slovenia-China cooperation on projects within the BRI?

RQ2: What is the inside-out host-country's perspective on Slovenia-China relations in the BRI?

- What are the perceived benefits and potential risks of China's engagement with Slovenia under the BRI, as perceived by decision-makers, business representatives, and academics?
- How do these perceived benefits and risks align with Slovenia's national interests and concerns as articulated by different stakeholder groups?
- What are the main divergences in the views of decision-makers, business representatives and academics regarding China's engagement in Slovenia, and how do these divergences influence decision-making and public discourse?

RQ3: What policy options do Slovenian decision-makers have regarding relations with China in the context of the BRI?

- What factors are likely to shape Slovenia-China cooperation under the BRI in the future?
- What lessons can be learned from the past of Slovenia-China relations in the BRI?
- What lessons can Slovenia learn from other countries in Europe and beyond when it comes to cooperation with China under the BRI?

The thesis proceeds as follows: Chapter 2 presents the BRI and emphasizes the importance of the host-country perspective. Chapter 3 examines Slovenia's engagement in the BRI at the economic, diplomatic and political levels. Chapter 4 outlines the research design and methodology. Chapter 5 analyzes the dominant discursive frames around the BRI, while Chapter 6 presents stakeholder perspectives based on interviews. Chapter 7 critically discusses the findings in relation to the research questions and the prevailing frames. Chapter 8 offers specific recommendations for future research, policy and business engagement. Chapter 9 concludes with final reflections.

2 BRI: TOWARDS HOST-COUNTRY PERSPECTIVES

2.1 Overview of the BRI

Officially, Beijing frames the BRI as a “win-win” initiative grounded in peaceful cooperation and mutual benefit; rhetoric such as the “Three Nos” (no expansion of influence, no dominance, no ideological coercion) is used to stress its non-zero-sum intent (Li, 2017; Rahman, 2020; Yang, 2022).

Scholars argue that the BRI is driven by both economic and strategic motives. Economically, the main drivers are: (1) diversifying trade routes; (2) exporting excess industrial capacity; (3) promoting development in China’s western regions, and (4) advancing a state-led infrastructure model as an alternative to the “US model” of liberal markets (Enderwick, 2018; Mações, 2018; Zhang et al., 2018).

Some scholars argue that the BRI serves a strategic purpose by diffusing China’s development principles and governance norms. This does not imply exporting a fully formed “China model,” but rather promoting principles such as sovereignty-first, rule-by-law, flexible governance, and prioritization of growth and stability. Diffusion occurs through interactions like policy dialogues or think-tank exchanges, often shaped as much by symbolic framing as by substance. While economic interdependence is a necessary starting point, it alone does not guarantee the transfer of norms (Starke, 2013). In this way, the BRI functions not only as an economic initiative but also as a vehicle for advancing alternative ideas of governance, development, and international cooperation (Li et al., 2010; Vangeli, 2019).

2.1.1 The players in the BRI game

In practice, the BRI is a complex, multi-layered game involving a wide range of players at national and international levels. At the national level, policy makers have to deal with institutional constraints, public opinion and economic demands. At the international level, they work with foreign governments, multinational companies and global institutions to respond to geopolitical and economic constraints (Fotak et al., 2022; Hale et al., 2020; Li, 2017; Rolland, 2017). Chinese players include central and local governments, state-owned enterprises (hereinafter: SOEs), private companies and financial institutions. Non-Chinese players include host-country governments, host-country companies, and third-country multinationals (Li et al., 2021).

By the end of 2023, total spending on the BRI had surpassed \$1 trillion. China intends to recoup these investments through debt repayment by the host countries. This financing model has made China the largest bilateral creditor in the world, and BRI loans are now an important part of many countries’ debt portfolios (Feingold, 2023). Looking ahead, the chief

economist of the Bank of China predicts that Beijing’s outbound direct investment in the BRI will reach \$300 billion by 2030 (Chaziza, 2020).

The players in the BRI, along with their respective roles, are summarized in Table 1.

Table 1: Chinese and Non-Chinese players in the BRI game

Chinese players	Key players	Function
Central government	State Council, Ministry of Commerce, Ministry of Foreign Affairs	Strategic policy, diplomatic backing, oversees approvals.
Local governments	Provincial and municipal authorities	Compete for projects, form local partnerships, facilitate investments.
SOEs	Central and local SOEs, e.g. Power Construction Corporation of China	Execute >80% of projects; mirror state-capitalist governance.
Private companies	e.g. Contemporary Amperex Tech, Zhejiang Huayou Cobalt	Accounted for ~50% of outward FDI (2017); often tied to state actors.
Financial institutions	China Development Bank, Export-Import Bank of China, Bank of China	Provide majority of BRI financing; CDB financed 1,300 projects worth \$280b by 2023.
Non-Chinese players	Key players	Function
Host-country governments	National and local authorities, regulators	Negotiate terms, grant approvals, safeguard national interests.
Host-country companies	e.g. Piraeus Port Authority, Pakistan State Oil, Železnice Srbije	Participate in project implementation, share risks and benefits.
Third-country firms	e.g. Siemens, Alstom, General Electric	Partner with Chinese SOEs; diversify initiative participation.

Source: own work based on Carrai (2018); China Daily (2023); Ghossein et al. (2018); Khanna (2019) and Pearson (2015).

2.1.2 International responses

Reactions to the BRI vary widely. By 2025, more than 146 countries had signed a Memorandum of Understanding (hereinafter: MoU) with China (Nedopil, 2025a). In response to China’s expanding influence, the US and its partners have sought to offer alternative frameworks. In 2021, the G7 launched the “Build Back Better World” initiative, later renamed the Partnership for Global Infrastructure and Investment (PGII), promoting transparent, value-driven investments in developing economies (The White House, 2021). Similarly, the European Union (hereinafter: EU) introduced the €300 billion Global Gateway strategy, emphasizing sustainability and democratic values, with half the funding earmarked for Africa (European Commission, 2021; Grieger, 2021).

Responses within Europe remain divided. CESEE countries have generally welcomed Chinese investment, while Western members are more cautious, fearing increased political influence and fragmentation of EU cohesion. Strategic concerns also arise over Europe’s

maritime trade and energy routes through the Indo-Pacific (Mohan, 2018; Skala-Kuhmann, 2019).

In contrast, developing countries in Asia, Africa, and Latin America largely support the BRI, viewing it as a key driver of infrastructure development and growth.

2.2 Host-country perspective: insights from International Business literature

International business (hereinafter: IB) literature highlights that the BRI challenges traditional theories of foreign direct investment (hereinafter: FDI). Classic approaches stress the importance of stable institutions for reducing uncertainty and attracting investment (Lu et al., 2014; Uhlenbruck et al., 2006). Yet many BRI host countries lack such environments, forcing Chinese firms to adapt strategies in higher-risk contexts (Calabrese & Cao, 2021; Petricevic & Teece, 2019).

Institutional frameworks help explain these dynamics. While Varieties of Capitalism and National Business Systems illuminate developed economies (Hall & Soskice, 2001; Jackson & Deeg, 2008), the Varieties of Institutional Systems approach is more relevant for BRI settings, emphasizing the role of state, finance, human capital, and governance (Fainshmidt et al., 2018).

Host-country agency is central. Governments allocate resources, encourage local participation, and safeguard national interests (Vangeli, 2018). Political alignment with China, such as signing an MoU, increases investment flows (De Beule & Zhang, 2022; Shao, 2020). Conversely, nationalism or geopolitical tensions can undermine legitimacy — as seen in India’s rejection of the BRI over the China–Pakistan corridor (Jacob, 2017) or European concerns about Chinese acquisitions in strategic sectors (Dudas & Rajnoha, 2020). Debt risks and governance controversies, exemplified by Sri Lanka’s Hambantota Port lease, further illustrate the fragility of some projects (Balding, 2018; Clark & Hartwich, 2024; Li et al., 2022).

Despite these risks, BRI participation is often attractive for smaller or less developed economies. Chinese FDI contributes to growth, technology transfer, and capital accumulation, particularly in low-income states, more so than US FDI, which favors middle-income contexts (Fu et al., 2020; Ruta et al., 2019).

Table 2 distills the main insights from the IB literature, which will inform the later analysis of Slovenia’s position. These insights suggest that BRI outcomes are not determined by a host country’s size or development level, but by the interaction of institutional strength, political alignment, and strategic positioning.

Table 2: Host-country insights from IB literature

Key insight	Description	Theoretical takeaway
Institutional diversity shapes investment risk	Chinese firms prefer stable environments but increasingly invest in less-developed BRI countries.	Institutional quality mediates outcomes; Chinese firms adapt, challenging traditional IB assumptions.
Domestic politics and public sentiment affect legitimacy	Alignment with China can boost engagement, but nationalism or skepticism can trigger backlash.	Legitimacy is co-produced through elite diplomacy and public narratives.
Geopolitically peripheral states exercise agency	Many smaller or non-aligned states leverage location, diplomacy, or neutrality.	Agency depends not on size but on institutional strategy and narrative framing.

Source: own work based on Calabrese & Cao (2021); Fu et al. (2020); Jacob (2017); Li et al. (2022); Petricevic & Teece (2019); Ruta et al. (2019) and Shao (2020).

2.3 Existing literature on host countries and BRI

By 2023, China’s financing and investment activities under the BRI involved 61 recipient countries. Among these, 37 countries received direct investment, while 45 participated in construction projects. The highest construction volumes were reported in Saudi Arabia (\$5.6 billion) and Sri Lanka (\$4.5 billion), while Hungary was among the top destinations for direct investment, receiving \$4.5 billion (Nedopil, 2025b).

Recent research has examined the dynamics of the BRI from both China’s perspective and that of host countries, focusing on economic cooperation, infrastructure development, geopolitical strategy, and the varying attitudes of countries toward China. Despite the growing literature, engagement with the BRI remains complex, shaped by regional priorities, domestic politics, and broader international contexts.

This section contributes to the literature by providing a structured comparison of selected host countries, particularly those conceptually or structurally similar to Slovenia. The cases are organized into four analytical groups:

- Former Yugoslav small states: relevant due to shared history, geographical proximity, and post-socialist transformation.
- Other post-socialist EU members: structurally similar to Slovenia in terms of institutional frameworks and external constraints.
- Small states outside Slovenia’s region: illustrate strategic hedging in asymmetric relations.
- Non-European strategic partners: highlight the global diversity of BRI engagement.

The selection is purposive rather than representative, encompassing both highly engaged BRI partners and less visible but analytically instructive cases. A population threshold of 10 million inhabitants is used as a heuristic to define small states. Country classifications were

derived inductively through literature review and comparative analysis. Tables 3–6 are organized according to the four analytical groups presented above.

Table 3 presents the former Yugoslav small states and their BRI engagement, highlighting how historical and geographical context shape cooperation strategies.

Table 3: Former Yugoslav small states in the BRI

Country	Population	Conceptual grouping	Strategic importance to China	BRI projects (status)	Nature of bilateral relationship
Montenegro	0.6 million	Former Yugoslav, Small State	Important transport corridor in the Balkans	Bar-Boljare highway (<i>completed</i>)	Active economic engagement despite debt concerns
North Macedonia	1.8 million	Former Yugoslav, Small State	Land corridor linking Greece and Western Balkans	Kičevo-Ohrid highway (<i>underway</i>)	Active economic engagement
Bosnia and Herzegovina	3.2 million	Former Yugoslav, Small State	Western Balkans connector via Pan-European Corridor 5C	Počitelj–Zvirovići highway section (<i>underway</i>)	Active economic engagement
Croatia	4 million	Former Yugoslav, Small State, EU member	Maritime gateway to EU for Chinese trade	Pelješac Bridge (<i>completed</i>)	Active economic engagement
Serbia	7 million	Former Yugoslav, Small State	Balkan hub for China-EU land trade	Belgrade-Budapest railway (<i>underway</i>)	Strong economic and political engagement

Source: own work based on Coenen et al. (2022); Peng & Xu (2025); Stopić (2020) and Trivić (2024).

Countries such as Croatia, Bosnia and Herzegovina, Montenegro, and North Macedonia maintain pragmatic relations with China, motivated primarily by economic cooperation, infrastructure development, and historical Yugoslav-Chinese ties. Serbia demonstrates the strongest political and economic alignment, sharing positions on sensitive sovereignty issues, such as Taiwan and Kosovo. Croatia highlights China’s growing presence through major infrastructure projects and high-level diplomatic visits.

In contrast, Slovenia diverges from these regional patterns. It has hosted no major BRI projects, ranks lowest among former Yugoslav successor states in Chinese investment, and aligns its foreign policy closely with EU and NATO perspectives, which increasingly frame China as a systemic rival (Peng & Xu, 2025).

Table 4 summarizes the BRI experiences of post-socialist EU members, showing how EU membership and external pressures shape engagement strategies.

Table 4: Other post-socialist EU members in the BRI

Country	Population	Conceptual grouping	Strategic importance to China	BRI projects (status)	Nature of bilateral relationship
Hungary	9.6 million	Former Eastern Bloc, EU member, Small State	EU entry point for Chinese capital and influence	Budapest-Belgrade railway (<i>underway</i>)	Strong economic engagement; tensions with EU over China ties
Czech Republic	10.7 million	Former Eastern Bloc, EU member	Gateway for Chinese investment in Central Europe	China Energy Fund Committee investments (<i>partially failed</i>)	Reduced engagement
Romania	19 million	Former Eastern Bloc, EU member	Key logistics hub on EU corridors	Cernavodă Nuclear Plant (<i>proposed</i>)	Reduced engagement
Poland	38 million	Former Eastern Bloc, EU member	Critical node on China-EU rail corridor	Łódź-Chengdu rail link (<i>completed</i>)	Balanced engagement between China, EU, and US

Source: own work based on Bráder (2024); Dumitrescu (2019); Jakubowski et al. (2020); Nawrotkiewicz (2024); Popescu & Brînză (2018); Štěpař (2024) and Waisová (2024).

Hungary exemplifies proactive BRI engagement, often prioritizing bilateral relations with China. In contrast, Poland, the Czech Republic, and Romania exhibit more ambivalence, balancing national interests with EU commitments and domestic politics. Slovenia aligns more closely with the cautious camp, resembling the Czech Republic’s skeptical stance rather than Hungary’s assertive pro-China approach.

Table 5 presents small states beyond Slovenia’s region, highlighting diverse approaches to engaging with China while preserving autonomy.

Table 5: Small states beyond Slovenia’s region in the BRI

Country	Population	Conceptual grouping	Strategic importance to China	BRI projects (status)	Nature of bilateral relationship
Estonia	1.4 million	Small State, EU member	Baltic Sea location	Helsinki-Tallinn undersea tunnel (<i>proposed</i>)	Reduced engagement; China-CESEE exit
Qatar	2.9 million	Small State	Gulf energy superpower	Lusail Stadium (<i>completed</i>)	Active engagement
Georgia	3.7 million	Former Soviet Union, Small State	Vital Caucasus corridor for East-West trade	Anaklia Deep-Water port (<i>proposed</i>)	Active engagement; balancing Russia and China
New Zealand	5.3 million	Small State	South Pacific Gateway	<i>None</i>	Cautious engagement

To be continued

Table 5: Small states beyond Slovenia's region in the BRI (cont.)

Country	Population	Conceptual grouping	Strategic importance to China	BRI projects (status)	Nature of bilateral relationship
Singapore	5.8 million	Small State	Key Asian logistics and digital hub	China-Laos railway <i>(completed)</i>	Strong engagement
Greece	10 million	Small State, EU member	Strategic port access to Europe	COSCO-led Piraeus Port expansion <i>(completed)</i>	Active engagement

Source: own work based on Chaziza (2020); Clark & Hartwich (2024); Kapanadze & Galdava (2024); Kutnarová (2025); Li and Tu (2023); Liu et al. (2021) and Stroikos (2022).

Some examples illustrate strategic hedging: Singapore leverages multilateral institutions to balance dependence, Georgia exploits its transit role while balancing Russian and Chinese influence, and Greece pursues proactive BRI engagement. Qatar, using its energy wealth and strategic position, actively integrates the BRI into its national vision. New Zealand, by contrast, has adopted a cautious approach similar to Slovenia.

Table 6 introduces selected non-European strategic partners, illustrating the global diversity of BRI engagement.

Table 6: Non-European strategic partners in the BRI

Country	Population	Conceptual grouping	Strategic importance to China	BRI projects (status)	Nature of bilateral relationship
Sri Lanka	23 million	Non-European Partner	Indian Ocean hub on the Maritime Silk Road	Hambantota Port <i>(completed)</i> ; Colombo Financial City <i>(proposed)</i>	Strong engagement; centerpiece of China-Africa ties
Saudi Arabia	34 million	Non-European Partner	Energy superpower and key Gulf strategic partner	Gas Pipeline Deal <i>(completed)</i>	Strong engagement
Ethiopia	132 million	Non-European Partner	East African logistics and manufacturing node	Addis Ababa-Djibouti railway <i>(completed)</i>	Strong engagement; centerpiece of China-Africa ties
Pakistan	251 million	Non-European Partner	Core BRI partner; strategic China ally in South Asia	Gwadar Port <i>(completed)</i> ; CPEC <i>(underway)</i>	Strong engagement; centerpiece of BRI strategy

Source: own work based on Chen et al. (2018); Dollar (2019); Gibbon (2023); Hammond (2023); Islam & Cansu (2020); Jayathilaka (2021); Sial (2014); Wignaraja et al. (2020); Wijayasiri & Senaratne (2018) and Yalew & Changgang (2020).

These countries typically pursue intensive cooperation with China, emphasizing long-term engagement in infrastructure, energy, and trade connectivity. Their relationships are strongly aligned with China's BRI objectives, reflecting both economic and geopolitical considerations.

The comparative overview reveals three recurring patterns in host-country engagement with the BRI:

- Developmental orientation: countries with weaker institutions and limited Western integration (Ethiopia, Pakistan, Serbia, Sri Lanka) often embrace Chinese investment as a path to accelerate economic development and enhance international visibility.
- Ambivalent attitude toward the EU: EU member states (Estonia, the Czech Republic, and Romania) show reduced engagement due to domestic political considerations and EU norms, which constrain deeper BRI involvement.
- Strategic hedging: some small states with regional or sectoral leverage (Georgia, Singapore, Qatar) balance relations between global powers while maintaining autonomy, often engaging with China through multilateral frameworks. Others, such as New Zealand, adopt a cautious approach, whereas Hungary and Greece actively pursue engagement to secure regional trade advantages.

Against this backdrop, Slovenia stands out for its restraint. It has hosted no major BRI projects and avoids high-profile bilateral cooperation that could conflict with EU alignment. Its cautious positioning, shaped by EU and NATO membership, domestic political volatility, and a values-driven foreign policy, reflects a deeper tension between national development goals, EU obligations, and small-state autonomy — a tension explored in detail throughout this thesis.

2.4 Frames

Frames are interpretive structures that shape perceptions by emphasizing certain aspects based on values or concerns. Framing theory examines how individuals and groups construct or shift understandings through frames (Chong & Druckman, 2007). In political science, IR, and IB, framing is critical because public judgments and business decisions often depend on how issues are presented (Druckman, 2001; Rašković & Vuchkovski, 2016).

Robert Entman (1993) defines framing as selectively emphasizing some aspects of an issue while downplaying others, serving to define problems, diagnose causes, make moral judgments, and recommend solutions. Salience, or the prominence of selected information, increases the likelihood that audiences will notice, process, and retain it: “To frame is to select some aspects of a perceived reality and make them more salient... to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation” (p. 52).

Frames take various forms. Valence framing presents information positively or negatively, semantic framing changes wording to evoke specific impressions, and story framing uses narratives to highlight central themes (Hallahan, 1999).

Regarding China's BRI, different players—Chinese, host countries, and third parties—frame the initiative as an opportunity, a threat, or an expression of power asymmetry. These frames shape public discourse, policy responses, and business behavior. As a result, the BRI's success depends not only on economic outcomes but also on perceptions; misunderstandings or unclear benefits could undermine its impact.

Chapter 5 focuses on Slovenia, analyzing three dominant BRI frames – “BRI as (missed) opportunity,” “BRI and the China threat,” and “Small Slovenia engaging with a superpower”—and links them to the country's response in the broader BRI context.

3 SLOVENIA'S INVOLVEMENT IN THE BRI

3.1 Slovenia-China political and cultural relations

The roots of Slovenia–China relations stretch back to the 18th century, when Jesuit Ferdinand Hallerstein (Liu Songling) became Head of the Imperial Board of Astronomy in Beijing. His legacy is still used symbolically as a cultural bridge between the two countries, most recently highlighted in a 2023 exhibition supported by President Nataša Pirc Musar, who emphasized science as a unifying force (Saje, 2015; The President of the Republic of Slovenia, 2023).

Formal interaction began under Yugoslavia, which recognized China in 1949. After initial tensions in the late 1950s, relations normalized in the 1970s, marked by visits between Tito and Hua Guofeng and early industrial cooperation projects (Svetličič, 2020). Slovenia's companies, such as Iskra Delta, also contributed to Sino–Yugoslav cooperation in technology, including the notable “Milliard” computer project in the 1980s (Škrubej, 2012).

Following independence in 1991, China recognized Slovenia in May 1992, establishing diplomatic ties (Embassy of the RS in Beijing, 2022). High-level exchanges expanded thereafter: Slovenian presidents, prime ministers (hereinafter: PMs), and parliamentary speakers paid more than two dozen visits to China between 1992 and 2020, with China reciprocating through a series of official visits (Svetličič, 2020).

People-to-people ties also deepened. Chinese migration to Slovenia grew from small-scale employment in catering and retail in the 2000s to a larger entrepreneurial and residential presence by the 2010s, making China the most common country of birth among non-European residents by 2021 (Bofulin, 2016; Razpotnik, 2021). Academic and cultural links were strengthened with the establishment of Sinology studies at the University of Ljubljana in 1995, a Confucius Institute in 2010, and the inclusion of Chinese language in primary

schools. Conversely, Slovenian language lectorates were opened at Chinese universities from 2007 (Čok & Motoh, 2017; Svetličič, 2020).

Political frictions occasionally surfaced. Tibet drew public sympathy in Slovenia during the 1990s and 2000s, but it gradually disappeared from official agendas. Relations with Taiwan remain more sensitive: Slovenia adheres to the “One China” policy and has consistently avoided formal recognition of Taiwan. Still, occasional remarks by Slovenian officials, most notably former PM Janez Janša’s statements in 2022, created temporary tensions that required clarifications from the government and parliament reaffirming Slovenia’s official stance (Godec, 2022; Istenič Kotar, 2022).

The following timeline (Table 7) highlights key political and cultural milestones that have shaped Slovenia–China relations.

Table 7: Timeline of key milestones in Slovenia–China political and cultural relations

Year	Milestone
1746-1774	Hallerstein serves as Head of Astronomy in Beijing
1949/1955	Yugoslavia and China establish diplomatic recognition
1977-1978	Tito-Hua exchanges begin industrial cooperation
1984	Iskra Delta develops network for Chinese police
1992	China recognizes Slovenia; diplomatic ties established
1995	Establishment of Sinology studies at the University of Ljubljana
1995-2015	Series of high-level political visits
2007	Slovenian language lectorates open in China
2010	Confucius Institute opens in Ljubljana
2022	Reaffirmation of Slovenia’s “One China” policy
2023	320 th Hallerstein birth anniversary and 30 years of Slovenia-China diplomatic relations

Source: own work based on Čok & Motoh (2017); Godec (2022); Saje (2015); Svetličič (2020) and Škrubej (2012).

3.2 Slovenia-China economic relations and trade patterns

Economic cooperation between Yugoslavia and China accelerated after Hua Guofeng’s 1978 visit. Slovenia focused on Sichuan Province, where several companies opened offices and executed major projects, such as Smelt’s oil refinery in Guangdong, Gorenje’s refrigerator factory, and Lesnina’s furniture factories. By the early 1980s, Slovenia accounted for 60% of Yugoslav projects in China, though payment difficulties and political shifts later slowed this engagement (Čeplak Mencin, 2012).

After its independence, Slovenia shifted rapidly to a market economy. Early efforts to re-enter the Chinese market intensified in the 2000s: Slovenian firms expanded exports, and in 2007, negotiations for an EU–China partnership agreement began. That year, bilateral trade grew by over 50%, supported by a new business council and an entrepreneurship and

investment agency’s (JAPTI) office in Shanghai (Ministrstvo za zunanje zadeve, 2008; Uredništvo Delo, 2007).

Despite this growth, China remained relatively marginal in Slovenia’s foreign policy strategies. The 2015 Foreign Policy Strategy gave Asia less than a page, noting China mainly as an economic power and focusing on infrastructure and high-tech cooperation (Ministry of Foreign Affairs, 2015). Under Janez Janša’s third term (2020–2022), the 2021 strategy labeled China a “systemic and strategic competitor,” while support for Taiwan strained bilateral ties (Godec, 2022). In contrast, the 2024 strategy introduced under PM Robert Golob reframed China more pragmatically as both a partner and competitor, emphasizing reciprocal trade, AI and green technologies, and reduced dependence on Chinese high-tech imports (Ministry of Foreign and European Affairs, 2024a).

Table 8 reflects the evolution of Slovenia–China economic relations through trade volumes over the past two decades.

Table 8: Evolution of Slovenia–China trade, selected years (€ million)

Year	Slovenian exports (€ million)	Slovenian imports (€ million)	Trade volume (€ million)
2002	22.9	79.1	102
2010	102.1	512.7	614.8
2015	147.7	758.5	906.2
2020	280.6	1,366.6	1,647.2
2022	304.1	5,027.1	5,331.2
2024	274.9	6,991.8	7,266.7

Source: adapted from Statistical Office of the Republic of Slovenia (n.d.).

Imports from China consistently exceeded exports, resulting in a persistent trade imbalance. Trade volume more than doubled between 2010 and 2020, reaching over €7 billion by 2024.

3.3 Slovenia in the China-CESEE platform

The China–CESEE platform, known as “16+1,” was officially launched in Warsaw in 2012, when Premier Wen Jiabao presented it as a multilateral platform for strengthening political, economic, and cultural ties. The group included eleven EU member states—Croatia, Bulgaria, Poland, the Czech Republic, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia, and Hungary—and five EU candidate or potential candidate countries—Albania, Bosnia and Herzegovina, North Macedonia, Serbia, and Montenegro. Despite their varying degrees of EU integration, these states shared the historical experience of socialism or communism. Importantly, this was the first time a non-EU actor—China—introduced an alternative regional grouping in Europe, independent of official EU classifications (Budeanu, 2018; Pepermans, 2018).

China envisioned the platform as a vehicle to unlock untapped potential in the CESEE region, foster development, and improve connectivity through infrastructure and cross-border projects (Song & Pavličević, 2019).

Table 9 outlines key supportive and critical perspectives in the literature regarding China's role in the China-CESEE platform.

Table 9: Supportive and critical arguments on the China-CESEE platform

Topic	Supportive arguments	Critical arguments
China's influence	Offers alternative development financing and market opportunities to CESEE states.	Risks fragmenting EU unity and introducing geopolitical competition.
Economic impact	Promises loans, investment funds, and infrastructure projects to spur growth.	Unequal distribution of benefits; limited delivery on pledges.
Infrastructure	Large-scale projects (e.g. Piraeus Port, Belgrade–Budapest railway) improve connectivity.	Accusations of unfair competition by Chinese SOEs and project delays.
Platform evolution	Expansion to 17 members with Greece (2019) raised visibility.	Withdrawals of Lithuania (2021), Estonia and Latvia (2022) signaled declining appeal.

Source: own work based on Fotak et al. (2022); Garlick (2023); Li (2017); Rahman (2020); Song & Pavličević (2019); Vangeli (2018); Yang (2022) and Zhang et al. (2018).

Slovenia participated in the platform from the outset, with PM Janez Janša attending the inaugural Warsaw summit in 2012. Early discussions with Premier Wen Jiabao emphasized potential cooperation in transport and logistics, especially modernizing railway links to the Port of Koper, where about one-fifth of cargo is tied to Chinese trade. During the global financial crisis, China pledged regional credit lines, investment funds, and scholarships, though Slovenia made little use of these instruments (Kramžar & Đerić, 2012).

Successive PMs continued attending platform meetings through 2016, signaling diplomatic support but without securing concrete projects. In 2017, Slovenia signed a MoU with China endorsing the BRI, yet this also remained largely symbolic (Čok & Motoh, 2017; Gole, 2014; Kapitanovič & Bratanič, 2016). Compared to countries such as Serbia and Hungary, which attracted significant infrastructure investments, Slovenia's engagement was limited. The Port of Koper was occasionally presented as a potential BRI gateway, but no large-scale initiatives materialized.

By the early 2020s, the platform itself was losing momentum, with several members withdrawing and skepticism deepening after China's ambiguous stance on Russia's invasion of Ukraine. Against this backdrop, Slovenia maintained only a low-profile presence, preferring to frame its China policy within the EU rather than pursuing bilateral projects through the China-CESEE platform (Garlick, 2023; Grieger, 2021).

3.4 China’s investments and projects in Slovenia

Cooperation between Slovenia and China since the early 2010s has spanned multiple sectors, often facilitated through the CESEE framework. While some projects produced tangible outcomes, many remained symbolic or commercially isolated from the BRI narrative.

Several trends stand out. Agricultural collaboration was among the most structured areas of engagement, beginning with Vice Premier Wang Yang’s visit in 2014 and culminating in the 2015 dairy export protocol, which enabled Slovenian milk exports to China. Slovenia also became the coordinating country for forestry cooperation within the China–CESEE platform, and China’s role as partner country at the 2017 AGRA Fair further reinforced agri-food ties.

Selective high-tech and scientific partnerships also emerged. A notable example is Zhejiang APG’s €10 million stake in Elaphe Propulsion (2015), which supported the development of in-wheel electric motors for electric vehicles. Aviation cooperation, such as the Pipistrel–Sino GA project, worth €350 million, demonstrated potential but faced challenges with foreign co-ownership.

A wave of high-profile acquisitions reshaped Slovenia’s corporate landscape. These included TAM Europe (2014), Outfit7 (2017), and Gorenje (2018). Such acquisitions preserved jobs and enhanced market access, yet also sparked discussions about strategic autonomy and the implications of foreign ownership.

Table 10 summarizes key investments and projects chronologically, covering different areas of cooperation.

Table 10: Overview of major Chinese projects and investments in Slovenia

Year	Sector	Project/Company	Chinese partner	Outcome
2014	Manufacturing	TAM Europe acquisition	Hong Kong Huaming	Transition to green technology.
2015	Technology	Elaphe Propulsion	Zhejiang APG	Ongoing EV motor development.
2015	Aviation	Pipistrel-Sino GA project	Sino GA/local partners	Aircraft equipment and attempted JV, planned Chinese facility.
2017	Pharma	Ningbo Krka Menovo JV (60% Krka)	Ningbo Menovo	Exclusive drug distribution in Chinese provinces.
2017	Digital	Outfit7 acquisition (€937m)	Zhejiang Jinke	Slovenia’s largest foreign acquisition.
2018	Appliances	Gorenje acquisition (€293m)	Hisense	Jobs preserved; stronger entry into Chinese market.

Source: own work based on Čok & Motoh (2017); Kapitanovič (2017); KPMG (2021); Milenkovic (2024); Novak (2018); Pirc (2024); Toplak (2018); Viršek (2021) and Xinhua (2024).

3.5 State of debate on Slovenia and the BRI

Slovenia has pursued a cautious, independent approach to the BRI. It has not hosted flagship BRI infrastructure projects, and engagement has fluctuated with domestic politics. Under PM Janša's third term (2020–2022), Slovenia adopted a confrontational stance, strengthening ties with Taiwan and criticizing China's "One China" policy (Godec, 2022; 2023). The Golob government (2022–) has sought normalization while maintaining EU alignment, with Foreign Minister Tanja Fajon leading the largest Slovenian business delegation to China in April 2024 (Ministry of Foreign and European Affairs, 2024b; Vavpotič, 2024).

Trade is important but imbalanced: exports (medical devices, auto components, high-tech materials) remain small relative to imports (telecom/electronics/pharmaceutical equipment), producing a persistent deficit (KPMG, 2021; Ministrstvo za gospodarstvo, turizem in šport, 2024; Spirit Slovenija, 2025).

Despite intensified economic engagement, Slovenia's cautious stance reflects small-state identity, institutional pragmatism, and EU embeddedness (Vangeli & Kejžar, 2025). Lacking urgent FDI needs or crisis-driven incentives, Slovenia engages selectively, with fragmented policy across ministries and quiet diplomacy as the main approach. Experts characterize this stance as "cautious cooperation" or strategic "pragmatism," balancing economic opportunity with political dependence, reputational risk, and Western alignment (Pirc, 2024; Urhová, 2024).

4 RESEARCH DESIGN

The key literature, detailed in the dedicated section at the end of the thesis, was chosen to provide a balanced foundation across conceptual, regional, and Slovenia-specific perspectives. These works collectively offer the theoretical tools to analyze the BRI as a global initiative, insights into small-state strategies and power asymmetries, and critical examinations of China–CESEE cooperation and discourse. Several studies also address Slovenia directly, grounding the analysis in a host-country perspective. Together, this body of literature guided the identification of dominant frames of opportunity and threat, situating Slovenia as a small country within broader debates on China's rise.

4.1 Discourse analysis

This thesis uses discourse analysis as both a theoretical and methodological tool to examine how the BRI is framed in Slovenia. Discourse analysis views language as constructing social and political meaning through selection, emphasis, and omission (Wodak & Meyer, 2015). In IR and IB, it helps explore how global initiatives like the BRI are interpreted, contested, and localized by various actors.

The analysis draws on a corpus of Slovenian and international sources, including academic literature, government statements, policy reports, news media, and expert commentaries. Through close reading, this material was examined to identify dominant frames in both elite and public discourse surrounding the BRI in Slovenia. This framing is situated within the context of Slovenia as a small state navigating a global arena dominated by larger powers, balancing flexibility and engagement with strategic caution in a polarized environment where China is increasingly viewed as either an opportunity or a threat.

Crucially, the frames identified through discourse analysis also informed the design and coding of semi-structured interviews. Used as sensitizing concepts during thematic analysis, they enabled a structured comparison between public discourse and stakeholder perspectives. This two-stage process underpins the thesis's central aim: to explore points of alignment and divergence between broader BRI narratives and the views of Slovenian decision-makers, business representatives, and academics.

4.2 Interviews

Primary data were gathered through semi-structured interviews with stakeholders involved in or affected by Slovenia-China cooperation. This approach provides in-depth insight into participants' perspectives while allowing new themes to emerge. Semi-structured interviews balance structured questioning with flexibility, supporting interpretive analysis of complex or under-researched phenomena (Osborne & Grant-Smith, 2021).

The primary goal was to explore how local stakeholders from government, business, and academia perceive China and the BRI, assessing both current and future opportunities as well as potential challenges. This approach captures arguments for and against deeper engagement, providing real-time reflections on ongoing developments and addressing gaps in existing research on Slovenia's BRI involvement.

The interviews focused on three key topics:

- Current state of Slovenia's BRI involvement and observable outcomes.
- Perspectives on Slovenia-China relations, including perceived benefits, potential risks, and differences across stakeholder groups.
- Policy options and recommendations for Slovenian decision-makers.

Questions followed a structured protocol but allowed participants to elaborate on topics and offer additional insights. Transcripts of interviews conducted in English are provided in the Appendices 2-8.

4.2.1 Sampling

Interviewees were selected using non-probability sampling, combining purposive and convenience methods to ensure diverse perspectives and accessibility (Vehovar et al., 2016). Purposive sampling targeted specific professional and institutional perspectives, while convenience sampling facilitated online and in-person interviews in Ljubljana. Two interviews were conducted in written form due to participant preference.

Interviewees were divided into three groups:

- Decision-makers: current or former government officials involved in foreign policy and trade.
- Business representatives: leaders and company representatives from Slovenian firms engaged with China.
- Academics: scholars specializing in Chinese studies, IR, or foreign policy, providing critical, comparative perspectives.

A total of seven interviews were conducted: two decision-makers, three business representatives, and two academics. This sample size allowed for diverse yet in-depth analysis.

All interviews followed ethical guidelines: informed consent, confidentiality, and voluntary participation. Personal identifiers and institutional references were anonymized using generic pseudonyms (e.g., “Company X”) and role-based labels (e.g., “B1” for Business Interview 1). Minor grammatical adjustments were made only for readability.

4.2.2 Identifying key stakeholders

My selection of interviewees follows von Soest’s (2022) categorization of inside and outside experts to capture a comprehensive view of Slovenia’s BRI engagement.

- Decision-makers (inside experts): offer first-hand perspectives on strategic decision-making.
- Academics (outside experts): provide independent, research-based insights on economic, political, and cultural dimensions.
- Business representatives: bridge policy and practice, reflecting real-world impacts of the BRI.

This combination ensures a multi-stakeholder understanding of Slovenia’s engagement with China under the BRI. Table 11 presents the interviewee profiles.

Table 11: Interviewee profiles

Pseudonym	Represented group	Professional background	Date	Interview format
B1	Business	Senior professional in EV technology innovation	27 May 2025	Written
A1	Academia	Academic expert in political economy and international relations	13 June 2025	Online
D1	Decision-maker	Government official in economic and trade policy	5 June 2025	Online
B2	Business	Consultant in international EV supply chains	21 June 2025	Online
A2	Academia	Academic expert in Chinese studies	6 June 2025	Written
D2	Decision-maker	Former government official and senior advisor in policy and strategic communications	12 June 2025	In-person
B3	Business	Senior executive in international business management	16 June 2025	Online

Source: own work.

4.3 Expected insights from interviews

Expert interviews serve as a critical methodological tool for this thesis, providing insights beyond what is available in official documents, media reports, and academic literature. Following von Soest’s (2022) argument on the value of expert interviews, this research uses them to uncover causal mechanisms, policy rationales, and firsthand experiences that shape Slovenia’s BRI engagement.

This thesis aims to gain new insights that are currently underexplored in the literature:

- Decision-makers are expected to provide insights into internal policy debates, institutional constraints, and the strategic caution underlying Slovenia’s limited engagement with the BRI.
- Business representatives will highlight the practical challenges and opportunities faced by Slovenian companies in cooperating with Chinese partners, including perceptions of the BRI as both a market opportunity and a potential geopolitical risk.
- Academics will offer critical, research-based perspectives on Slovenia’s approach, assessing how it aligns with or diverges from the experiences of comparable countries—drawing on historical, political, and economic contexts.

By integrating these diverse perspectives, the thesis goes beyond dominant discursive frames to uncover emerging narratives that more accurately reflect Slovenia’s positioning toward the BRI. The interview data play a crucial role in filling empirical gaps, challenging prevailing assumptions, and refining the analytical framework for understanding host-country responses to global initiatives like the BRI.

4.4 Interview analysis methods

All interviews were transcribed in real time using the Otter.ai platform, ensuring accurate and timely records of participant responses. The transcripts were then analyzed using thematic analysis, a widely used method for identifying, analyzing, and interpreting patterns—i.e., themes—within qualitative data (Clarke & Braun, 2016).

Thematic analysis was chosen for its flexibility; it is not bound to any single theoretical framework and is therefore well suited for exploratory research across disciplines. The analysis followed a systematic process involving both inductive and interpretive elements. The following steps were undertaken:

1. Familiarization with the data through repeated reading of interview transcripts.
2. Initial coding by tagging key ideas, expressions, or patterns of interest.
3. Theme generation by clustering related codes into broader thematic categories.
4. Theme review to ensure internal coherence and alignment with the research questions.
5. Theme definition and naming, culminating in the creation of a clear and structured codebook.
6. Integration and write-up, linking the final themes to the theoretical framework and relevant literature.

5 DISCOURSE ANALYSIS OF DOMINANT FRAMES ON THE BRI

This chapter uses discourse analysis to examine how Slovenia’s engagement with the BRI is framed across Slovenian and international sources, including policy documents, media reports, and expert commentaries. The analysis is situated within the broader context of Slovenia as a small state navigating a global arena dominated by major powers—seeking to balance diplomatic flexibility and economic engagement with strategic caution in a polarized world where China is increasingly viewed either as an opportunity or a threat.

From this analysis, three dominant frames were identified, building on established framings in both academic and policy literature: (1) “BRI as (missed) opportunity,” (2) “BRI and the China threat,” and (3) “Small Slovenia engaging with a superpower.” These frames reflect Slovenia’s unique historical trajectory, institutional positioning, and geopolitical constraints, while also connecting to broader global debates about how states interpret and respond to China’s rise and global initiatives like the BRI.

Understanding these frames is essential for analyzing how various Slovenian actors perceive the strategic, economic, and normative implications of China’s growing international presence.

5.1 BRI as (missed) opportunity

Slovenia's engagement with the BRI is often interpreted through the lens of economic opportunity. Building on the broader theoretical dichotomy of "Opportunity" versus "Threat" (Pan, 2012), and as applied to the former Yugoslav region by Pavličević (2018), the "Opportunity" frame positions China as a potential driver of infrastructure development, trade expansion, and market diversification. Within this framework, Chinese initiatives—particularly under the BRI—are seen as vehicles to support Slovenia's economic modernization and enhance its global connectivity (Pavličević, 2018; Vangeli, 2018).

Early public resonance with this frame is evident. A 2017 study by Rašković showed that Slovenian millennials generally held positive views of China, recognizing it as a global superpower and a potential ally. While awareness of the BRI and China-CESEE cooperation was limited, there was broad interest in Slovenian cooperation with China, especially regarding infrastructure projects. Initiatives such as the modernization of Ljubljana's train and bus stations received over 80% public support, while upgrades like the Second Railway Track and Chinese investments in the Port of Koper were favored by more than 60% of respondents. Resistance remained toward Chinese involvement in Slovenia's private sector, reflecting a reluctance to accept foreign ownership of key domestic companies, despite the recent acquisition of Outfit7 by Chinese investors (KPMG, 2021; Toplak, 2018).

The Port of Koper exemplifies the "missed opportunity" frame. Rašković's op-ed (2017) highlighted that its strategic importance for China exceeds what Slovenian trade statistics suggest. Neighboring landlocked countries, such as Austria and Hungary, recognize Koper's potential as a BRI gateway, whereas Slovenian policymakers and the wider public have historically underestimated its role. Located on the Northern Adriatic with strong connectivity to Central Europe, the port operates 12 terminals and offers container services with regular weekly connections to East Asia, the Middle East, the Red Sea, and key Mediterranean ports. In December 2023, the port handled over one million TEUs, reinforcing its status as the Adriatic's leading container hub (Skupina Luka Koper in Luka Koper, 2024). Its strategic value is further enhanced by direct shipping links that shorten transit times, although fully leveraging this potential depends on completing the Second Railway Track between Divača and Koper, a project essential for expanding intermodal capacity. Construction began in 2020 and is expected to conclude by the end of 2025 (Šuligoj, 2024). EU membership adds a competitive advantage, positioning Koper as the shortest maritime gateway to the European single market—a key benefit for Chinese exporters (Svetličič, 2020).

Historically, Slovenia's broader economic and political engagement with China has been limited. Pikon's op-ed (2017) observed small trade volumes compared to other European partners, infrequent high-level visits, and limited familiarity with Chinese business culture. Even when China offered infrastructure projects, hesitation among policymakers and the

public constrained uptake, a pattern indicative of prioritizing familiar European partners over emerging opportunities with China.

Beyond infrastructure, Chinese greenfield FDI represents another tangible, yet underutilized, opportunity. Between 2018 and 2021, Chinese investments contributed to capital formation and job creation in Slovenia, often motivated by market-seeking strategies (Zavarská, 2022). Like the Czech Republic and Hungary, Slovenia attracts Chinese firms due to its EU market access, skilled workforce, developed infrastructure, proximity to Germany, and relatively lower operating costs. Despite these advantages and Slovenia's formal alignment with the BRI, a lack of strategic follow-up to the MoU and unclear national positioning have limited the materialization of large-scale projects. This disconnect between opportunity and action reinforces the notion of the BRI as a “missed opportunity” in the Slovenian case.

5.2 BRI and the China Threat

The “China Threat Theory” (Pan, 2012), widely cited in IR literature, frames China's rise as a destabilizing force in the global order, grounded in deep-seated mistrust of its long-term strategic intentions. While the US has traditionally emphasized China's ideological and military threat—pointing to its one-party rule, technological ambitions, and expanding military capabilities—Europe has adopted a more ambivalent and nuanced stance.

In the early 2000s, the EU viewed China as a strategic partner and an economic opportunity. However, by the 2010s, optimism began to wane amid growing concerns over China's human rights abuses in Xinjiang, its assertive foreign policy, and the global implications of the BRI Initiative. Concepts such as the “Thucydides Trap” (Allison, 2012) and the broader “China Threat” (Broomfield, 2003) began shaping European policy debates (Politi, 2023). The EU's evolving perception culminated in its 2019 designation of China as a “systemic rival,” signaling a more adversarial tone in EU–China relations (European Commission, 2019)

This shift aligns with Qin's (2018) Relational Identity Theory, which views international identities as fluid and interaction-based—challenging traditional Western theories that treat state behavior as static. The EU's changing identity vis-à-vis China reflects this dynamic process: balancing liberal values, economic pragmatism, and internal political fragmentation (Vangeli, 2018).

Although the EU remains a significant recipient of Chinese investment, European FDI in China continues to face market access barriers, especially in high-growth sectors. The Comprehensive Agreement on Investment (CAI) was intended to resolve these issues, but its ratification stalled due to human rights sanctions and geopolitical tensions. A breakthrough now appears unlikely (European Commission, 2020; Global Times, 2023).

These tensions were further underscored in the lead-up to and during the 25th EU–China Summit in July 2025. In a timely op-ed, Kenda (2025) described the increasingly adversarial and transactional tone of EU–China relations. She emphasized China’s role as a systemic rival—not only due to its ideological model and state-driven industrial policy, but also its economic coercion tactics, such as retaliatory measures against Lithuania over Taiwan, rare earth export restrictions, and dumping of subsidized products. Kenda also pointed to China’s alignment with authoritarian regimes like Russia as a growing source of strategic discomfort for Europe.

Kenda’s warnings were echoed and institutionalized just days later at the 25th EU-China Summit. The EU expressed heightened concerns over China’s €305 billion goods trade surplus, persistent market access asymmetries, and regulatory opacity—all of which undermine Europe’s competitiveness and economic sovereignty. The summit also addressed cybersecurity threats, supply chain vulnerabilities, and export restrictions on critical raw materials. Beyond economics, the EU condemned China’s ambiguous stance on Russia’s war in Ukraine, warning against material support to Moscow’s military-industrial complex. Human rights abuses in Xinjiang, Tibet, and Hong Kong, along with rising tensions in the Taiwan Strait and South China Sea, were also strongly criticized (Council of the EU, 2025).

Taken together, these developments illustrate how Europe increasingly frames China as a multifaceted threat—economic, normative, and geopolitical—rather than as a direct military adversary. This repositioning does not indicate total disengagement but reflects an attempt to recalibrate relations under conditions of growing distrust.

Within Slovenia, these broader European anxieties find resonance in domestic discourse and foreign policy signaling. In 2021, Slovenia began increasingly framing China as a “systemic competitor,” a shift evident in foreign policy documents, diplomatic language, and public commentary.

In a critical op-ed, Lovec (2021) argued that Slovenia’s alignment with US hawkishness—particularly through its anti-Huawei stance—reflected ideological posturing more than strategic necessity. He noted that Slovenia’s economic ties with China were limited and warned that foreign policy was becoming an instrument for partisan signaling rather than national interest. The invocation of the “China threat,” despite Slovenia’s marginal trade exposure, demonstrated how global narratives could be domestically reappropriated for symbolic value.

Similarly, Pahor (2021) warned of China as a systemic risk rather than an intentional aggressor. He focused on China’s internal vulnerabilities—such as its overheated real estate sector, power shortages, and tech sector crackdowns—and their potential to trigger global market volatility. Drawing parallels to the 2008 financial crisis, Pahor argued that China’s opaque economic governance under Xi Jinping heightened uncertainty for small economies like Slovenia, which could be affected by contagion effects beyond their control.

Slovenian concerns also extend to strategic dependence on Chinese capital, particularly in sectors such as infrastructure and logistics. As EU-level scrutiny of Chinese investment intensifies, Slovenian policymakers face the dual challenge of leveraging economic opportunities presented by BRI-related cooperation while safeguarding national sovereignty and economic resilience. This balancing act is especially complex for a small state like Slovenia, which must carefully navigate between global power dynamics and domestic priorities.

5.3 Power asymmetry: small Slovenia engaging with a superpower

The concept of a “small state” in IR is multifaceted, often defined not just by objective capabilities but by perception. Keohane et al. (1969, p. 296) highlight this, defining a small state as one “whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system.” This emphasis on perceived smallness suggests that a state’s self-identification plays a critical role in shaping its foreign policy strategies and responses to global power asymmetries.

This perception is especially relevant when small states engage with superpowers such as China. Indeed, the EU itself—while a major economic actor—is aware of its relative smallness compared to China in terms of hard power and global reach. This was notably reflected during the 25th EU–China Summit, where the EU framed its position through a lens of conditional cooperation and normative leverage, emphasizing principles such as reciprocity, market fairness, and climate policy rather than confrontation (Council of the EU, 2025). This approach underscores the EU’s implicit self-perception as a “small state” facing a systemic rival, mirroring the threat frame developed in the previous chapter.

This insight aligns with scholarly observations that small states often see themselves as constrained actors who must balance diplomacy, institutional resilience, and strategic flexibility rather than military or hard-power approaches (Herrera, 2020; Long, 2022). Understanding the power logic of great powers becomes key for small states seeking to protect their interests and create windows of opportunity.

Across the globe, numerous small states demonstrate diverse approaches to engaging with BRI, leveraging their unique assets and strategic positioning:

- Singapore exemplifies how robust institutions and a commitment to neutrality can foster dense cooperation frameworks with China, exemplified by projects such as the New International Land-Sea Trade Corridor. These initiatives, which predate the BRI, have helped Singapore become a critical hub for regional connectivity in sectors like electric vehicles and agriculture (Li & Tu, 2023).
- Serbia, a non-EU CESEE country, illustrates an economic engagement strategy with large-scale infrastructure investments like the Belgrade–Budapest railway. While such

projects stimulate growth, they also pose challenges related to debt dependence and environmental sustainability (Trivić, 2024).

- New Zealand balances security commitments through alliances such as Five Eyes while maintaining cautious bilateral cooperation with China, demonstrating nuanced management of regional independence alongside global security concerns (Gee & Patman, 2020).
- Qatar uses soft power, leveraging education, media, and conflict mediation to enhance its diplomatic stature and maintain a neutral global position (Di Dio, 2025).
- Estonia pursues value-based diplomacy and acts as a norm entrepreneur within the EU, amplifying its influence in multilateral settings despite its small size (Kutnarová, 2025).

These cases underscore that small states, while constrained, are not powerless. Instead, their agency hinges on understanding great power dynamics and deploying unique assets to maximize influence (Long, 2022).

Slovenia exemplifies many of the core challenges that small states face when engaging with a global superpower such as China. Its foreign policy towards China is shaped by institutional fragmentation and limited strategic coordination among key government actors. While economic ministries have often advocated for closer ties to diversify exports and attract investment, security and political institutions have expressed caution or skepticism, reflecting divergent priorities and incomplete policy alignment (Hočevár, 2024). This lack of unified strategic vision constrains Slovenia's ability to present a coherent and consistent approach to China, reducing its leverage in bilateral and multilateral engagements.

Slovenia's status as a member of the EU adds another layer of complexity. As part of a collective actor that perceives China as a systemic rival, Slovenia must balance bilateral ambitions with adherence to EU policies, norms, and diplomatic stances. This requires careful calibration to avoid contradictions between its national initiatives and the EU's strategic objectives. Moreover, EU membership provides both constraints and opportunities: while limiting unilateral flexibility, it offers Slovenia access to multilateral platforms, normative frameworks, and collective bargaining power that can enhance its influence beyond what its size would otherwise allow.

The Slovenian case thus highlights the dual nature of small state agency: constrained by structural asymmetries and institutional fragmentation, yet capable of strategic action through leveraging unique assets and multilevel governance structures. Understanding and managing these dynamics is crucial for Slovenia to navigate power asymmetry effectively and safeguard its interests within a shifting global order.

6 INTERVIEW-BASED FINDINGS: STAKEHOLDER PERSPECTIVES

This chapter presents the findings of the thematic analysis based on semi-structured interviews with three key stakeholder groups: decision-makers, business representatives, and academics. Drawing on the interview data, six core themes were identified through systematic coding and interpretation:

Table 12: Core themes developed through thematic analysis

Theme	
Theme 1	Ambiguous and reactive national positioning
Theme 2	Divergent stakeholder priorities and common institutional frustrations
Theme 3	Opportunities for cooperation
Theme 4	Operational and relational challenges
Theme 5	Geopolitical and strategic challenges
Theme 6	Interviewees' recommendations for future engagement

Source: own work.

The following sections present stakeholder-specific findings, organized thematically and supported by code descriptions and representative quotations. This structure allows for comparison across perspectives while highlighting the nuances within each group. Theme 6, which captures forward-looking insights and stakeholder recommendations, is addressed separately in Chapter 8 to ensure dedicated focus on actionable policy and strategic guidance. The complete codebook is provided in Appendix 1.

6.1 Decision-makers' perspectives on Slovenia-China relations

A key theme from interviews with decision-makers was Slovenia's lack of a coherent, long-term strategy toward China, particularly regarding the BRI (Theme 1: Ambiguous and reactive national positioning). Its approach was described as symbolic, short-sighted, and protocol-driven. As one interviewee noted, *"In our foreign policy document, I think China is mentioned maybe five times, and it's never a direct statement on how we'll engage with them. It's always something like, 'China exists, and it's a big, scary country'"* (D1).

Decision-makers saw this ambiguity as part of a broader pattern of passivity and disengagement. As one interviewee put it, *"When it comes to the BRI, Slovenia has not been active and is not currently seeking active cooperation. I don't think there's any real interest in it"* (D1). Rather than strategic caution, such positioning reflected short-term political thinking shaped by electoral cycles and opportunistic events. *"Political decision-making is often driven by micro-operational tasks or specific events. It's very opportunistic... Forget*

five- or ten-year planning. This kind of reactive behavior is the worst-case scenario for strategic decision-making,” warned one decision-maker (D2).

Ideological shifts and domestic political dynamics also shape Slovenia’s China policy. Foreign policy stances often react to the political leanings of the ruling coalition. As one respondent explained, *“Politicians’ views are mostly shaped by ideology, the type of government in power, and internal political dynamics. For example, if your political rivals are more pro-China, then you align more with the US”* (D2).

Respondents highlighted the fragmentation of Slovenia’s China policy across government, academia, and business (Theme 2: Divergent stakeholder priorities and institutional frustrations). Decision-makers acknowledged inconsistent strategic direction, though academics and business actors were even more critical.

Academic respondents argued that foreign policy elites are strongly shaped by Euro-Atlantic frameworks, limiting their capacity to engage with China on its own terms. As one academic noted, *“Decision-makers are dominated by faculties emphasizing liberalism, human rights, EU, NATO... they have no real resistance to these framings”* (A1).

A lack of China-specific knowledge and strategic capacity was another major obstacle. Business representatives emphasized the need for professionalized, evidence-based engagement. *“What’s truly missing is a focused approach — professionalism and a deep dive into specific topics. Only then can we prepare strategic plans that show Chinese partners why Slovenia is a valuable counterpart”* (B2).

Despite these limitations, some decision-makers identified low-risk opportunities (Theme 3: Opportunities for cooperation) for mutually beneficial engagement, including eco-agriculture, green technologies, and scientific collaboration. One highlighted agricultural niche, noting, *“The Chinese are really into beekeeping, and promoting Slovenian eco-farming... is something we’re not doing enough”* (D1). Another pointed to Slovenia’s strengths in international development, including demining and water management, with potential for further cooperation (D2).

Inconsistent communication emerged as a big challenge (Theme 4: Operational and relational challenges). Conflicting signals from different government branches created confusion and mistrust among Chinese diplomats. One striking example involved a senior official labeling China as part of a new “Axis of Evil,” just months after the Foreign Minister visited Beijing expressing openness (D2). Academics warned that contradictory messaging damages credibility and undermines consistent engagement (A1).

Finally, Slovenia’s geopolitical position within NATO and the EU imposed structural limitations (Theme 5: Geopolitical and strategic challenges), particularly regarding security and technology. As one interviewee explained, *“If you want to remain part of NATO and participate in sensitive information or intelligence sharing, you’re told you cannot—or*

should not—use certain Chinese technologies” (D2). Beyond these security constraints, respondents also warned of potential political repercussions from Western allies if Slovenia were to deepen ties with China too far. *“If you expand cooperation with China too much, you can expect backlash from your traditional allies”* (D1).

6.2 Business perspectives on Slovenia-China relations

Business representatives generally agreed that the BRI has limited practical relevance in Slovenia. While often referenced politically, it was largely symbolic and disconnected from business realities (Theme 1: Ambiguous and reactive national positioning). As one respondent explained, *“If I had to identify a specific project that was clearly initiated under the BRI, I would struggle to name one”* (B3).

Government engagement, such as high-level visits or support for investment projects, was occasionally acknowledged by business representatives but often perceived as superficial and poorly coordinated. For example, one respondent noted, *“Three ministers visited China last year, and they were accompanied by business delegations — which clearly signals the importance being placed on these relations”* (B3). Another added, *“The Slovenian government was very helpful and offered full support to Company X after we secured a major Chinese investment... Several ministry visits were organized to our joint venture in China”* (B1).

Despite these examples, business representatives shared the perception that Slovenia’s economic diplomacy lacked strategic consistency. They expressed frustration with selective engagement, particularly when policy decisions appeared driven more by political sensitivities than by economic logic. As one put it, *“We shouldn’t apply double standards. When it comes to the automotive industry, we welcome the idea of a Chinese factory. But when it comes to technology — say, Huawei — we hesitate or talk about banning them. This selective approach is problematic, because that’s not how cooperation with China typically works”* (B3). This view was echoed by other sectors, describing government engagement as event-driven rather than strategic. *“We see some ministers and state secretaries flying to China and having meetings. But let’s be honest—that alone won’t bring results. It’s just protocol”* (D2).

Business stakeholders positioned themselves as pragmatic actors, prioritizing economic opportunity and market access. While values in IR were acknowledged, their focus was on avoiding politicization and ensuring stable trade conditions (Theme 2: Divergent stakeholder priorities and common institutional frustrations). One academic observed, *“Economic interests are usually more important than values (for instance, when debating issues related to Taiwan)”* (A2).

In some cases, proactive business behavior shaped government approaches. *“Last year, three business delegations visited China... realized the business potential, and pushed*

Slovenian politics to support their efforts” (D1). Yet this pragmatism sometimes clashed with institutional caution, particularly in sensitive sectors like telecommunications and technology, where security concerns dominated policymaking.

Among all stakeholders, business representatives were most optimistic in identifying meaningful areas for cooperation (Theme 3: Opportunities for collaboration). They highlighted Slovenia’s strengths in automotive manufacturing, pharmaceuticals, IT, and logistics. *“For the automotive industry, we are very late. But it’s not too late yet... Combining our decades-old tradition and experience with Chinese cars in Europe could be better than Chinese cars in China”* (B2). Slovenia’s small size and flexibility were also seen as advantages for Chinese companies entering the EU market (B3).

A coordinated national strategy could attract greater Chinese investment, especially from firms seeking EU-based production or R&D. *“Chinese manufacturing companies need EU-based production sites to bypass tariffs and other restrictions. Some form of local production is necessary. And where that happens—Hungary, Spain, or even Slovenia—can have a big impact.”* (D2)

Despite optimism, business stakeholders faced operational difficulties (Theme 4: Operational and relational challenges), including communication barriers, delayed access to decision-makers, and differing expectations around negotiation timelines and payment terms. *“We also see more difficulties to reach decision makers compared to Western companies...The sales cycle with unclear and delaying payment terms is a bit unfriendly for startups”* (B1). Decision-makers emphasized the need for patience and relationship-building with Chinese firms. *“With the Chinese, you really have to build a relationship. You have to take a year just to get up to a contract. And China is huge — they [businesses] don’t get that”* (D1).

Compared to politicians and academics, business representatives were less focused on geopolitical implications but acknowledged limits imposed by Slovenia’s foreign policy alignment and global trends (Theme 5: Geopolitical and strategic challenges). Growing global tensions forced companies to navigate difficult partnership choices. *“Many companies—European or otherwise—are now facing tough choices. They must decide: will they work with the US? Will they focus only on Europe? Or will they also work with China? Sometimes you simply can’t work with everyone...”* (B2).

6.3 Academic perspectives on Slovenia-China relations

Academic respondents were unanimous in their assessment that Slovenia lacks a clear and coherent strategy toward China and the BRI. They described the country’s positioning as cautious, ambiguous, and reactive, with policy decisions largely influenced by external alliances rather than internal strategic deliberation (Theme 1: Ambiguous and reactive national positioning). As one academic put it, *“Slovenia certainly has interests. But it lacks*

vision — a clear idea of what it actually wants from China” (A1). Others echoed this, noting that while Slovenia avoids openly criticizing China, its overall policy remains inconsistent. *“The government is very cautious and is not criticizing China directly, it has never implied that China is the source of tensions... However, its overall message is ambiguous... In short, Slovenia’s China policy is still evolving”* (A2).

Strategic ambiguity was often linked to institutional inertia and following larger international partners. Different ministries frequently send conflicting signals: *“The Minister of the Economy is trying really hard to establish good political and trade relations with China, particularly in the manufacturing part of automotive sector. While at the same time, in the high-tech sector, especially 5G domain, the official position remains clearly anti-China”* (A1).

The academic field on China and the BRI in Slovenia was described as underdeveloped, fragmented, and ideologically polarized. Respondents noted a lack of institutional expertise, systematic research, and public debate, constraining Slovenia’s ability to formulate independent policy toward China. Academic perspectives were also highly discipline-dependent: *“In Slovenia, international relations are completely dominated by liberalism... Then you have Sinologists who see China as an ancient, dominant civilization, avoiding value-based judgments. And economists take a pragmatic, market-oriented view: ‘why don’t we do trade, attract FDI?’”* (A1).

Decision-makers confirmed this lack of coordination: *“On the academic side... very small amount of work done... you find people very pro-China and others very skeptical”* (D1). Another decision-maker added, *“There are no public opinion surveys. There are no think tanks in Slovenia that deal with this topic. We don’t really know what our position on China is”* (D1) (Theme 2: Divergent stakeholder priorities and common institutional frustrations).

Despite these challenges, academics identified non-political domains where cooperation with China remains viable (Theme 3: Opportunities for cooperation). Sectors such as automotive manufacturing, logistics, scientific research, green technology, and eco-agriculture were considered relatively low-risk. One expert emphasized Slovenia’s research capacity: *“Slovenia may have to reconsider its 5G policy — but in automotive or other manufacturing sectors, China could be interested. Slovenia is actually quite strong in these fields. We have the Jožef Stefan Institute, and other research institutions that are not just top in Europe but world-class”* (A1). Others highlighted recent policy signals, such as China’s visa-free arrangement for Slovenians, showing targeted engagement can yield tangible results: *“The Slovenian-Chinese Business Council under the auspices of the Slovene Chamber of Commerce and Industry (GZS) organized several high-level delegations, which indeed fueled bilateral ties (as evident in China’s visa-free policy), and especially in the car industry sector. Slovenia however remains cautious and strategically pragmatic”* (A2).

Academics also underscored the relational difficulties of working with Chinese partners (Theme 4: Operational and relational challenges), including communication inconsistencies, long negotiation timelines, and Slovenia's limited profile as a strategic partner. Some warned that missed opportunities have already affected Slovenia's reputation: "*Slovenia missed the opportunity to become important for China... China found other routes*" (A1). Others pointed to regional competitors like Serbia as more agile: "*I think we may have missed some opportunities, especially since Serbia has been much more active in this area. Still, I would encourage supporting Slovenia's role as a bridge between Asia and Europe*" (B3).

Most academics situated Slovenia's engagement with China within the broader context of geopolitical constraints, particularly those stemming from its membership in the EU, NATO, and the transatlantic alliance (Theme 5: Geopolitical and strategic challenges). While few perceived China as an immediate threat, many argued that Slovenia's foreign policy latitude is structurally limited — especially in areas where security, transparency, or values-based concerns are prominent.

Several respondents also drew on the experience of other CESEE countries, where BRI projects have produced mixed results, including delays, quality concerns, and political backlash. "*The impressions and lessons from countries where the BRI is present are very mixed. Many projects are delayed, some face quality issues, and cases like the Montenegro highway or media reactions to the Serbia tragedy have fueled anti-Chinese sentiment.*" And emphasized "*None of these [CESEE]—except Hungary—actually received the kind of high-tech FDI they had likely expected*" (A1).

7 CRITICAL DISCUSSION

This chapter critically reflects on findings from the discourse analysis and stakeholder interviews, revisiting the research questions, situating Slovenia's experience as a host country in broader BRI patterns, and examining how discursive frames interact with stakeholder perspectives.

7.1 Revisiting the research questions

Limited engagement and constrained outcomes (responding to RQ1)

Slovenia formally joined the BRI in 2017 by signing an MoU and participating in the China–CESEE cooperation platform. Yet this engagement quickly plateaued. Initial diplomatic gestures signaled openness, but the relationship never matured into a deeper strategic partnership. BRI-related cooperation has remained confined to high-level visits and occasional sectoral initiatives, with no major infrastructure projects or institutionalized mechanisms of engagement. Stakeholders consistently described Slovenia's participation as

largely symbolic, with little effect on the country's foreign policy orientation or development agenda.

Economic outcomes of this participation have also been negligible. There has been no significant increase in trade, investment, or infrastructure development directly linked to the BRI. Interviewees suggested this reflects structural choices in Slovenia's post-independence trajectory. Unlike some neighbors, Slovenia did not cultivate a strong domestic capitalist class and was initially cautious toward FDI. After the 2012 financial crisis, privatization favored Western investors, reducing incentives to seek alternative capital sources, including China. These factors limited the economic imperative to engage with the BRI.

Political and strategic considerations reinforced this cautious stance. Slovenia aligned early and firmly with the EU and NATO, which narrowed its foreign policy flexibility. This Euro-Atlantic orientation has made initiatives like the BRI less attractive, given the skepticism of Western partners. Unlike Hungary or Serbia, where right-wing governments have actively promoted closer ties with China, Slovenia's right-wing parties are predominantly pro-Western and critical of Chinese influence. While some centrist or center-left actors have occasionally shown more openness, their positions have not translated into a sustained policy.

As a result, Slovenia's BRI engagement has remained shallow across economic, political, and strategic dimensions. Rather than reflecting deliberate resistance, it has been shaped by structural economic choices, historical alignments, and political caution. The outcome is a pattern of symbolic gestures with little sign of long-term institutionalization.

Fragmented priorities and shared constraints: interpreting stakeholder perspectives (responding to RQ2)

Across interviews, decision-makers acknowledged that Slovenia lacks a coherent strategy toward China. While they recognized potential economic opportunities, these were consistently overshadowed by concerns about reputational and security risks, particularly given Slovenia's EU and NATO commitments. They repeatedly emphasized that foreign policy choices are shaped by alliance expectations and a domestic context in which no clear consensus exists.

Business representatives adopted a more pragmatic stance. They viewed China as an underutilized economic partner in trade, investment, and innovation. Few expressed concerns about political risks, though most admitted that Slovenia's Western orientation complicates cooperation. For them, the main problem was not China itself but the government's indecision and selective engagement. Several voiced frustrations that geopolitical caution too often overrides economic rationality.

Academics highlighted structural weaknesses. They emphasized the lack of robust China expertise, long-term research funding, and critical debate. The academic community was

described as fragmented, split between pro-China, skeptical, and critical positions. Even the two academic respondents diverged, with one stressing caution and the other emphasizing missed opportunities.

Despite these differences, all three groups converged on a key point: Slovenia has no clearly articulated national interests regarding China. The recurring observation that “Slovenia doesn’t know what it wants” reflects deeper strategic ambiguity. Whether due to caution, lack of coordination, or weak institutional capacity, this ambiguity prevents Slovenia from either capitalizing on opportunities or managing risks effectively.

Stakeholders also shared frustrations with reactive policymaking, inconsistent communication, and the absence of coordination across government, business, and academia. These weaknesses undermine Slovenia’s credibility internationally and leave stakeholders working in silos. The result is not simply diverging priorities but a systemic misalignment that prevents consensus-building.

Taken together, these perspectives highlight the value of an inside-out approach. While external observers may interpret Slovenia’s limited BRI engagement as a strategic stance, domestic stakeholders reveal a more complex picture: one shaped by internal fragmentation, uncertainty, and institutional gaps in China-related capacity.

Strategic considerations and future directions for Slovenia–China relations (responding to RQ3)

Slovenia’s future engagement with China will be shaped by both external and internal factors. Externally, its firm alignment with the EU, NATO, and the US will continue to limit flexibility. As Western policies toward China grow more cautious or confrontational, Slovenia is likely to face pressure to restrict cooperation, especially in sensitive sectors such as technology and infrastructure.

Internally, the key challenge remains the absence of a coherent national strategy. Interviewees consistently stressed the lack of political will, institutional coordination, and China-specific expertise. Without progress in these areas, Slovenia’s BRI involvement will likely remain symbolic and ad hoc. Meaningful engagement would require investment in diplomatic capacity and structured dialogue across ministries, business, and academia.

A potential turning point lies in whether policymakers adopt the pragmatic, opportunity-driven approach promoted by business stakeholders. Many see China as a partner with untapped potential in trade, investment, and innovation. Yet even this path requires clarity: as one interviewee warned, “China has the upper hand. They are the ones deciding whom to cooperate with.” Slovenia must decide whether to passively react to offers or actively define the terms of engagement.

The experience since 2017 highlights the risks of ambiguity. Despite signing a BRI's MoU, tangible results have been scarce, reflecting weak follow-through and inconsistent communication. This has undermined Slovenia's visibility and credibility as a partner. Other countries' experiences also offer cautionary lessons. Hungary and Serbia secured major Chinese investments, but at the cost of heightened political vulnerability and EU criticism. These cases illustrate the trade-offs between short-term economic gains and long-term strategic risks.

For Slovenia, the more viable path may be selective cooperation aligned with EU frameworks and transparent standards. Rather than seeking large-scale projects, it could target lower-risk, high-value areas such as logistics and green technology. Singapore provides a useful model: as a small state, it has managed to engage China through strategic clarity, institutional readiness, and sector-specific cooperation.

Ultimately, Slovenia must shift from ambiguity to clarity. Whether engagement deepens or narrows, it should be on Slovenia's own terms—guided by a strategy that is coherent, credible, and rooted in national interests. Concrete, forward-looking policy steps—drawing on both stakeholder recommendations and my analysis—are outlined in Chapter 8, which offers practical directions for translating these strategic choices into action.

7.2 Revisiting the host-country perspective

Section 2.2 identified three key insights from the IB literature regarding host-country dynamics under the BRI: (1) the role of institutional quality in shaping investment risk, (2) the impact of domestic politics and public sentiment on project legitimacy, and (3) the ability of peripheral states to exercise strategic agency in asymmetric relations. These insights framed the expectation that host-country outcomes are not passively determined by size or development level, but by a dynamic interaction of political alignment, institutional context, and narrative framing.

The findings from my thesis support and refine these theoretical expectations in several ways. This section revisits each of the three dimensions in light of the Slovenian case.

First, the literature emphasizes that strong institutions tend to attract Chinese FDI due to reduced uncertainty and transaction costs (Lu et al., 2014). Slovenia, with relatively strong institutions, might seem like an attractive destination. However, my findings suggest that institutional capacity alone was insufficient to drive deeper BRI engagement. In the absence of high-level political alignment or coordinated strategy, institutional quality did not translate into active participation.

Second, prior research suggests that high-level political alignment with China increases investment, particularly when public or elite legitimacy supports it (Li et al., 2022; Shao, 2020; Sutherland et al., 2020). In Slovenia, political alignment was ambiguous, and

legitimacy was undermined by a fragmented discourse. While most interviewees were not personally skeptical of China, they described a wider discursive environment marked by uncertainty, competing frames, and institutional hesitation. Concerns over values, transparency, and dependency were frequently cited, indicating that legitimacy is shaped not only through formal agreements but also through public and elite narratives. This reinforces the idea that discourse plays a crucial role in enabling—or constraining—BRI-related cooperation.

Third, the IB literature suggests that peripheral states can still exercise strategic agency within the BRI framework by leveraging their position or practicing flexible diplomacy (Ruta et al., 2019). In Slovenia’s case, however, the agency appeared more limited and largely reactive, as policy closely followed EU and NATO lines. At the same time, several interviewees noted attempts by some actors to sustain pragmatic economic ties with China. Yet this dual approach proved difficult to maintain without a clear national strategy—captured in one interviewee’s remark that “we don’t even know what we want.” The absence of internal coherence has constrained Slovenia’s ability to balance Western alignment with economic pragmatism toward China.

The Slovenian case confirms core insights from the host-country literature but also adds nuance. It illustrates that institutional strength without political alignment produces limited outcomes; that legitimacy is co-constructed through public discourse as well as policy; and that peripheral states’ agency is often constrained by internal fragmentation and strategic ambiguity. These findings contribute to a more nuanced understanding of how host-country dynamics unfold in the complex, politically sensitive landscape of the BRI.

7.3 Dominant frames alignment

Stakeholders’ perspectives on Slovenia’s engagement in the BRI reflect three overlapping frames: “opportunity,” “threat,” and “small state agency.” While these frames often coexist within the same interviews, different stakeholders emphasize them to varying degrees, producing a hybrid but uncoordinated strategic outlook. Table 13 summarizes how this thesis supports or challenges previous literature on these frames:

Table 13: How this thesis supports/challenges previous work

Frame	How this thesis supports previous work	How this thesis challenges previous work
Opportunity	Confirms literature portraying the BRI as a platform for Slovenia–China cooperation in non-sensitive sectors. Business respondents echoed optimism in areas like logistics, green tech, and pharmaceuticals, consistent with earlier studies noting Slovenian delegations and political interest.	Challenges the view of Slovenia as a passive but willing participant. Interviews reveal missed opportunities stemming from fragmentation, weak coordination, and inconsistent messaging—suggesting underperformance is largely self-imposed rather than externally constrained.

Table 13: How this thesis supports/challenges previous work (cont.)

Frame	How this thesis supports previous work	How this thesis challenges previous work
Threat	Supports findings that Slovenia’s threat perceptions derive more from EU and NATO alignments than direct bilateral frictions with China. Echoes broader EU discourse on normative tensions.	Counters alarmist frames by showing no major bilateral disputes and little appetite for disengagement. Highlights discursive inconsistency and performative alignment with allies rather than deep-rooted security fears.
Small state agency	Reinforces literature on small states as limited in structural power but potentially agile in diplomacy, aligning with work on asymmetry and small-state agency.	Adds nuance by showing Slovenia recognizes its smallness but fails to leverage it systematically. Compared to more proactive small states (e.g., Singapore, Estonia), Slovenia’s limits appear strategic and institutional, not purely structural.

Source: own work based on Collins & O’Brien (2022); Council of the EU (2025); Keohane et al. (1969); Long (2022); Lovec (2021); Pavličević (2018); Rašković (2017); Svetličič (2020) and Vangeli (2018).

Opportunity frame

The opportunity frame, as defined by Pan (2012) and applied to the former Yugoslav region by Pavličević (2018), casts China and the BRI as economic enablers offering infrastructure development, access to new markets, and investment flows. This framing is partially affirmed by the Slovenian case, though the interviews suggest that this opportunity remains largely unrealized — not because of external limitations, but due to internal incoherence and strategic underdevelopment.

Across all three stakeholder groups, respondents identified multiple low-risk, non-sensitive sectors where cooperation with China could be deepened. These included eco-agriculture, logistics, green technologies, and scientific research — sectors also highlighted in existing literature as areas of untapped potential (Pavličević, 2018; Vangeli, 2018; Zavorská, 2022). Business representatives were especially optimistic, noting Slovenia’s competitiveness in pharmaceuticals, IT, and automotive manufacturing. They argued that, with better coordination, Slovenia could serve as a strategic entry point for Chinese firms seeking EU access — aligning with findings from Rašković (2017) and Svetličič (2020).

However, while earlier studies emphasized growing public support for infrastructure-related cooperation (Rašković, 2017), interviews reveal a more cautious and fragmented political reality. Decision-makers lamented a lack of a clear national strategy and inconsistent communication, leading to missed diplomatic and economic opportunities. This finding challenges the assumption in much of the earlier literature that Slovenia was merely a passive but willing participant in BRI frameworks. Instead, evidence points to internal policy

dissonance — with contradictory messages (e.g., welcoming visits followed by hostile public statements) undermining credibility and confusing Chinese partners.

Moreover, while the Port of Koper continues to serve as a strategic asset linked to BRI corridors, several respondents suggested that other regional actors, particularly Serbia, had been more proactive and thus reaped greater benefits. This aligns with observations in the literature about uneven engagement levels among CESEE countries presented in Tables 3-6 and reinforces the notion that BRI outcomes depend not only on economic fundamentals but on frame clarity and state coherence.

Threat frame

The “China threat” frame is well established in IR literature, where China’s rise is often portrayed as destabilizing to the liberal international order (Allison, 2012; Broomfield, 2003; Pan, 2012). While the US has emphasized ideological and military competition, the EU’s position has been more ambivalent—balancing concerns about market access, transparency, and human rights with continued economic engagement (Politi, 2023; Vangeli, 2018). This evolving relationship has culminated in China being officially labelled a “systemic rival” by the EU, reflecting a growing perception of threat across economic, normative, and geopolitical dimensions (Council of the EU, 2025).

Interview data from Slovenia partially reflects this broader European trend, but reveals a more nuanced and cautious interpretation of the threat frame. Across decision-making, business, and academic sectors, concerns about China’s influence were acknowledged but rarely framed as immediate or existential threats. Instead, respondents emphasized that Slovenia’s China policy is heavily shaped by alliance structures and external normative expectations, particularly from Brussels and Washington. This aligns with Lovec’s (2021) critique that Slovenia’s turn toward a more confrontational posture—such as its anti-Huawei stance—was less the result of domestic strategic calculations and more a reflection of ideological alignment with transatlantic partners.

Decision-makers consistently highlighted the structural constraints imposed by Slovenia’s NATO and EU membership, which limit its room for maneuver in sensitive sectors such as digital infrastructure, dual-use technology, and FDI. References to informal warnings about Chinese technologies and fears of diplomatic repercussions from Western allies underscore how security-related decisions are often externally bound. In this sense, threat perceptions are not driven by bilateral Slovenia-China dynamics, but by Slovenia’s embeddedness within Western political and security structures.

While interviewees recognized normative tensions—especially related to human rights, transparency, and authoritarian governance—none advocated for disengagement from China. At the same time, interviews revealed a notable internal inconsistency in Slovenia’s political communication on China. One decision-maker cited a senior official’s public statement that placed China in a new “Axis of Evil,” contrasting sharply with recent high-

level visits to Beijing. This type of discursive incoherence was seen by several respondents—particularly academics—as undermining Slovenia’s credibility and strategic clarity. Such findings complement Qin’s (2018) Relational Identity Theory, which emphasizes how state identity and foreign policy positions are fluid, shaped by interactions and discursive shifts rather than fixed interests.

Unlike more alarmist interpretations of the China threat, the Slovenian case points to a version of the narrative that is externally induced, inconsistently applied, and refracted through the lens of small state positioning. The framing of China as a systemic risk—rather than a direct threat—fits within broader EU discourses, but is complicated by Slovenia’s limited economic exposure to China and the absence of concrete bilateral flashpoints.

Small state agency frame

The framing of Slovenia as a “small state” emerged as a powerful interpretive lens in both interviews and existing literature, shaping how engagement with China—and global affairs more broadly—is understood. Nearly all interviewees explicitly referenced Slovenia’s small size, either to highlight structural constraints or to point to potential diplomatic advantages. This mirrors Keohane et al.’s (1969) classic definition of a small state as one whose leaders believe they cannot significantly influence the international system, even when acting with others.

Perceptions of smallness served multiple, and sometimes contradictory, functions in Slovenia’s China discourse. Some interviewees emphasized constraints: Slovenia’s limited market size, workforce, and geopolitical weight were seen as handicaps that reduced its leverage and visibility in bilateral relations. In this view, smallness contributes to a sense of irrelevance in the eyes of great powers. Others, however, suggested that Slovenia’s small size allows for greater diplomatic agility. As one decision-maker observed, small countries can “fly under the radar”—a sentiment echoed in literature noting how small states may act with greater flexibility, neutrality, or soft power when not seen as strategic threats (Boon & Ardy, 2017; Collins & O’Brien, 2022).

This ambivalence reflects broader academic debates about small state agency. Some interviewees framed Slovenia’s size as a reason for caution, while others saw it as a potential asset, especially in a highly polarized global environment. The literature suggests that small states can navigate power asymmetries by understanding the internal dynamics of major powers and seizing windows of opportunity when attention shifts (Long, 2022). Yet Slovenia’s engagement with China suggests this strategic window often remains underutilized.

Comparative cases such as Singapore, Serbia, Estonia, Qatar, and New Zealand highlight that influence does not require size, nor does it demand ideological alignment. Rather, it hinges on the ability to act decisively, articulate national interests clearly, and align these with broader regional or normative frameworks. Estonia amplifies its voice through EU-

wide diplomacy, Serbia has embraced BRI infrastructure investment with clear trade-offs, and New Zealand navigates US–China rivalry through regional independence and soft power (Gee & Patman, 2020; Kutnarová, 2025; Trivić, 2024). These cases demonstrate that small states can exert disproportionate influence if they possess strategic clarity and institutional capacity.

Overall, Slovenia’s experience underscores the challenges faced by small states in balancing economic opportunities with normative and geopolitical constraints. Without a clearer strategic direction and institutional coordination, Slovenia risks missing opportunities to leverage its unique position within the shifting landscape of great power competition. These insights set the stage for exploring policy options in the following chapter.

7.4 Limitations of the research

While this thesis provides new insights into Slovenia’s engagement with the BRI, several limitations remain.

First, the sample size of seven interviews was sufficient to reach data saturation, as recurring themes emerged across diverse perspectives. A larger pool could nevertheless provide additional nuance.

Second, the qualitative nature of the data was effective in capturing key discourses and perceptions shaping Slovenia’s approach. At the same time, discourses are not always grounded in empirical evidence, and future research could complement them with more quantitative analysis.

Third, given the rapidly evolving nature of international politics and China’s changing role within the BRI, the findings reflect a specific snapshot in time. Still, the moment remains important, as Slovenia’s position has so far received limited scholarly attention.

Finally, while this thesis focuses on elite perspectives rather than public opinion, this approach is central to understanding decision-making. Future studies could enrich the picture by incorporating survey data to capture wider societal attitudes.

8 FUTURE RESEARCH AND RECOMMENDATIONS

While Chapter 7 critically examined Slovenia’s ambiguous positioning toward China and the BRI, the present chapter draws on stakeholder input to outline forward-looking strategies in three domains: research, policy, and business. These recommendations are grounded in the thematic analysis of interview data (Theme 6 of the codebook) and have been further refined by me.

8.1 Future research agenda

Future research will play a crucial role in enabling Slovenia to move from fragmented and reactive engagement with China toward a more coherent strategy. As acknowledged in section 7.4, insights from interviews reflect the views of a small and elite sample, captured at a particular point in time. The broader public's opinion remains unexplored, and Slovenia's strategic environment is likely to evolve significantly in the face of shifting global dynamics. Some stakeholders were vocal about knowledge gaps and the absence of reliable data or dedicated China-focused institutions. They pointed to several directions that future research could take to inform both policy and public understanding.

Stakeholder input converged on three priority areas for strengthening Slovenia's research base on China:

- Establish a dedicated China-focused research center or think-tank to consolidate expertise, ensure continuity, and facilitate comparative studies of peer CESEE countries.
- Develop a systematic, centralized database on Slovenia–China trade flows, investment trends, and institutional engagements.
- Commission nationwide surveys to assess public perceptions of China and track changes over time.

The creation of a dedicated research center was among the most frequently mentioned proposals. In the view of several interviewees, Slovenia lacks a clear articulation of its long-term interests, which hinders the ability to learn from others and to formulate consistent strategies. One academic pointed out that meaningful learning from other CESEE countries depends on knowing what Slovenia wants to achieve in the first place: *“So what can Slovenia learn from these experiences? It depends on what it wants to learn — and that, of course, depends on Slovenia's own interests. And I believe that, in Slovenia, we—or Slovenian politicians—are not entirely clear about what Slovenia's core interests actually are”* (A1). In this sense, a well-functioning research institution, therefore, would serve the dual purpose of clarifying Slovenia's own priorities and providing structured insights into how regional peers have approached the same challenges. By systematically studying how peer CESEE countries—particularly those that adopted more proactive approaches—have navigated their relations with China, such a center could help identify both transferable best practices and avoidable pitfalls. Referring to these comparative cases, the same academic further cautioned also against unnecessary confrontation with China: *“It would make a lot of sense—at the very least—not to antagonize China further, as Slovenia has already done to some extent. Because future global shifts may affect Slovenia quite significantly”* (A1).

A second recommendation emphasized by stakeholders was the development of a systematic and coherent knowledge base on Slovenia–China relations. Several interviewees lamented the current reliance on fragmented data or episodic media reports, arguing that consistent tracking of trade flows, investment trends, and institutional engagements is essential. In their view, the absence of a centralized and reliable database leaves Slovenia in a position of

reactive diplomacy, where foreign policy is too often grounded in partial information. A comprehensive and regularly updated database would allow for more evidence-based policymaking and would provide researchers, policymakers, and businesses with a common factual foundation for decision-making.

Finally, many interviewees highlighted what they considered to be a major blind spot: the absence of data on Slovenian public attitudes toward China. While this thesis has focused primarily on elite-level frames, future research could explore how China is perceived by the broader population. A nationwide survey might illuminate dominant frames, reveal generational divides, and shed light on the role of media in shaping public opinion. Such insights would not only enrich academic understanding but also equip policymakers with a clearer sense of the domestic landscape in which foreign policy decisions unfold. Moreover, tracking changes in public attitudes over time would provide an additional dimension for evaluating the effectiveness of Slovenia's diplomatic and communication strategies vis-à-vis China.

Strengthening Slovenia's research base in these three areas would provide the necessary foundation for more coherent policymaking, the focus of the following section.

8.2 Policy recommendations

Stakeholder interviews revealed broad agreement that Slovenia's engagement with China would benefit from a more strategic and consistent policy framework. Policymakers were frequently described as reactive, inconsistent, and overly guided by ideological alignments rather than long-term strategic interests. Even among decision-makers themselves, there was recognition that clearer direction and coordination are urgently needed.

Stakeholders emphasized three priority areas for strengthening Slovenia's policy approach toward China:

- Develop a stable, long-term strategy for Slovenia–China relations that transcends political cycles.
- Define clear red lines in value-based diplomacy while identifying neutral sectors for pragmatic cooperation.
- Build policy capacity through stronger coordination and enhanced China literacy among political, business, and academic elites.

The priority concerned the absence of a stable long-term plan for managing relations with China. Participants across sectors emphasized that without a durable framework, Slovenian policy risks shifting with each change in government. As one decision-maker recommended: *“Establish a clear long-term plan that is solid and does not change every four years with changes in the Slovenian government”* (B1). A forward-looking strategy would help

Slovenia signal reliability to external partners and ensure that short-term politics do not derail long-term interests.

A second area of concern was the need to define Slovenia's "red lines" while maintaining space for selective engagement. Stakeholders stressed that values-based foreign policy should not preclude cooperation in neutral or apolitical domains. As one decision-maker explained: *"We should decide when and in which contexts we are willing to expose ourselves. We need to clearly define where we strongly disagree with China and what we stand for, and then communicate that in the right way"* (D2). Another interviewee provided a concrete example: *"Political support for China on issues like the South China Sea, Tibet, Xinjiang, or Taiwan — that's absolutely a no-go. It goes against our values. But take the Karst Institute — they've had long, non-political cooperation with China, even a joint lab. Nature, bees, cars — that's what you can fully pursue here, 100%"* (D1). By articulating boundaries clearly while allowing cooperation in specific sectors, Slovenia could reduce ambiguity and avoid both overexposure and missed opportunities.

Finally, stakeholders emphasized the importance of building policy capacity through stronger inter-ministerial coordination and greater China literacy. Several interviewees criticized the inconsistent messages emanating from different ministries and government offices, arguing that this undermines Slovenia's credibility and hampers effective diplomacy. At the same time, a limited understanding of China among political, business, and academic elites was seen as a barrier to constructive engagement. As one business representative noted: *"I would definitely encourage more politicians to visit China to better understand its culture, development, and overall context. I think it's important to be cautious about relying on stereotypes. China shouldn't be seen only through preconceived notions — we need a broader perspective and to create opportunities for cooperation on both sides"* (B3). Investments in training, exchanges, and study visits, combined with improved policy coordination, would help Slovenia engage with China in a more informed and coherent manner.

Taken together, these steps would strengthen Slovenia's ability to manage relations with China strategically and consistently, while reducing the risks of both overdependence and unnecessary confrontation.

8.3 Business recommendations

Stakeholders highlighted the need for Slovenian businesses to approach engagement with China more strategically. While opportunities exist, interviews underscored the importance of balancing commercial prospects with careful risk management, guided by clearer guidance, specialized expertise, and trust-building measures. These insights point toward concrete steps that could enhance Slovenia's competitiveness while reducing exposure to geopolitical and regulatory constraints.

Drawing on these insights, four priority recommendations emerge for strengthening Slovenia's business engagement with China:

- Establish sector-specific expert working groups combining industry knowledge and China expertise to craft tailored strategies and identify opportunities.
- Prioritize trust-based, culturally informed engagement with Chinese partners to build long-term relationships grounded in mutual understanding.
- Focus on niche, low-geopolitical-risk sectors such as green technology, eco-agriculture, and technical sciences.
- Explore selective infrastructure opportunities compatible with EU and NATO frameworks.

Several interviewees emphasized the value of combining industry insight with targeted China knowledge. One business representative explained: *“Every sector needs a working group of experts—experts in the industry and experts on China—who can create a plan on how to approach it... We have to prepare strategic plans for how to integrate Chinese companies and investments better than other countries”* (B2). By structuring such working groups, Slovenian businesses could anticipate regulatory constraints, identify promising opportunities, and coordinate more effectively with policymakers.

Trust-building and mutual understanding were also cited as essential for successful partnerships. Long-term relationships with Chinese firms require patience, transparency, and openness to different perspectives. As one respondent noted: *“It’s important to give Chinese partners the space to understand what’s happening on our side, but at the same time, we have to stay open-minded and try to understand their perspective as well. So, honest and open communication is absolutely essential”* (B3).

Business representatives like other stakeholders, emphasized niche areas where cooperation with China could proceed without triggering geopolitical concerns. Sectors such as green technology, eco-agriculture, and technical sciences were seen as offering particular promise. One academic lamented the missed opportunities in infrastructure, especially in light of changing security dynamics: *“I believe infrastructure is one area with real potential for collaboration, and where Chinese investment could be very beneficial. But we can already see that infrastructure development—like investment in the rail system—is being integrated into NATO’s increased spending plans, which likely means Chinese companies won’t be invited to build anything. And that’s a huge pity, because China has the best railway system in the world, with thousands of kilometers of high-speed rail”* (A1).

Therefore, infrastructure cooperation could also be explored selectively, provided it aligns with Slovenia's broader commitments to EU and NATO frameworks. A nuanced, risk-aware approach would enable Slovenian businesses to capitalize on opportunities while maintaining credibility and strategic alignment at the national level.

9 CONCLUSION

This thesis has examined Slovenia's engagement with China and the BRI through three dominant frames: "BRI as (missed) opportunity," "BRI and the China threat," and the challenges faced by "small Slovenia engaging with a superpower." The analysis revealed that Slovenia's participation in the BRI has been largely symbolic, with limited tangible economic, political, or strategic outcomes. Stakeholders across policy, business, and academic sectors converge on one key point: Slovenia currently lacks a clear, coherent national strategy toward China, which undermines its ability to seize opportunities or mitigate risks effectively.

The coexistence of optimistic economic aspirations—particularly in logistics, green technology, and scientific cooperation—and cautious geopolitical concerns reflects the broader tension between viewing China as an economic partner and as a strategic competitor. However, unlike larger EU members, Slovenia's "China threat" frame remains muted and often externalized, shaped more by EU and NATO alliance expectations than by immediate national security considerations. This underscores the structural constraints facing small states whose foreign policies must balance domestic priorities with external normative and strategic pressures.

A significant insight from the thesis is the critical role of strategic clarity, institutional coordination, and narrative coherence in enabling small states to navigate asymmetric relations. Slovenia's fragmented and reactive China policy contrasts with more proactive small states such as Singapore, which have successfully combined internal preparedness with selective engagement. The Slovenian case thus highlights how the absence of a consistent national vision can translate into missed opportunities, reputational ambiguity, and weak positioning in a multipolar global environment.

Looking forward, Slovenia must move beyond reactive and symbolic engagement by developing a long-term, value-informed China strategy that defines clear red lines while enabling pragmatic cooperation in low-risk sectors. Strengthening institutional coordination and investing in China-specific expertise across policymaking, academia, and business will be vital to overcoming fragmentation and building trust both domestically and with external partners. At the same time, fostering cultural understanding and establishing sector-specific expert groups can support more strategic, risk-aware engagement.

The research also identifies important directions for future inquiry, including systematic mapping of Slovenia–China interactions, building China research infrastructure, conducting comparative studies within the CESEE context, and exploring broader public attitudes toward China. Addressing these gaps will enhance Slovenia's capacity to formulate informed and coherent policies amidst rapidly evolving geopolitical realities.

Slovenia's response to the BRI offers a nuanced case study of small-state diplomacy in a shifting global order. While size and structural constraints limit direct leverage, strategic clarity and institutional readiness can empower Slovenia to act with greater agency. How Slovenia navigates this delicate balancing act will not only shape its bilateral relations with China but also determine its broader role within European and global governance frameworks in the years ahead.

The consensus among interviewees was clear: the question is not whether Slovenia should engage with China, but how. Given its geopolitical constraints—especially EU and NATO commitments—future engagement must be value-informed but not value-exclusive. This means clearly defining non-negotiable positions, such as on human rights and national security, while still pursuing cooperation in domains aligned with Slovenia's strategic interests.

Ultimately, Slovenia's ability to capitalize on opportunities with China will depend less on external alignment and more on internal readiness. Without a clear strategic vision, institutional coordination, and consistent messaging, the country risks continuing its pattern of missed or underleveraged engagement. As a small state, Slovenia may lack sheer power—but with agility, coherence, and narrative clarity, it can still carve out a meaningful role within an evolving global order.

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APPENDICES

Appendix 1: Codebook

Theme	Codes	Description	Representative quotes
1. Ambiguous and reactive national positioning	<ul style="list-style-type: none"> • Lack of a coherent BRI vision or long-term strategy • Selective engagement and ideological ambivalence (e.g., Huawei, investment vs. security) • Short-termism and reactive foreign policymaking • Foreign policy shaped by internal political divisions 	Slovenia's China policy lacks a clear, consistent strategy. Engagement is often symbolic, driven by domestic politics and short-term decisions, with selective openness depending on ideology and sector.	<ul style="list-style-type: none"> • "Slovenia certainly has interests. But it lacks vision—a clear idea of what it actually wants from China." (A1) • "When it comes to the BRI Slovenia has not been active and is not currently seeking active cooperation. I don't think there's any real interest in it." (D1) • "We welcome the idea of a Chinese factory. But when it comes to technology — say, Huawei — we hesitate. This selective approach is problematic." (B3) • "Political decision-making is often driven by micro-operational tasks or specific events. It's very opportunistic... Forget five- or ten-year planning. This kind of reactive behavior is the worst-case scenario for strategic decision-making." (D2) • "Politicians' views are mostly shaped by ideology, the type of government in power, and internal political dynamics. For example, if your political rivals are more pro-China, then you align more with the US" (D2)
2. Divergent stakeholder priorities and common institutional frustrations	<ul style="list-style-type: none"> • Business-driven pragmatism • Different ideological framings in academia • Limited China-specific expertise among policymakers 	Stakeholder views on China vary significantly. Businesses are pragmatically engaged, academics are ideologically split, and policymakers often lack China-specific expertise, leading to fragmented national positioning.	<ul style="list-style-type: none"> • "Last year, three business delegations visited China... realized the business potential, and pushed Slovenian politics to support their efforts." (D1) • "Economic interests are usually more important than values (f.i., when debating issues related to Taiwan)." (A2) • "On the academic side... very small amount of work done... you find people very pro-China and others very skeptical." (D1)

To be continued

Theme	Codes	Description	Representative quotes
			<ul style="list-style-type: none"> • “There are no public opinion surveys. There are no think tanks in Slovenia that deal with this topic. We don’t really know what our position on China is.” (D1) • “Policymakers are dominated by faculties emphasizing liberalism, human rights, EU, NATO.” (A1) • “What’s truly missing is a focused approach — professionalism and a deep dive into specific topics. Only then can we prepare strategic plans that show Chinese partners why Slovenia is a valuable counterpart.” (B2)
3. Opportunities for cooperation	<ul style="list-style-type: none"> • Strategic flexibility of a small state • Sectoral strengths: automotive, pharma, IT, logistics • Soft cooperation potential (eco-agriculture, science, culture) • Prospects for EU-based Chinese manufacturing 	<p>Despite limited strategic planning, stakeholders identified areas like automotive, logistics, green tech, and eco-agriculture where Slovenia could engage China through niche, low-risk cooperation.</p>	<p>“Slovenia could be an important entry point... Being a small and flexible country is an advantage.” (B3)</p> <ul style="list-style-type: none"> • “Slovenia has a relatively strong automotive industry, a solid pharmaceutical sector, as well as competitive IT and logistics industries... For the automotive industry, we are very late. But it’s not too late yet... combining our decades-old tradition and experience with Chinese cars in Europe could be better than Chinese cars in China.” (B2) • “The Chinese are really into beekeeping, and promoting Slovenian eco-farming... is something we’re not doing enough.” (D1) • Chinese manufacturing companies need EU-based production sites to bypass tariffs and other restrictions. Some form of local production is necessary. And where that happens—Hungary, Spain, or even Slovenia—can have a big impact. (D2)

To be continued

Theme	Codes	Description	Representative quotes
			<ul style="list-style-type: none"> • “Slovenia may have to reconsider its 5G policy— but in automotive or other manufacturing sectors, China could be interested. Slovenia is actually quite strong in these fields. We have the Jožef Stefan Institute, and other research institutions that are not just top in Europe but world-class.” (A1)
4. Operational and relational challenges	<ul style="list-style-type: none"> • Access and communication barriers with Chinese partners • Cultural differences • Confusing contradictory messaging 	<p>Slovenia faces difficulties navigating China’s partnership norms. Miscommunication, cultural differences, and mixed political signals hinder trust and access to decision-makers, especially for smaller actors.</p>	<ul style="list-style-type: none"> • “What we have learned is that the needs and plans and goals and expected deliverables are constantly changing in China.” (B1) • “We also see more difficulties to reach decision makers compared to Western companies.” (B1) • “Slovenian companies don’t really understand China. It’s really hard for them to get it. With the Chinese, you really have to build a relationship. You have to take a year just to get up to a contract. And China is huge — they don’t get that.” (D1) • Our relationship with China is biased by the personal views of a few key people... For example, the State Secretary publicly declared that China is part of a new ‘Axis of Evil’—which confuses Chinese diplomats, especially when just months earlier our Foreign Minister visited Beijing expressing openness and cooperation.” (D2) • “I’m not sure that Slovenian authorities understand that you cannot have two or more contradictory policies toward China.” (A1)
5. Geopolitical and strategic challenges	<ul style="list-style-type: none"> • Pressure from NATO, EU, and US to de-risk China ties • Technology-related security constraints 	<p>Western alliances and EU commitments limit Slovenia’s space for deeper China cooperation. Concerns over backlash, tech-related security, and regional precedent contribute to a cautious, risk-averse stance.</p>	<ul style="list-style-type: none"> • “On a geopolitical level, the major risk is that both superpowers—especially the US administration—are pushing other states to take sides... If you want to remain part of NATO and participate in sensitive information or intelligence sharing, you’re told you

To be continued

Theme	Codes	Description	Representative quotes
	<ul style="list-style-type: none"> • Risk of geopolitical backlash from traditional allies • CESEE regional experiences and skepticism 		<p>cannot—or should not—use certain Chinese technologies.” (D2)</p> <ul style="list-style-type: none"> • “If you expand cooperation with China too much, you can expect backlash from your traditional allies.” (D1) • “None of these countries (CESEE)—except Hungary—actually received the kind of high-tech FDI they had likely expected.” (A1) • “Slovenia must deal with China very carefully, ... EU funding is much more transparent and that it needs to remain careful and stick to its own/EU’s terms when attracting China’s investment.” (A2)
<p>6. Interviewees’ recommendations for future engagement</p>	<ul style="list-style-type: none"> • Need for a long-term, stable China strategy • Inclusion of industry experts and China specialists • Balanced, pragmatic engagement with defined red lines • Strategic communication of values and disagreements • Non-political, niche cooperation opportunities 	<p>Stakeholders called for a stable, long-term China strategy grounded in sector expertise, clear values, and pragmatic diplomacy. Non-political cooperation in niche sectors is seen as a viable path forward.</p>	<ul style="list-style-type: none"> • “Establish clear long-term plan that is solid and does not change every four years with changes in Slovenian government.” (B1) • "Every sector needs a working group of experts—experts in the industry and experts on China—who can create a plan on how to approach it... We have to prepare strategic plans for how to integrate Chinese companies and investments better than other countries." (B2) • “We should decide when and in which contexts we are willing to expose ourselves. We need to clearly define where we strongly disagree with China and what we stand for, and then communicate that in the right way.” (D2) • “It’s important to give Chinese partners the space to understand what’s happening on our side, but at the same time, we have to stay open-minded and try to understand their perspective as well. So, honest and open communication is absolutely essential.” (B3)

To be continued

Theme	Codes	Description	Representative quotes
			<ul style="list-style-type: none"> • “I would definitely encourage more politicians to visit China to better understand its culture, development, and overall context. I think it’s important to be cautious about relying on stereotypes. China shouldn’t be seen only through preconceived notions — we need a broader perspective and to create opportunities for cooperation on both sides.” (B3) • “Political support for China on issues like the South China Sea, Tibet, Xinjiang, or Taiwan — that’s absolutely a no-go. It goes against our values. But take the Karst Institute — they’ve had long, non-political cooperation with China, even a joint lab. Nature, bees, cars — that’s what you can fully pursue here, 100%.” (D1)

Appendix 2: Business representative (B1)

(Written format, provided at the interviewee's request due to limited availability)

Q1: Could you briefly describe your or your sector's experience working with Chinese partners? Has the Belt and Road Initiative played any role in this?

B1: Automotive, specifically new development in the field of electric mobility is very relevant for the cooperation with China since China became the leading global force in this field during the last decade. I am happy to be part of this field and have contributed to its growth by educating Chinese people and business entities about the future potential of new types of electric propulsion systems. We see China as fast-moving environment, highly motivated for success and new initiatives, which is great. However, this is also accompanied with lack of understanding for a bit longer development cycle when it comes to more radical technical innovation and lack of Chinese carmakers to nurture relationships with foreign startups, that need attention and care to bring the technology to the market effectively. The Belt and Road did play a role, but I guess more indirectly than directly.

Q2: Which sectors or types of projects do you see as most promising for future cooperation between Slovenia and China?

B1: I can only speak about automotive, because this is my field of expertise and would not like to speculate too much about others, but obvious interesting fields are the ones of AI, robotics, energy or even tourism.

Within automotive, I feel there is huge potential for cooperation in innovation of electric drives and motion control algorithms. On top of that there are general business synergies related to the Chinese need to establish some presence in the EU and Slovenia is a promising entry point.

Q3: How do you perceive the level of state or institutional support for your business activities with China? What kind of assistance would be useful?

B1: Slovenian government was very helpful and offered full support to Company X after we have secured a major Chinese investment. Several ministry visits were organized to our Joint Venture company in China and Slovenian government presented Company X at multiple occasions. It was a mutually beneficial cooperation, because also China was happy to hear about Company X as one of the highlights of Slovenian automotive and high-tech groups of companies.

What we lacked was the direct support from Chinese side to secure further funding that was needed after 2020. There must be multiple different reasons for that and it can change in the future.

Q4: What are the key challenges or risks you face when working with Chinese partners – for example in terms of regulation, culture, or transparency?

B1: What we have learned is that the needs and plans and goals and expected deliverables are constantly changing in China. In the West we are used to agree on the content and scope of work and then we execute the activities, but in China this tends to change and makes the cooperation ineffective. We also see more difficulties to reach decision makers compared to Western companies. And the sales cycle with unclear and delaying payment terms is bit unfriendly for startups and scaleup.

Q5: If you had the power to shape Slovenia's future economic engagement with China, what would your top priorities be?

B1: Establish clear long-term plan that is solid and does not change every four years with changes in Slovenian government. I would make it non-government or just partly government related and with a long-term vision with 20-year roadmap. I would insist on key Chinese industry players to be involved and make sure Slovenian products and services are delivered to the large Chinese market and Chinese to large EU market through this initiative.

Appendix 3: Academic (A1)

Q1: Before going to the first question, I would just like to confirm - do you consent to being voice recorded?

A1: Yes.

Q2: And now we will start with the first question. How would you assess Slovenia's overall approach to China, especially in the context of the Belt and Road Initiative and broader EU frameworks such as the Global Gateway?

A1: Well, the story is quite complicated, I believe. Slovenia has taken several different approaches toward China in the last seven years.

First of all, Slovenia never officially joined the Belt and Road Initiative. There were some options more than a decade ago, regarding the Koper-Ljubljana railway, as far as I remember. But it never became a real project, especially the Second Rail, which is now under construction. One of the reasons was that moving forward with it would likely have required giving Chinese investors a stake in the Port of Koper, and Slovenian officials have not been keen on that.

Certainly, a big step forward in the relations between Slovenia and China happened when Hisense bought Gorenje. That was a huge takeover, and it probably also saved quite a lot of jobs in Gorenje. It signaled a possible opening of Slovenia to Chinese investments.

However, already around 2019 and especially since 2020 the picture became quite different. Slovenia joined the US-backed anti-China 5G memorandum during Mike Pompeo's tour of Central and Eastern Europe and adopted a quite hostile stance toward China. That was during the COVID-19 pandemic and the third government led by Janez Janša. But interestingly, that approach continued at the beginning of the current liberal government's turn. So, during its first year, this government had a similar stance toward China, especially in this 5G domain.

However, the last year and a half actually brought some unpredictable changes. Slovenia's manufacturing sector, which is closely related to the German automotive industry, is facing hardships, because the German car industry is struggling, since China has emerged as the global leader in electric vehicle production.

And there are obviously different approaches within the government. The Minister of the Economy is trying really hard to establish good political and trade relations with China, particularly in the manufacturing part of automotive sector. While at the same time, in the high-tech sector, especially 5G domain, the official position remains clearly anti-China.

So, in that sense, there are contradictory policies at play when it comes to China—both economically and politically.

Of course, the Janša government's policies, especially those questioning the status of Taiwan, certainly didn't help bilateral relations. However, Slovenia now has slightly more room to maneuver because some of the larger European economies, especially Germany, have started to realize that a hardline EU anti-China approach might hurt them more than it hurts China.

Also, Slovenia didn't vote in favor of the proposed EU tariffs on Chinese electric vehicles, largely because Germany opposed them. Had Germany supported the tariffs, Slovenia likely would have followed suit. But because it didn't, Slovenia's position gave a somewhat different signal to the Chinese side.

I would say that Slovenia's approach to China is characterized by rapid shifts and adaptations. Chinese FDI in Slovenia is relatively limited. The most notable Chinese acquisitions were Gorenje, Outfit7's Talking Tom application—if I'm not mistaken. But when it comes to substantial, large-scale manufacturing FDI, like we've seen in Hungary or partially in Serbia, Slovenia doesn't have anything comparable in either scope or scale.

Q3: Which structural or historical factors have most influenced Slovenia's current policy direction toward China?

A1: Well, historically, Slovenia has not been able to draw very much on the legacies of Yugoslavia and the Non-Aligned Movement and so on. Slovenia uses that when officials think it is useful, of course, not Janša and the right wing, but the liberals and the Social Democrats. This was the case when it came to the United Nations non-permanent seat on the Security Council, they were thriving on the Non-Aligned Movement in order to secure votes.

But when it comes to China, this approach was, at least from my perspective, not used enough. There are, of course, different logics behind it. Slovenia also wanted to get rid of the historical legacy of Yugoslavia quite quickly.

The second thing is that Slovenia's relatively quick accession to the EU and NATO, of course, it's now been a member of both for over 20 years, also limits the policy options and alternatives Slovenia has. Of course, one could say Viktor Orban plays it differently, certainly, yes. But Orban has, on the other hand, secured a strong domestic capital base, especially in the financial sector while in the manufacturing sector, they're thriving on FDI – first German, now Chinese.

Slovenia was reluctant to accept any FDI. It wanted to have its own capitalist class, which failed after 2011-2012. Since then, it has sold most of its companies and banks to Western capital, with only a few examples of Eastern or far Eastern investors. So it's structurally in a different position, so to say.

Slovenia also doesn't have that much to offer to China. Labor costs are higher than in Hungary or some other countries. Politicians and their imaginaries are strongly Western-

oriented. And what is very important is the following: in other Central or Southern European countries - Hungary, Serbia, even Slovakia - it is actually the right-wing political spectrum, parties and politicians, who are very much in favor of collaborating with China and Russia.

In Slovenia, it's not the right-wing political spectrum. In Slovenia, the three crucial right-wing parties - although the third is almost non-existent, but we'll see what happens - Slovenska demokratska stranka, Nova Slovenija and Slovenska ljudska stranka are actually completely anti-Russian, anti-Chinese, and fully pro-Western, pro-USA, pro-NATO. That's a very important qualitative difference.

In Slovenia, it's the liberals and sometimes the Social Democrats who are more open to collaboration with China or Russia or with countries not coming from the West, while the right wing is not. And this, again, puts Slovenia in a very different position compared to those other countries.

And maybe it can also help us explain why there were no big shifts away from the EU and USA orientation of Slovenia. Hungary, for instance, was also very much entangled and dependent on German FDI, the German economy, exports to Germany, and so on. The FDI-led growth was the basis of the Hungarian model.

But after the crisis in 2012-2013, the scale of FDI stopped growing, and they had huge problems securing new investment in order to preserve or create new jobs. Then Orbán came up with this new approach. It was very much a win-win situation – China was looking for a way into Central Europe.

Slovenia, on the other hand, experienced the deep crisis at that time, but it was always much less FDI-dependent than Hungary or any other post-socialist country. In that respect, it was not structurally pushed to seek new investments as much as others were. And maybe that can also help explain, historically, why Slovenia never truly opened toward China or other such countries, when compared to other post-socialist states.

Q4: Which dominant narratives currently shape public and policy debates in Slovenia about China and the BRI?

A1: Well, there are certainly several narratives regarding China and the Belt and Road. The Belt and Road Initiative is still something people talk about, journalists write about it, but the magnitude and scale of this Chinese endeavor is often not truly understood.

Of course, Slovenia is a very small country, it's like a suburb of Beijing. So the differences in scale are immense. But nonetheless, some other countries have recognized the importance of the initiative, both for the Chinese economy and global politics. In Slovenia today, I believe there are at least three dominant narratives.

The first is the narrative coming from the right-wing political spectrum, which is predominantly anti-China. This view is also reflected in some mainstream media – quite influential ones. For example, Delo, one of the leading newspapers in Slovenia, includes commentary that can be strongly critical of China. One of their long-standing correspondents, Zorana Baković, for instance, often presents views that are quite anti-China, sometimes, in my opinion, bordering on xenophobia.

This narrative often portrays China as a totalitarian country, a kind of “Big Brother” society where everything is controlled by the government. It emphasizes issues such as the lack of human rights, and frames China as a major threat to the European or Western way of life, although it is often unclear what exactly that means in practical terms. So this is the first dominant narrative: one that highlights totalitarianism, communism, and surveillance.

The second narrative is associated more with the liberal political spectrum and liberal media outlets – excluding Delo, as I already mentioned Zorana Baković, she’s quite anti-China. However, Delo has also other journalists who have diverse voices. The liberal spectrum tends to focus on human rights concerns and also critiques China’s dumping practices, or different government approaches and programs that disrupt global competition. At the same time, it acknowledges China’s technological development and achievements. This view could be described as China-skeptic.

And then you have also a very small part, which is in the political spectrum, represented by few politicians, like Miha Kordiš and in the media, sometimes by different academics and opinion makers who see China as one of the most promising countries in the world, with a huge leap forward in the last 30 years, giant technological changes, structural changes, which is something that could serve also as a role model for other countries, or at least some parts of the Chinese developmental model could be taken as possible solutions for all the contradictions that EU or the Western world is facing.

Then there is a third, smaller narrative present in Slovenian political and media circles. This one is more favorable toward China and is sometimes represented by politicians such as Miha Kordiš, as well as certain academics and public intellectuals. They view China as one of the most promising countries in the world, that has made a huge “leap forward” in the last 30 years, including major technological and structural changes. They may see aspects of China’s development model as potential solution, or at least worth studying, for dealing with challenges faced by the EU or Western countries.

It is interesting to see how these narratives overlap and change. As I said at the beginning, structural problems in the German automotive industry have opened the possibility for Slovenia and its media and public sphere to see and speak of China in a different way, not only as a threat, but also as an opportunity.

Certainly, Chinese investment in Slovenia is relatively limited, and Slovenia also has relatively modest investments in China. Trade relations, however, are important and

Slovenia, like many countries, has a substantial trade deficit with China. This, to some extent, reflects past policy choices: Slovenian policymakers were not particularly enthusiastic about attracting Chinese FDI. Yet given China's global production dominance, trade dependency was almost inevitable, because if certain goods are not produced in your county, you will likely import them from China or somewhere else.

These three narratives are competing. But what I can say is that in the last year, year and a half, things are slowly changing, but it also always depends on the scale and magnitude of the EU's anti-China approach, which is also fluctuating.

So, these three narratives are competing in the public and policy arenas. But what I would say is that over the past year or year and a half, things have slowly begun to shift. This also depends on broader EU-level dynamics.

You can observe how EU policy has fluctuated, moving from strong anti-China rhetoric, such as decoupling and de-risking, to more pragmatic tones. Especially now, after geopolitical shifts like Trump's second term, there seems to be a different view emerging, not always officially, but unofficially it's clear that China is no longer perceived as the number-one threat. Given the economic challenges already facing European economies, further decoupling from China could worsen the situation. So, geopolitical and global economic developments also influence Slovenian economy and policies. These changes sometimes create room for alternative approaches, though overall, the prevailing attitude remains quite skeptical toward China, with significant uncertainty about China's development path and what it might offer to Slovenia, or to any other country, for that matter.

Q5: In your view, how does the academic perspective differ from political or business narrative in Slovenia, and what are the implications of these differences?

A1: In Slovenia, international relations are completely dominated by liberalism as a theory and ideology. And this has a very strong impact on the evaluation of China as anti-liberal, which also means something foreign to "us," in quotation marks. They do not respect human rights. They have—many times I've heard this—different values. Different values, by which it is assumed that our values are of a higher rank. Although it's never explicitly stated like that, that is the undertone.

So that's one approach in academia. Then you have the Sinologists at the Faculty of Arts in Ljubljana, who have a different approach. Sinology is, of course, a different field of science, of humanities, where they see China as a long-standing tradition—one of the most dominant civilizations in history. They also try not to invoke so many value-based judgments, which are present especially in the IR field. But they are also skeptical regarding some Chinese policies, especially in relation to Taiwan. There are academics who are more or less almost lobbyists for Taiwan and for the Taiwanese case in Slovenia.

And then—what is important, of course—is this humanist perspective: China as a civilization, an ancient tradition. They acknowledge this giant step, this leap forward that China went through in the last 40 years.

At the Faculty of Economics, you have a very business-oriented, pragmatic approach. You know, “we can do trade, it will be good for Slovenia, we could attract FDI—why don’t we do that?” So completely, of course, based on market evaluation and so on.

And then you have people from different fields, who see this development and the role of China in the global order slightly differently. In the sense that they invoke a historical perspective and note the very short period of time when China was not an important country in the world—the “century of humiliation” and so on. And they see this rapid development and the growing importance of China not as something scary or unpredictable, but as something that actually makes quite a lot of sense—if we take the longer perspective into account.

Then in the business circles—they are, of course, very much open to cooperation with China. But they have several problems. The first one is the geographic distance. The second is the very poor rail network in Slovenia and its connection with other parts of Europe. And the third is the high labor costs. They would want more flexibility in the labor market, which was actually reduced in the last few years. So it’s something they wish for anyway, but they also wish for it because of potential investments from abroad and from China.

Especially in the last year and a half, the manufacturing sector—which has been closely connected, and still is, with Germany and France—is seeking new opportunities in order to get attached to different supply chains leading toward China. That is their clear interest: to survive as such and to be able, maybe, to introduce some new technological developments into their manufacturing production.

And then the policymakers are very much influenced by their political socialization, which was primarily done through two or three faculties: the Faculty of Social Sciences, the Faculty of Public Administration, and the Faculty of Law. Of course, you also have people from Faculty of Economics who are part of the administration, but their voices are actually not that much heard or important. The leadership of various departments within ministries is dominated by people from the first three faculties I mentioned. And they were socialized, as I said, through this liberal paradigm—human rights, EU, NATO, liberalism, and so on. So they also have some problems incorporating China into this mental framework.

Q6: Given the current shifts in EU-China relations, how much strategic flexibility would you say Slovenia realistically has right now?

A1: Right now, it has more than it had a year or two ago—certainly. Especially because the global arena has changed very much. The EU always stood for global free trade and so on—this neoliberal paradigm. It was always critical of China, as I said, because of alleged

governmental help to companies and so on, which was seen as derailing free market competition.

But currently, actually, China stands for the economic and trade values that should have also been the values of the EU. And in this sense, of course, there is more space for collaboration than there was a year ago or two years ago, when—during the Biden term—China was clearly positioned as threat number one.

Certainly, it is difficult to expect that China would change its position toward Slovenia, or see Slovenia differently, if Slovenia does not change its policy in the 5G field. So I believe that, in order for Chinese companies to realistically consider Slovenia as a potential FDI region—although there are currently news regarding the Magna factory and so on, that the Chinese will take it over—but for any larger investment or deeper collaboration, Slovenia would also have to make some shifts in this 5G field.

But currently, Slovenia has as much flexibility toward China as is possible to integrate within its internal Slovenian narrative. Because within the EU, we can currently see at least three or four different approaches toward China. So Slovenia is currently trying—especially the manufacturing sector—to follow a different path from the official EU position.

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Of course, as I said already, the fact that the Germans were against the tariffs very much helped Slovenia and encouraged Slovenia to also vote against them. But that was maybe only the first element in a much longer process of establishing and reshaping relations between the EU and China.

Because in the future, as we can see—or as we heard—Trump and Xi made some sort of a deal. We still don't know the exact parameters, but the US and China allegedly managed to secure a trade deal. Now it will be very interesting to see: where does this leave the European Union as such?

Because it would be very unpleasant to see the story regarding Russia and EU relations unfold again. What do I mean by this? I mean that actually the US was the one that was so strongly against collaboration between the EU and Russia—and they probably also destroyed the Nord Stream pipeline, and so on and so on. But now we actually see that the Americans and the Russians can get along quite well, while the EU has been the one that has completely separated itself from Russia, harming its own economy.

And in this sense, what I mean is—we'll see now, after this trade deal between the US and China—what will the EU do with the Chinese? Will it also be able to negotiate a deal with

them? Or will they follow again some very strange ideas of de-risking and decoupling, although it would harm the EU economy as such even more?

So these are open questions. From what we can see currently, the new German government is certainly not as anti-Chinese as the previous one was—or at least as the previous one was at the beginning of their term. Toward the end, they also changed their approach because of the problems in the German economy.

So, it is a very dynamic process—that's what I'm trying to explain. It's determined by the interests of the capitalist class, the owners of companies, and by the shape and status of different national economies within the EU. And we know that several of them have, for years now, been facing huge, huge problems.

Q7: What lessons - positive or negative - can Slovenia learn from the experiences of other Central, Eastern, Southeastern European countries engaging with China under the Belt and Road Initiative?

A1: Well, the Belt and Road Initiative in Europe has been received with a lot of mixed feelings. Its results are also not as positive as many had believed they would be. Many projects are significantly behind schedule, timelines are constantly shifting, and there are quality issues with some of them.

Certainly, the image of the tragedy in Novi Sad, Serbia, did not help the public perception of Chinese involvement—even though the Chinese had nothing to do with it. But it was quickly used in media propaganda narratives driven by xenophobic and anti-Chinese political sentiment.

Of course, this "debt trap" narrative, which initially emerged in relation to African countries, was later also used to spread anti-Chinese discourse in the Balkans—especially in Montenegro regarding the highway construction there. So, overall, the impressions and lessons in the countries where the Belt and Road Initiative is present are very, very mixed.

That said, it is clear that for many of these countries, China brought a degree of stability and new opportunities—particularly during periods of uncertainty, starting even before the pandemic. However, none of these countries—except Hungary—actually received or is receiving the kind of high-tech FDI they had likely expected. What we are seeing is mostly basic infrastructure projects, which are the core of the BRI, of course, but many hoped this would also lead to other large investments. This has not materialized, at least not in the high-tech sector. Instead, we're seeing investments in heavier or more polluting industries—such as those in Serbia.

So, what can Slovenia learn from these experiences? It depends on what it wants to learn—and that, of course, depends on Slovenia's own interests. And I believe that, in Slovenia, we—or Slovenian politicians—are not entirely clear about what Slovenia's core interests

actually are. In that sense, it's very hard to determine what specific lessons should be learned in relation to China–CEEC cooperation.

One thing that certainly stands out—at least to me—is the flexibility of the Chinese: their willingness to learn, to invest, and to be present. That's one key point, and Slovenia seems to forget that. The second is that China does not forget. The Chinese have a very long historical perspective. It was not a coincidence, for example, that when Xi Jinping visited Europe a year ago, he visited only Serbia, Hungary, and France. And he visited Serbia on the anniversary of the NATO bombing of the Chinese embassy in Belgrade during the 1999 war. So they know their history very well. They also know exactly who their allies were and when.

In this sense, it would make a lot of sense—at the very least—not to antagonize China further, as Slovenia has already done to some extent. Because future global shifts may affect Slovenia quite significantly. I believe Slovenia missed the opportunity to become an important country for China. China found other paths to Central Europe—or Europe as a whole. The closest and most logical route would have been via Koper, through Slovenia. But now they have ports in Greece, and they are likely close to finishing the railway to Budapest. That opportunity is gone, and I don't see it returning.

But—this is important—Slovenia could still become important for the Chinese car industry. Slovenia has many different suppliers for that sector. However, this will strongly depend on the willingness and ability of the Slovenian political end and parts of the domestic capitalist class to resist external pressure telling them not to engage closely with China. And that kind of resistance has basically never been the case in Slovenia over the past 30 years.

Since the mid-1990s, Slovenia has consistently aligned itself with NATO and the EU's approach to international issues. And we see the same pattern now in the two biggest ongoing wars—Ukraine and Gaza. Slovenian politicians have completely followed the Western narrative: when it comes to Russia, and when it comes to Israel, the country that is currently committing horrific crimes, Slovenian leaders have offered only moral judgments without taking any actual political action.

So that's something to consider when assessing the possibilities for Slovenian political and economic relations with China, and any future shifts that might take place.

Slovenia certainly has interests. But it lacks vision—a clear idea of what it actually wants from China. Because China probably knows very well what it wants from Slovenia. But Slovenia? I'm not sure it knows what it wants from China. And I'm especially not sure that Slovenian authorities understand that you cannot have two or more contradictory policies toward China.

As I said: you can't oppose 5G cooperation and then expect to receive Chinese manufacturing FDI or hope to be integrated into Chinese supply chains. I'm not sure how that could possibly work in today's global environment.

Q8: And if you had an opportunity tomorrow to advise Slovenian policymakers directly, what would your long-term vision be? In terms of red lines (non-negotiable boundaries) and in terms of opportunities?

A1: Well, I mean, there are clearly no red lines when it comes to the West and NATO, regarding Slovenia. Slovenia is very much prepared to follow almost anything. But regarding China and Chinese interests in Slovenia or Europe, China would certainly be very interested in specific investments, especially infrastructural projects.

And we don't want to admit it, but Slovenia's infrastructure is currently crumbling. The railway system is horrible. The highway network was built for a completely different era. We see how many problems arise—especially in the summer—how many hours are lost in traffic, and so on.

So I believe infrastructure is one area with real potential for collaboration, and where Chinese investment could be very beneficial. But we can already see that infrastructure development—like investment in the rail system—is being integrated into NATO's increased spending plans, which likely means Chinese companies won't be invited to build anything. And that's a huge pity, because China has the best railway system in the world, with thousands of kilometers of high-speed rail.

Meanwhile, here in Slovenia, I live in X, it takes almost two hours to reach Ljubljana by train. It's a joke, really. So that's one field where Chinese know-how could be extremely useful for Slovenian policymakers.

The second area is the possibility of creating R&D centers. That's something the Chinese might be interested in. They already did that with Hisense, and if I'm not mistaken, they've opened R&D centers in Belgrade and Budapest for Huawei, among others.

So perhaps—not in the 5G field, although, as I said, Slovenia may have to reconsider its 5G policy—but in automotive or other manufacturing sectors, China could be interested. Slovenia is actually quite strong in these fields. We have the Jožef Stefan Institute, and other research institutions that are not just top in Europe but world-class.

These are real opportunities where Chinese investors could be attracted. But I also believe that any large-scale Chinese FDI would probably face strong resistance from the EU. Slovenia would have to find new ways to attract Chinese investment in infrastructure, outside of the Belt and Road Initiative.

Because as far as the Belt and Road is concerned—it's over. Slovenia is not going to be part of that anymore; that's pretty much clear now. And this creates difficulties for Slovenia's positioning toward China. Because the countries that are part of the Belt and Road have different political relations with China. And they also seem less eager to follow an anti-Chinese policy.

With Slovenia, we're not really sure where we stand. As I've said, things have changed quite dramatically over the last decade. And currently, we just don't know.

But the crucial thing, in my opinion, is that China would still be interested in investing in infrastructure and R&D facilities. Probably.

Q9: This was the last question. Would you like to add anything else?

A1: China is a story that will haunt the Western imagination for decades to come. And that's the problem. Once you deeply perceive yourself as superior—superior to every other country and nation in the world—it's very hard to let go of that self-image when things start to change.

And I think that's where we are right now in relation to China. It's extremely difficult for the West to abandon its longstanding sense of superiority. So we'll likely see even more policy and military tools being used in the future in an attempt to preserve that position—the one the West has created for itself vis-à-vis China.

But of course, China has its own problems, certainly. I mean, Chinese development did lift hundreds of millions out of poverty—that's a huge achievement. But they also face serious internal challenges, especially due to massive inequality and other structural issues.

So I'm not saying their development model should be romanticized. Not at all. But I do believe that many lessons can be learned from what China has done.

And what's also crucial—maybe this is a good place to end—is that we shouldn't approach these questions in a moralistic way. I know it's hard not to, but analytically speaking, what the United States is doing right now is actually quite logical.

It's similar to what Great Britain tried to do in the 1920s, when it began losing its global market share to the United States. The power that's losing dominance, typically resorts to protectionist measures, while those on the rise, the expanding powers, always argue for free markets, competition, and so on.

And I think that's exactly what we're seeing now in US-China relations.

Appendix 4: Decision-maker (D1)

Q1: From your experience, how is Slovenia perceived by Chinese counterparts in bilateral or multilateral discussions?

D1: Multilaterally, I think Slovenia is perceived – by the Chinese side – as part of the EU framework rather than the Western Balkans. They see us as a friendly country, one they can rely on. Slovenia is seen as a reliable partner in that context.

Bilaterally, I think China views us as a small country—but one that is eager to do business and maintain good relations. So while we're not on the same level of importance as larger countries like Germany or France, they still see us as potentially valuable. Perhaps not a key player, but certainly a country that could serve as a supportive voice within the EU.

They also recognize Slovenia as a relatively economically developed country with attractive business opportunities. I think this combination—being both friendly and economically advanced—is quite interesting to them. Additionally, because Slovenia is so small, it often flies under the radar. For example, when the German Prime Minister visits China, it's in every news. But when a Slovenian minister visits, it tends to go unnoticed—except by the Chinese, Slovenians, and perhaps neighboring countries. I think they see us as a “friendly island.”

But economically, I think they see us as a good partner – like an interesting partner. Maybe lately, China has been shifting more toward smaller countries. I think before, they were really focused on bigger ones, and they didn't expect the potential that small countries could have for them. So, yeah, I think they see us as a friendly country with a good opportunity for economic cooperation.

Economically, I'd say they see us as a good and interesting partner. In fact, it seems China is increasingly shifting attention toward smaller countries. In the past, they focused more heavily on major powers and didn't fully recognize the potential of smaller countries. I'd say Slovenia is viewed as a friendly country and promising partner for economic cooperation.

Q2: How would you describe Slovenia's current positioning toward China compared to other EU or Central, Eastern and Southeastern European (CESEE) countries?

D1: I think Slovenia is a bit schizophrenic when it comes to its position towards China. The business community is largely supportive. They are looking for business opportunities in China. They know the market is huge. They know that even if you get a small market share, it could be more than you ever did in Europe.

At the same time, there's another part of the business community that's really scared of China. They think Chinese cars or low-cost imports will put them out of business. So, you

have these two different sides: one that is very supportive and is trying to find a partnership that would benefit them, and the other that is trying to limit cooperation, because they're scared.

And then politically as well, you have a similar situation. The Prime Minister has not been unfriendly toward China, but also not explicitly supportive. However, this has recently changed — in the past month, he has shown strong support for cooperation with China.

So, I don't think the Chinese really know what's going on. Honestly, I don't think Slovenians know what's going on. We don't have a united view. And it's not even that the opposition is against China and the government is for it - it's more that both the opposition and the government are fragmented.

And then you have society, which is again, split. There are people who have been to China and understand that it has made great progress. Obviously, there are drawbacks. I'm not saying China is a perfect country - they clearly don't hold themselves to the same standards in human rights or democracy that we do - but you have to understand it's a modern country. It's not some backwards, underdeveloped place.

But then there are people who are scared that the Chinese will take over the world and spy on us. So, I'm not even sure what public opinion is in Slovenia - because I'm not sure we even measure it. There are no public opinion surveys. There are no think tanks in Slovenia that deal with this topic. We don't really know what our position on China is.

In our foreign policy document, I think China is mentioned maybe five times, and it's never a direct statement on how we'll engage with them. It's always something like, "China exists, and it's a big, scary country."

So honestly, I don't think we know what to think. We don't have a unified position — and that's largely because we lack the knowledge and research to even form one. We don't know how much business we actually do with China. We don't know what the economic consequences would be if we decoupled. Nobody knows. So yeah, I think it's very schizophrenic. It's all over the place. And it's really hard to sum up. That's my opinion.

Within the EU, I think Slovenia is loud on issues it feels strongly about — like bees, for example. But politically, we try to fly under the radar. I don't think we express our views very clearly within the EU when it comes to China.

Within the group of Central and Eastern European countries, I'd say that politically we're not as friendly toward China. Hungary, for example, is much more openly pro-China. I don't think Slovenia will ever be politically on the same side as China. And countries like the Czech Republic and Poland are also friendlier, at least politically. That, of course, also creates a more welcoming environment for economic cooperation.

Academia-wise, I think Slovenia is much friendlier to China than those countries. For example, in Czechia or Slovakia, you have very strong China-skeptic think tanks that influence both politics and public opinion. Some of these experts even work through EU-sponsored institutions like think tanks within the European Parliament or Commission. Many of them are from Czechia, Slovakia, Poland. So, they have the tools to shape opinion and policy.

So, to summarize: politically, we're not as friendly — not unfriendly, but not on the same level. Business-wise, I think we're on the same level as others. But society- and academia-wise, we're more open or friendly. Maybe the Chinese just don't see us as that important because we're so small.

Q3: Is Slovenia actively participating in discussions related to China's Belt and Road Initiative (BRI), or has our involvement become more passive?

D1: Slovenia was never really active in the BRI. I don't think there was ever a BRI project that was actually implemented in Slovenia.

There were some discussions – heard from Slovenian businesspeople - about building a railway, a power plant, and some other things. But none of those projects were ever realized as BRI projects.

We were also never very engaged in the 16+1 platform — now 14+1. We didn't really participate actively in that either. So, I just don't think there was ever much interest from the Slovenian side.

Of course, there's always some political context behind who ends up building what — like who gets to build a railway. So maybe it wasn't only because the proposals came from China; maybe someone had better connections to a different company that eventually got the deal.

But overall, when it comes to the Belt and Road Initiative, Slovenia has not been active and is not currently seeking active cooperation. I don't think there's any real interest in it.

Q4: Slovenia signed a Memorandum of Understanding (MoU) on BRI cooperation in 2017. Is the renewal of this MoU under consideration? Are there ongoing discussions or a specific timeline?

D1: I don't think it's even on people's minds to renew it. Also, I think the BRI itself is somewhat being toned down from the Chinese side. They still finance projects, of course, but many of these projects — especially in the Western Balkans — have faced issues. Some were not completed on time, others were finished poorly.

So, I believe the Chinese are not pushing it as actively anymore. They still promote the BRI in speeches and official statements, but I don't think they are really pushing for Slovenia to become a more active participant in the initiative.

Q5: What role, if any, is Slovenia currently playing in shaping future cooperation with China under this BRI framework?

D1: Business, business, business. I think Slovenian politicians have realized that you don't need to politically or normatively support China to do business with China. China doesn't expect us to stand up in the UN and say, "We stand with China, we stand against the US." What they do expect is respect for their core policies — like on Taiwan — but they're not looking for allies in the way the US seeks allies, where you also have to align politically and normatively with their values.

So, I think Slovenia has realized that, as of 2025, we can separate politics from business and focus on business with China.

Last year, the business community became active again when China reopened in autumn 2023, removing the COVID-19 travel restrictions. That's when things really started moving. Three business delegations visited China last year, many directors and CEOs of Slovenia's major companies went for the first time, realized the business potential, and pushed Slovenian politics to support their efforts. You always need political backing if you want to do serious business there — for permits, land, or local support.

We saw visits from Foreign Minister Fajon, Minister of the Economy Han, and Minister of Agriculture Čalušič. This year, major delegations led by Marko Lotrič traveled to China in May, and another delegation is scheduled for November 2025.

Politics has accepted this, and the focus for Slovenia's future cooperation with China is business: how to attract investment, promote Slovenia, and compete with other countries.

For example, the Germans recognized China's market potential decades ago — Volkswagen and BMW have a strong presence there. Currently, about five Slovenian companies have subsidiaries in China, and they are doing well, but there's potential for much more.

The key sector is automotive: Slovenia aims to supply parts for Chinese car manufacturing. This is the main focus — maximizing business opportunities in the automotive industry.

Q6: What do you personally see as the biggest benefits and risks of Slovenia's cooperation with China today – economically or geopolitically?

D1: From the economic aspect, the biggest benefit is the size of the Chinese market. It's huge. You can do anything there. You can supply whoever, because it's so huge that even if you get a really, really small market share, it's still so big in Slovenian relative terms, that it's great for us.

But obviously there are risks. China is very stubborn and not very transparent. For example, in April, they imposed export controls on rare earth minerals. Because of that, Slovenian companies can't get the magnets they need for production. That could stop automotive

production in Slovenia, because you need licenses for these materials, and they don't give them in timely manner.

So, you want to cooperate with China, but at the same time, they always put their political interests first. Their trade war with the US means Slovenia gets hit sometimes as collateral damage. If China wants to put pressure on the US, they don't hesitate, even if it means a company like Revoz in Slovenia has to stop production for a month. That's the risk, but Slovenia can't do much about it.

Another risk is that Slovenian companies don't really understand China. It's really hard for them to get it. They're very used to this European, German mindset — you come here, you do business, you go home. But with the Chinese, you really have to build a relationship. You have to take a year just to get up to a contract. And China is huge — they don't get that. They come to China and say, “We will sell to China.” No, you'll sell to Shanghai, you'll sell to Beijing, you'll sell to Wuhan — you won't sell to the whole country. Then they fail because they don't understand that there are differences between these markets, local specifics. Basically, you can imagine China like the EU, and these provinces are like their own small countries with their own local governments. So that's another risk they don't really take into account, because they don't know. There isn't enough knowledge sharing between companies that are already in China and successful and those who are just going there.

Politically, Slovenia has always been an ally of the US. A historical alliance. But now the feeling is that we never really got much from the Americans — business-wise, economy-wise. Politically, we're at the peak of Western civilization — we're in NATO, aligned with the US, in the UN Security Council. That's all great, but if you expand cooperation with China too much, you can expect backlash from your traditional allies, especially since they're in a trade war with China. So, I think there is some risk involved.

However, I don't think Slovenia would ever push this as far as, for example, Hungary. I don't think we'd risk Slovenia's political standing internationally just for some business. I think what Slovenia is trying to do is balance China and US. It's a huge task for a small country, but I think we can do it if we try. So that's the political or geopolitical view now — because lately, politics and geopolitics are mostly the same thing.

Even domestically, China is not really a topic. You never hear it debated on TV during elections. Nobody really talks about it seriously. So, I don't think there's any big domestic political risk or opportunity related to China — it's mostly an international issue.

Q7: Do you observe significant differences in how policy makers, businesses and academics view the Slovenia-China relations. How do these influence actual decision-making?

D1: Yeah, for sure, I think business community is more, let's say excited about these opportunities, because they think in terms of real opportunities and how much different

things are in China and how it's really opening, or has already opened up. They are amazed at Chinese cars, because you don't see cars like this in Europe. Or you come to Beijing and the streets are silent because most of the cars is electric. There are four lanes each way, so eight lanes altogether. And it's quiet because it's electric. So, they're stunned by that, because you don't expect it - in Ljubljana, it's louder than there, but Ljubljana has 200,000 people, and here it's like 22 million people. So businesses see what China did. And so they get excited and come back and want to do something.

Then politicians, or let's say government representatives, they're a bit more skeptical, you know. They come here, they see this, and then they get scared, because this is not happening in Slovenia. They don't feel threatened exactly, but they feel, I think, scared because they see that China is overtaking us when it comes to these things. You know, there are still things where we are hundreds of years ahead, but there are other things where they are thousands of years ahead of us. So I think it scares them a little bit because there's a different mindset.

Business people are always oriented to: "What can we do with this?" But those from the policy or politics side say: "Okay, so this is our rival or competitor. This is a country that's an economic powerhouse, and now we have to catch up with it. How will we do that?" It's really hard in Slovenia, because politics is a mess, so I think they are a little scared.

How does this affect decisions? I think they're somewhat held back when it comes to Chinese investments in Slovenia. Any big investment has to be approved by the government. So I think they want to check everything, like triple or even ten times, to make sure it's all okay. They do background checks. There's this fear – that maybe the Chinese are sending spies to Slovenia in large numbers to spy on us. It's an unnerving feeling, especially since this country, which we weren't really close to before, is now a big developed country. So yeah, I think this fear influences things. You never accuse Americans of being spies, you always give them a visa. But with the Chinese, it's harder, because there's still this mindset that they might use dirty tactics or something like that. We tend to put them in the same geopolitical category as Russia, for example. So there's some fear because they're not a democratic country, and they have their own issues that we feel strongly about. So, in that sense, we're very different.

We can't really reconcile this image of a country that, by our standards, is not so developed, but actually is. So I think that's what the fear is about — that these democratic Western values, which are amazing and great, that we can live by, might be threatened. Because maybe these countries that don't share them will become more powerful and developed, and that could be a threat to democracy and Western values. Because the more money you have, the more power you have. And if the US is collapsing, well, I think that's where this fear comes from. You're faced with the reality that this is not some backward authoritarian country. It's really developed, and it has a big cultural pool, a technological pool,...

From an academic point of view, I think the discussion in Slovenia is very limited. There's kind of a split again. On one side, you have social sciences and Human Rights Studies — obviously, they're not very happy about China. Then you have the more technology-oriented fields, like at the Jožef Stefan Institute, for example. They're also unsure what to do with China, because they have these great labs and advanced technology, and they want to cooperate with China. But then there's the issue of intellectual property, that they steal inventions, and protection isn't as strong as we would like. There's fear that people might come here and copy whatever we're doing. And with projects like the space program, it's a very sensitive topic, which I completely understand.

There's no real consensus. Then you also have studies on potential economic cooperation with China, and those are generally positive but also with awareness of some downsides, like intellectual property protection. So, from the academic side, I think there's been a very small amount of work done on China and Slovenia, and it's not very unified. At least from my experience, you find people who are very pro-China and others who are very, very skeptical.

Q8: If you personally were in charge of Slovenia's foreign policy tomorrow, how would you approach the relationship with China? What would be your priorities or red lines?

D1: If I were in charge of Slovenia's foreign policy tomorrow, I would run it focusing on economic diplomacy. That's our strong suit, and it's something the Chinese are very interested in. It's also something we're not ashamed of or skeptical about promoting. You can confidently tell the Chinese about the companies that are doing great business in Slovenia. Of course, there's skepticism when it comes to selling big Slovenian companies to the Chinese, like Gorenje, but so far, the experience has been positive. For now, we have a good history — there haven't been any major faults in Slovenia-China economic relations that you could blame 100% on the Chinese, except maybe the export of chickens, which has been a hot topic because we can't export poultry to China due to some regulations. We've been trying to solve that for like three or four years.

But when it comes to investments and buying companies, it has always been positive. The only time the Chinese backed out — like with Maribor airport — that was Slovenia's fault because we said, “the contract is over” or something like that. So, this is an area where you can act confidently, and you don't have to explain yourself politically to any other country.

Where I would draw the line is political support of China in international relations on their domestic issues — like South China Sea, Tibet, Xinjiang, Taiwan. Slovenia could never support those. That would go against our values and everything we stand for. Political cooperation on those levels is absolutely a no-go. But I think the Chinese are pragmatic enough to accept that, and they don't expect us to support them there.

Also, I'd focus on nature diplomacy. The Chinese are really into beekeeping, and promoting Slovenian eco-farming, beekeeping, organic products is something we're not doing enough.

There's huge demand in China, but we don't really know how to approach it. The embassy is actually working on this now.

On this note, one of the oldest and longest-lasting academic cooperations is between the Karst Institute in Slovenia and the Karst Research Institute in China — they even have a joint research lab. These kinds of non-political, nature-related or technological collaborations — like with bees, nature, or cars — are something you can fully pursue here, 100%. That's what I would focus on.

Appendix 5: Business representative (B2)

Q1: How would you describe your experience, or your sector's experience working with Chinese partners? Has the Belt and Road Initiative played any role in your business dealings?

B2: I would say that Chinese companies in the automotive industry are very proactive and think outside the box. That's now one of their main competitive advantages on the global market.

Over the past 30 or 40 years—especially through cooperation with the European automotive industry—Chinese manufacturers have made massive progress, particularly in software and electronics. At this point, the European automotive industry can no longer compete with them in these areas.

Why is that? There are several reasons. One key factor is that Chinese internet companies are deeply integrated into the automotive sector. For the past 15 years, they've been building a vast digital ecosystem based on a user base of over a billion people. Through that, they've gained an incredible amount of data and developed a wide range of applications. No European company can match that—not even with billions invested in innovation.

For example, Volkswagen has a subsidiary called Cariad, which has invested billions of euros, but it still can't compete with the scale and integration of the Chinese internet ecosystem that's now driving their automotive innovation.

Another strategic advantage the Chinese have is their control over key raw materials. They've secured access to critical minerals globally and also ensured that much of the processing takes place within China. This is particularly important in the context of batteries and rare earth minerals, which are essential for electric motors. Their control over these resources gives them an absolute competitive advantage in the electric vehicle sector—where the Chinese are currently leading.

So to sum up: first, they innovate by integrating electronics and software into the automotive industry in ways that others simply can't match; and second, they think strategically and long-term—especially when it comes to securing material resources.

As for the Belt and Road Initiative, I don't have direct experience with it, nor do I have specific data—for example, on which trade routes have been opened or which ports are now partially operated by Chinese entities. But one thing is clear: China's global infrastructure expansion will, in the coming years, have a massive impact on how effectively they can export vehicles worldwide and how efficiently they can build vehicles in other regions—be it North Africa, South America, Southeast Asia, or Europe. I'm certain it will play a major role in the global competitiveness of Chinese vehicles moving forward.

Q2: What specific sectors, niches, or types of projects do you see as having strong potential for future Slovenia-China economic cooperation?

B2: China is extremely strong in virtually every industrial and economic sector. So, it makes sense to first consider what Slovenia has to offer. Slovenia has a relatively strong automotive industry, a solid pharmaceutical sector, as well as competitive IT and logistics industries. Naturally, these are also the sectors where we could build strong collaboration with China.

However, to truly leverage our competitive advantages, we need to approach cooperation with China strategically. We also have to be willing to learn from Chinese partners and competitors—to understand how they operate and what makes them successful. If we continue doing things the same way we've done for the past decades, that may no longer be sufficient. It might not be fast enough or competitive enough to match China's pace and expectations.

Q3: How would you evaluate the current level of state support in facilitating this cooperation with China? What additional steps would you like to see from the Slovenian government in this respect?

B2: There is clearly some interest and activity from the Slovenian government in working with China. They organize meetings, invite Chinese companies to Slovenia, and arrange delegations of Slovenian businesses to visit China.

What's truly missing, however, is a focused approach—professionalism and a deep dive into specific topics. Only when we have that can we prepare strategic plans that show Chinese partners why Slovenia is a valuable counterpart in key sectors.

To achieve this, we need to establish dedicated working groups that deeply understand the Chinese market, Chinese partners, and the Chinese government. These groups should be capable of crafting proposals that are truly attractive from China's perspective.

It's important to acknowledge that in all the sectors I mentioned—automotive, pharmaceuticals, IT, logistics—China is significantly stronger. They have the upper hand in these partnerships. Virtually every European and global government wants to collaborate with China. But China isn't actively seeking to cooperate specifically with Slovenia. That kind of tailored business case doesn't exist.

China has many business cases where they want to work with the European Union or with the global market. But if we take Europe as an example, each European country is competing for Chinese investment. And how will China choose?

China has certain interests in European markets, in specific niche industries and businesses. And we simply have to be the best—because there will be only one investment from each

big Chinese company or from each sector. Only the country that prepares the best investment plan will get that one investment. All the others will lose.

So we have to position ourselves very strategically and go deep into understanding what the Chinese actually expect and need. Because, as I said, they usually have the upper hand. They are the ones deciding whom to cooperate with in Europe.

And that's why they won't tell us what they're looking for. They travel to many countries, visit many companies, and then they pick the one that is the most profitable or the best partner for them.

Q4: What are the main challenges your sector faces in working with Chinese partners, whether political, regulatory, or cultural? How do you manage these challenges in practice?

B2: Well, I would say—let's start with the materials. Right now, for example, China is limiting the export of certain materials that are essential for electronics, electric motors, and batteries. Of course, they have every right to do that. But again, we need to strategically position ourselves and think about what we can offer that China needs—something they might be dependent on—so that we can make a deal.

I'm not talking about a traditional deal, like "I give you money, you give me a product or service," or vice versa. I mean something like: "You give me the right to buy this from you, and in return, I give you the right to access or buy something from me—or from the broader European market."

So, for example, China could give us the right to purchase battery materials, and we could offer them something in return. Maybe that something is just access for Chinese companies to the European automotive market. I'm just giving an example, but we need to think strategically and position ourselves as a valuable partner—someone who has something meaningful to offer.

So that's the regulatory or export limitation issue.

When it comes to political challenges, of course, many companies—European or otherwise—are now facing tough choices. They must decide: will they work with the US? Will they focus only on Europe? Or will they also work with China? Sometimes you simply can't work with everyone because of values, certain legal restrictions, or because European partners may not want you to share the same technology with Chinese companies that you share with them.

This is one of the hurdles: companies have to decide whether they will work with Europeans or with the Chinese.

Then there are also cultural barriers. I won't go into detail, but it's more than just language—Mandarin versus Slovenian or English. It's about the style of communication, how

negotiations happen, and so on. These are skills that can be acquired, but it takes years to really dive into Chinese culture.

So for companies—or even governments—that are just starting to build relationships with large Chinese companies or government bodies, the only way is to put experienced China experts on your team.

As for the other challenges I mentioned—how to manage them—I've already described how governments should approach this. For companies, they need to study who their competitors are on the Chinese market. Because those competitors might, in the future, become their best partners.

So again: do a deep dive into the Chinese market, understand your competitors, and ask yourself—are you good enough? Are you useful for them? Could you build a partnership?

From an automotive perspective, if you have a good partner who is a Tier 1 supplier, then your path to working with a Chinese OEM (Original Equipment Manufacturer) —a major customer—will be much easier than if you're trying to deal with the OEM directly, without local support. Of course, these partnerships can also be risky.

Q5: To what extent do you feel that Slovenian or EU policy toward China shapes or limits your sector strategy?

B2: I would say we need to look at this from a multi-layered perspective.

So, the first layer is European legislation. For example, Europe has been considering introducing tariffs on the import of Chinese cars. Then, within that layer, there's another level—Slovenia, as a member state, still has some maneuvering space. Are we in favor of tariffs, or are we against them?

Yes, in the end, the EU will likely introduce tariffs, because most European countries vote that way. But if Slovenia votes against the tariffs, we might gain a certain strategic advantage in talking with Chinese partners. We could say, "Yes, of course, we are part of the European Union, and we must follow the rules. But we, as Slovenia, are in favor of Chinese cars. So let's cooperate with us. Grow with us. And through us, you may get a better negotiating position to talk with the EU again."

Then, the next layer includes individual companies. These companies don't get to vote on tariffs, but they have to sail in these waters—they must adapt their strategies.

So how are company strategies adapting to all this? For instance, tariffs might push Chinese OEMs to come to Europe and assemble their cars here. Naturally, European companies will want to become part of their supply chains.

And then we come full circle, back to the European level. Will the EU introduce regulations saying that certain automotive parts must be produced locally in Europe for cars to be assembled here? Will software also have to be developed in Europe—for things like applications, car-to-car communication, and data collection?

So, I'd say we always have to keep these three layers in mind. First, the European layer. Then the national or country layer. And then the layer of individual companies.

Right now, European companies are in a position where they need to talk to Chinese companies as much as possible, and persuade them that it is cheaper and more efficient to work with them. Because if we don't do that—if we're not competitive—then Chinese companies will simply bring their own suppliers to Europe.

Even if the EU requires that a certain percentage of parts be produced locally, if European suppliers can't compete on price or quality, then Chinese suppliers will come and outproduce them, outprice them—and European companies will slowly fade away.

What will happen then? Experienced professionals from European companies will be hired by Chinese suppliers operating in Europe. The same people will still be working in the industry—but the profits will go to China, because the suppliers will be Chinese-owned.

Q6: If you had the power to shape Slovenia's future economic engagement with China, what would your strategy or top priorities be?

B2: What Slovenia needs is—again—to prioritize. And personally, I would prioritize, as I've said before: first, the automotive industry; second, the pharmaceutical industry; then logistics—because strategically, we are quite well positioned geographically; and finally, the IT sector.

So those would be my priorities.

Then, for each of these sectors—or at least for two of them—we need working groups made up of experts and professionals. These should be people who are both experts on China and on the specific industry—whether it's pharma or automotive. Their task should be to prepare a detailed strategic plan for how to integrate Chinese companies and Chinese investments into our environment.

But not just how to integrate them—how to integrate them better than, for example, Poland, Slovakia, Spain, or Hungary can. I don't think there's any other way to really start doing serious business with China.

And one more thing is very important. Whether the Chinese say it out loud or not, they always have one key question: What is the workforce potential?

That's the first thing on their mind.

Then, the second thing is: What is the unemployment rate?

And next: What is the skill level or education of the unemployed population?

Here, Slovenia—as a small country—will never have a natural advantage when it comes to offering strong workforce potential. That’s why we need to think very carefully about our immigration policy and about the integration of immigrants.

And I don’t necessarily mean immigrants in the narrow sense. I’m also thinking of high-skilled expats—people who might come from India, or even from Western Europe. We need to think about how to integrate them. That means: Will you provide them with housing? Will you offer a good tax environment, so that they really see a benefit in choosing to work in a high-paid engineering job in Slovenia rather than in Germany, Spain, Poland—or even outside Europe?

Because our competitors in the fight for talent are not just Germany and Spain—our competitor is also Turkey.

So we need to think on many levels about how to be more attractive for skilled workers than Germany or Turkey—or anyone in between.

If we don’t have a solid strategy for how to bring in skilled workforce, I think we’ve already lost the game.

Q7: Do you think we still have the opportunity or did we already miss one?

B2: I would say that winners don’t think like this: “I have lost the opportunity,” and then just sit down and do nothing. Winners think, “Okay, I’m quite late. But what can I do from this position?” And I think that also applies to the situation we are in now.

If we want to, we were probably not too late for the pharmaceutical industry, because we already have some cooperation with China there. This cooperation just needs to be strengthened. And we also have a good starting position, obviously, because of Lek and Krka and tradition—and they’re both present on the Chinese market. So here, we are not too late. We just have to work harder and be a good friend of China here.

Why? Because China produces most of the active ingredients of drugs and medicines. And yes, we need to secure access to those. If we don’t secure good relationships and access, China could just say at some point, “Hey, we don’t sell you that anymore.” And then if we catch certain bacteria in Europe, we could literally die.

When it comes to materials for batteries, for example, okay, we might not be competitive in producing electric cars. That’s bad enough if China doesn’t give us rare earth materials, gallium, and other materials. But if they don’t give us the functional ingredients for medicines, then we’re in big trouble, because we don’t have alternative sources.

So for medicine and pharmaceuticals, we are not too late.

For the automotive industry, we are very late. But I would say it's not too late yet, because only a couple of Chinese automotive plants are being built in Europe at the moment. For example, Chery in Spain, BYD in Hungary. Geely is actively talking, and there are many others who have, or will have, interest to come here as well. They are still on the market. They're still looking for good investment partners.

And for this, there is still time.

But here, it's also very important how we talk to them. If Slovenia just opens the door and gives them anything they want, they will produce cars in a similar way as they do in Hungary—which means they will just assemble cars with parts that arrive by ship from China.

But if we approach this strategically, we will integrate our automotive partners and companies into their supply chain—not only for production of parts, but also for the development of parts. Combining our decades-old tradition and experience in building mechanical parts for cars, maybe Chinese cars in Europe could be better than Chinese cars in China.

And this is not just daydreaming; it's an actual possibility.

So, yes, we have to speed up. We have to prepare strategic plans for the automotive industry.

But it's not yet completely too late for IT and logistics. I would say it goes similarly to automotive.

Why? Because the automotive industry is heavily dependent on logistics and on the IT sector.

Also, when you travel around Europe, you really see how outdated we are. It's like traveling 10 years in the past compared to China, with all their digital payment systems and digital ecosystem and environment.

So I would say here it's also not too late to learn from China and implement similar solutions—like mobile life apps, cab-hailing applications, food ordering, delivery services, parking, banking, and so on.

Q8: This was the last question. Would you like to add anything that comes to your mind in regard to this topic?

B2: Yes, basically I just want to emphasize once more what I've already said—and I really mean this with good intentions and on a positive note: just going to China and saying, "Here

we are, we're trying to get investment, we're trying to cooperate with you"—that is not enough.

Every sector needs a working group of experts—experts in the industry and experts on China—who can help create a plan on how to approach it. And we need to actively present this plan to the Chinese side.

Now, imagine you're a representative of a Chinese local or provincial government, or a representative of a big Chinese company. You travel around Europe. Of course, for several reasons—which I won't go into now—you can't openly say what exactly you're looking for. But you ask everyone: "Who are you? What can you do with us?" And if the response is just vague, polite conversation with no specific plan, then this person returns to Beijing with nothing to report.

So they need to receive a very clear, very deep, very precise written proposal. And we have to be confident enough that this effort is better than what other European countries are offering.

Yes, we are a country—but in the eyes of the Chinese, we are just one competitor among many others, including all the other governments and countries in the world. So we basically have to act like a company here. The state has to act like a company in order to be interesting for Chinese investors.

Appendix 6: Academic (A2)

(Written format, provided at the interviewee's request due to limited availability)

Q1: How would you interpret Slovenia's overall approach to China, particularly in relation to the Belt and Road Initiative (BRI) and broader European strategies such as the Global Gateway?

A2: Slovenia was rather late in entering the Chinese market. The BRI/17/14+1 initiative has initially stimulated bilateral relations, although with no outstanding results. Slovenia has always been pragmatic and cautious in approaching China, wary of potential risks of strategic investments, trade imbalance and financial dependency. Slovenia is also tied to EU regulations, and the EU is far more important to Slovenia than China.

In order to stimulate economic relations (and in particular, enhance export to China due to highly unbalanced trade), Slovenia has attempted to intensify political relations with China. In September 2020 it set up the Slovenian-Chinese Business Council under the auspices of the Slovene Chamber of Commerce and Industry (GZS) and organized several high-level delegations, which indeed fueled bilateral ties (as evident in China's visa-free policy), and especially in the car industry sector. Slovenia however remains cautious and strategically pragmatic (Taiwan, Huawei, cyber security (China was behind the cyber-attack of MFA, recently also in Czechia...))

In short, Slovenia's China policy is still evolving.

Q2: What structural or historical factors have most influenced Slovenia's current policy direction toward China?

A2:

- NATO and EU membership
- Covid-19
- War in Ukraine - it is now a well-known fact that China is enabling Russia's invasion of Ukraine

Q3: Which dominant narratives currently shape public and policy debates in Slovenia about China and the BRI?

A2: The government is very cautious and is not criticizing China directly, it has never implied that China is the source of tensions... However, its overall message is ambiguous; for instance, it stresses strategic autonomy, human rights, rule of law, rules-based international order, a level playing field in economic collaborations, and so on.

Q4: Are there any recurring misunderstandings or overly simplified framings of Slovenia's relationship with China?

A2: Perhaps that Slovenia is too economically dependent on China, albeit indirectly.

Q5: In your view, how does the academic perspective differ from political or business narratives – and what are the implications of these differences?

A2: Economic interests are usually more important than values (f.i., when debating issues related to Taiwan). Economic and strategic value of Taiwan is often ignored, Europe has only recently become more aware of that and is waking up to Indo-Pacific – hopefully, Slovenia won't lag behind.

Q6: Given current shifts in EU-China relations, how much strategic flexibility does Slovenia realistically have?

A2: Not much, but it should also not remain silent.

Q7: What lessons – positive or negative – can Slovenia learn from the experiences of other Central, Eastern and Southeastern European (CESEE) countries engaging with China under the BRI?

A2:

- that it must deal with China very carefully
- that it must not be over reliant on China
- that the EU funding is much more transparent
- that it needs to remain careful and stick to its own/EU's terms when attracting China's investment; it has been leveraging Koper port well aware of the limits

Q8: If you were advising policymakers directly, what would your long-term vision for Slovenia's strategy toward China be? What would you advise caution against?

A2: To stay aligned with the EU (and NATO) and avoid being overly dependent on China. Slovenia should not be naïve; many European countries have released their Indo-Pacific strategies, they have realized that any conflict in the Taiwan Strait will have enormous economic impact and that China needs to be deterred from starting the war.

Appendix 7: Decision-maker (D2)

Q1: How do you think Slovenia is perceived by Chinese counterparts - both in political and business contexts?

D2: I will start with the easiest part, and this is the business part. I believe, for any Chinese businessmen, enterprises, state-owned or privately owned, Slovenia is, as a market, totally irrelevant because it's so small. However, there are many multinationals that managed to grow in a last two decades in China that are really multinational, global companies. And for those, it's simply important to have all the markets covered, to have the presence in all of the markets, including the smaller ones, and that's why they might be interested in Slovenia, but purely in this global context, not as a specific market.

In a slightly different situation are a few of those companies on the Chinese side that have investments here, but mainly this is only one. This is Hisense that acquired the production facilities of former Gorenje. And of course, for them, it's a more important market, but only from the perspective that Slovenia is one of the countries in which they have production facilities. But outside of this, it's irrelevant. They were interested in the Slovenian market when a few big infrastructure projects were announced, especially in construction, like the Second Track, because Chinese construction companies have significant capacities in the region, for example in Croatia and Serbia. And of course, for obvious reasons, it would be interesting for them to compete. Apart from the Second Track, also the Karavanke tunnel, to bid also for those projects. But here, politics stepped in and closed the door for them, and they lost interest.

On the political side, I would simply say there is zero interest in Slovenia, or very small interest. And the small interest is connected to the fact that we are of small size and not one of the key players in the European Union. But still, we have some voice. For them, it's important to have diplomatic relations that are as friendly as possible, so that those relations are good. But outside of this, they would definitely prefer to have some special kind of relationship like China has with Hungary or Serbia. The Chinese saw in the last couple of years, last decade, under our previous and this government, that this is not possible. So, they're not very proactive.

Q2: How would you describe Slovenia's current positioning toward China compared to other EU or CESEE countries?

D2: Our biggest disadvantage is Slovenia is the lack of strategy. We lack a strategic approach toward China, in terms of bilateral relations between China and Slovenia. Because of that, political relations are heavily dependent on the partial priorities of either left- or right-wing government. So, it's not guided in any way, but rather dependent on what kind of ideology or political ideas the current Prime Minister has, and this puts Slovenia in a very strange and, of course, not very strong position.

We see many member states, not only from the region, but within the EU, that have very strongly developed strategic approaches. That means that, of course, they have to balance things: the question of human rights and the question of economic operations, the issue of Taiwan and the issue of selling cars to the Chinese market, or allowing Chinese investments to come into their countries. And with that approach, it seems to work for them. Chinese counterparts also understand this, and they play by the rules. Slovenia with lacking this strategy, is sometimes just drifting, as the as the river flows.

For example, the current government voted against the tariffs on electric vehicles (EVs) from China in September or October last year, but it was purely because of the Minister for the Economy, who was under pressure from the automotive industry in Slovenia. The automotive industry in Slovenia is in significant troubles due to the transformation of the whole industry in Europe, especially. And they understand that China and Chinese players will play a significant role in the future automotive electric market. So, something had to be done like: “Okay then, let's vote against it”, but without any kind of background, without any kind of leverage, and without developing any future steps for what should follow.

So, someone looking at this from the outside would say: “Oh, this specific step means that Slovenia will change its general policy from anti-China to some pragmatic approach or even pro-China approach.” But that's not the case. It's just a pure example of lacking a strategy, jumping from one topic to another as they appear over months.

Q3: In your view, has Slovenia involvement in the Belt and Road Initiative (BRI) become more active or passive? What factors influence that?

D2: Nothing is actually going on. From Slovenian perspective, it's a project where, once it was launched, we stepped in. Now the costs of stepping out are simply too high, politically, probably, so it's better that we just stay in and don't think too much about it.

The previous government, which was more, let's say, anti-China and very pro-US with respect to the US – China rivalry, I believe there were actually talks and discussions within the government about stepping out of the project. But even probably at that moment, some people in the government realized that the costs of doing this would be too high, so it's better to just stay in. And either way, from Slovenian perspective, not much is really happening with this initiative.

This Slovenian attitude toward the initiative shows what I just previously said, the lack of strategy. So, we joined because probably at some point, the government understood that China is the number two economy and it's better to be somewhere near - to be within the framework. But what did we actually want to achieve from that? Are we ready to receive some Chinese investments? If, yes, in which sectors, and under which conditions? If that happens, how will we benefit? In terms of Slovenia entering the Chinese market, or being present there with some exports, ... And there were zero discussions like this.

It was like a trend: “Okay, then, if it’s a trend, and we are a small country, an open market, then we have to be inside the trend. So, let’s jump in.” Since then, nothing has happened. So now, we are just staying in. But we don’t really get much out of it.

Q4: Would you say that this lack of strategy is based on a lack of interest, or on a lack of knowledge about China?

D2: First of all, it’s definitely a lack of knowledge. But that’s not all - actually, if you are interested, you can gain knowledge, because there are people inside and outside the country from whom you can learn.

Second, I believe that in the Slovenian context, internal politics and the internal ideology of governments have a very strong influence on foreign policy and on strategic relations. So, if we look at some steps taken in the last decade, they were made by this or that government purely because of the ideology of that government or Prime Minister.

In the past, some powers, like Russia, and in recent years mainly the US, expected certain actions from the Slovenian government, to follow, to align, to be “together with the allies,” and so on. So first, it’s a lack of knowledge. Second, it’s the influence of internal politics and ideology.

And third, it’s the lack of a general strategy on how to position Slovenia on a global scale. This lack of strategy is not something we see only with China. It’s also visible with Russia, and even with the United States—perhaps a bit less, but still. So, it’s a general problem. But with China, it’s even more pronounced because China is growing fast, and the importance and significance of strategic relationships with China are increasing—so this gap is widening. And this gap is clearly visible from a helicopter perspective.

Q5: From your perspective, what role could Slovenia play in future China cooperation - especially from a public diplomacy and strategic communication point of view?

D2: For any kind of role, first we would need a strategy. If we look at some EU member states and how they behave, what they’re doing, I think they are quite smart in navigating these problematic areas on the one hand, and cooperation on the other. And here, I’m not talking about Hungary; I’m thinking more of Spain, or Germany. Some might say these are big European markets, but still—they understand that we, as Europeans, as EU member states, can be critical of the human rights situation in China. But then, how much influence do we really have? Can we change the situation with the Uyghurs? Realistically, we have 0.1% influence, whatever we do.

On the other hand, Slovenia is actually quite active internationally in some niche segments—for example, demining, water treatment, and water-related topics in developing countries in Africa and Asia. And there are definitely more areas, not just these two, that could be developed together with China. This could help position Slovenia as a sort of "small little

brother"—a partner in niche segments. By doing so, we would gain recognition and be seen as a relevant player in certain areas. And on the other hand, it might bring some economic benefits, for example in terms of access to the Chinese market.

What I also see is that some larger member states stick to a general strategy—they don't shift their approach 180 degrees with every new government. They understand that this is about long-term national interest. Whatever our governments do, they cannot change the fact that China is growing and becoming more and more important economically, globally. This is a megatrend that no European government can reverse. Maybe the US can—depending on what Trump does—but for us, the question is not how to stop China from growing, but how we can position ourselves within this megatrend. Because, as I said, it's not going anywhere.

Also, with the previous government—and the current one too—the issue of national security and cybersecurity has become increasingly important. These topics are being raised more and more. But based on what I know, and what I saw when I was part of these processes, Slovenia's approach largely follows NATO policy. We are part of NATO, part of the US alliance, so naturally we need to be cautious about Chinese technologies, and that's okay.

But then, at the local level, we add on several layers of extra restrictions—not necessarily targeting specific problems—but applying a general “let's keep them away” approach. It reminds me of Trump's policy of building the big, “beautiful” wall with Mexico. If you're not interested in finding compromises or managing migration smartly—because you still need manpower—and instead just want to stop everything, then you start piling on bricks to build that wall.

Slovenia, in this sense, is doing something similar in cybersecurity. Authorities are not targeting specific problems or searching for specific solutions. Instead, they are building this big block, a kind of wall, that should provide protection if something happens in the future. There are many “ifs” involved: if something happens, if they invade – then we will have this big, “beautiful” wall.

This is like treating the flu with antibiotics from the very first day, or trying to cure cancer with a universal drug. It just doesn't work.

If we look at other EU member states, many are developing specific tools and solutions for specific problems. They are not building “walls” based on assumptions about what might happen in the future – which, in reality, nobody can predict.

Q6: What do you personally see as the biggest benefits and risks of Slovenia's cooperation with China today - economically or geopolitically?

D2: On a geopolitical level, the major risk is that both superpowers—especially the US administration—are pushing other states to take sides. The message is: if you're with us, you can't work with them; if you work with them, you can't work with us. I know of specific

cases where these rules were applied within NATO. For example, if you want to remain part of NATO and participate in sensitive information or intelligence sharing, you're told you cannot—or should not—use certain Chinese technologies. This rule is already being implemented.

Maybe there are some objective reasons for that, but in my view, it's more about politics and policy. And of course, such decisions have significant implications for the economy and economic growth. At the end of the day, someone pays the price. If you can't use certain Chinese technologies that are cheaper, faster, or better—and that could bring economic benefits, like increased production or productivity—your competitiveness simply declines. So even if these are political measures, they have real economic consequences.

Slovenia is not in a position where it could become heavily dependent on China. That scenario is hard to imagine. Our bilateral trade with China is so limited that we couldn't significantly change it even over the next decade. So I don't see a major threat that, by opening up or increasing cooperation with China, Slovenia would become dependent on Chinese technology, trade, or financing in the way that some African countries have.

Of course, there are some risks—like intellectual property theft or labor standards—but when Chinese companies come here, it's under our domestic jurisdiction. They have to follow our national and EU laws and stick to them. If they don't - well, that's a different issue.

Actually, I don't see any other major risks if Slovenia were to increase bilateral economic cooperation with China.

Definitely, there are significant opportunities here. On one hand, we can criticize the Hungarian government for opening up too much to China. But on the other, from an economic perspective, they're acting smart. Chinese manufacturing companies need EU-based production sites to bypass tariffs and other restrictions. Some form of local production is necessary. And where that happens—Hungary, Spain, or even Slovenia—can have a big impact.

These projects create jobs, raise wages, generate tax revenues, and help develop industrial clusters. I see this as particularly relevant in the automotive sector. Why? Because Slovenia's economy has historically been very dependent on the automotive industry. Roughly 7–10% of our GDP is generated through this sector, especially when you include multiplier effects.

Policymakers need to look ahead—five, ten, fifteen or even twenty years—and consider where the industry is heading. The global automotive market is shifting. Electric vehicles aren't traditional vehicles, they're essentially software on wheels. Just look at Tesla or BYD. The dominant players in the future may come from China – or the US – but most likely from China.

So the question we need to ask is: what happens to that 10% of Slovenia's GDP in this new context? Realistically, we will need to adapt and cooperate with these new companies. BYD, for example—could become the new Volkswagen, and Tesla could become the new Toyota. If we want to protect that 10% of GDP and maintain our prosperity, we need to be part of that ecosystem.

Right now, we see some ministers and state secretaries flying to China and having meetings. But let's be honest—that alone won't bring results. It's just protocol. A three-day visit by a state secretary might seem important here, but in China, they have dozens of these visits every day. Countries are competing for their attention. So we definitely need to do more.

That's the first point. Second, from the perspective of public diplomacy and Slovenia's global role, there are niche areas where we might be able to compete or collaborate with China. This is a megatrend—it's not going away.

Third, we should try to show our Chinese counterparts that we're capable of thinking strategically, and that we can balance this pro- and anti-China sentiment. That we're not automatically biased just because we're a NATO or EU member. Within the EU, you have 27 member states, but probably 20 different approaches to economic policy toward China. So why wouldn't we be smart and try to develop our own approach, or align with a few like-minded countries and build something meaningful out of it?

Q7: Do you observe differences in how policymakers, academics, and business representatives view Slovenia-China relations? How do these influence actual decision-making?

D2: Yes, there are definitely differences. I can't really speak for academics, though. I don't really know who is seriously working on China or following it from an academic perspective.

When it comes to business and politics, yes—there are clear differences. The business community is mostly very pro-China. Their attitude is: let's cooperate, let's open up, don't impose additional restrictions or tariffs, and let's be more pragmatic. That's expected from the business sector, especially in a country like Slovenia, which is very open and market-oriented, with exports making up a large chunk of GDP.

The problem is that these business voices don't have much influence on policymakers or political agendas. Their pro-China positions are being expressed, especially now by the automotive sector, as I mentioned before. But they don't really affect decision-making. It's almost like a game: businesses say what they need to say, but they don't expect any real results. Politicians acknowledge these views, but don't take them seriously. Things just continue to flow, like a river, you say something, I say something, but in the end, nothing really changes.

For politicians, their views differ and are mostly shaped by ideology, the type of government in power, and internal political dynamics. For example, if your opposition or political rivals are more pro-China, then you have to be anti-China and align yourself more with the pro-US ones. This is point one with respect to political influence.

And point two, it's the lack of any long-term strategy. Political decision-making is often driven by micro-operational tasks or specific events. It's very opportunistic. For instance, look at our foreign minister, she is constantly calculating: if I go to this bilateral meeting, what are the pros and cons? Who will criticize me? Who will support me? Who are my allies or opponents? And this is all done in a very narrow timeframe—weeks or months—not years. Forget five- or ten-year planning. This kind of reactive behavior is the worst-case scenario for strategic decision-making. It's a terrible approach.

Compare that with Lithuania. We know that they are very supportive of democracy. They stand with Taiwan, and even if there are consequences, they stand by it. That's a strategy. Whether we agree or disagree doesn't matter—they stick to it. Hungary and Serbia have a different strategy—more pro-China—but again, they stick to it. Even Germany, Spain, and France under Macron—you can see that there is some strategic thought behind their actions.

In Slovenia? Zero. We make decisions based on daily operational concerns, not long-term national interests. It should be the other way around.

Q8: If you were advising Slovenian decision-makers tomorrow, what would you recommend as key priorities or red lines in Slovenia-China engagement?

D2: First of all, clearly define what our interests are. Not operationally or just for this year, but at least for couple of years or 10 years' time.

Second, understand in which fields we disagree and are not aligned with the Chinese Communist Party's actions. But then we need to ask ourselves honestly: what can we actually do about it? Based on that, we should decide how vocal we want to be about it. If main criticism is coming from the European Commission or the US administration, let them take the lead. There's no need for us, as a small voice, to create unnecessary noise.

We should decide when and in which contexts we are willing to expose ourselves. We need to clearly define where we strongly disagree with China and what we stand for, and then communicate that in the right way.

In my view, for Chinese counterparts, it is sometimes not so much about what you think or what your position is, but how you communicate it. It is in their culture, that they are not used to being “slammed in the face.” If the Trump style is like that, theirs is totally different. It's not a problem that we have different views, but how we express those views. It's about how we communicate, how we draw red lines, as I mentioned in the field of cybersecurity and in many other aspects.

So again, the first step is: what is our interest, what is in Slovenia's national interest in the long term? The second step is: in which fields we disagree? We have different opinions, policies, views, how we will communicate that?

Then, based on that, make a mix of needed steps. For example, how do we increase exports to the Chinese market? How do we selectively open the door to certain Chinese investments, but not because Chinese companies want to invest, but because we have something to gain from it.

And once this matrix is defined, we just need to stick with it, at the very least, over the course of one government. If possible, over the course of two government terms – four, eight, ten, even twelve years. This kind of consistency produce real results.

But in Slovenia's case, such an analysis has never been done. Our relationship with China is biased by the personal views of a few key people. Take for example the State Secretary in the Prime Minister's Cabinet, Mr. Vojko Volk. He publicly declared that China, Russia, Iran and North Korea, forms a new "Axis of Evil." That these countries endanger Western liberal democracy. From the perspective of the Chinese ambassador or others in the foreign ministry, this creates confusion. They don't understand how, just a few months earlier, our Foreign Minister could visit Beijing and express openness, respect, and a desire for cooperation—only for another senior official from the same government to go out publicly and claim China is part of a new Axis of Evil.

It would be one thing if a commentator or academic said something like this, but it's not acceptable from someone in the Prime Minister's cabinet. In a normal country, what such a person says carries weight. In our case, maybe he has some political agenda, but he is clearly biased, and this is definitely not the right way to conduct foreign policy.

Or take another example: the President of Slovenia recently renewed an invitation for a bilateral visit by the Chinese President. That's not unusual, it's a diplomatic gesture. The Chinese President has never visited Slovenia, even though we've hosted leaders from Russia and other major UN Security Council countries. Still, this invitation was met with strong public criticism for two weeks. People claimed, "This is not the right direction. China is a growing threat to the EU," and so on.

Again, totally mixed signals. And when this sort of inconsistency happens repeatedly, Slovenia loses relevance. As I said from the beginning, if we behave like this, we become irrelevant.

So, coming back to your original question—what should Slovenia do differently? Don't do this. Instead, we need to develop a strategy based on a balanced mix: a clear understanding of our interests, a realistic understanding of their interests, our red lines, the risks, benefits, and trade-offs, and then stick with that strategy, not jump and be inconsistent. Be persistent.

If we cannot even be consistent within the same government, then we certainly cannot expect to be consistent as a state.

Appendix 8: Business representative (B3)

Q1: How would you describe your - or your sector's - experience working with Chinese partners? Has the Belt and Road Initiative (BRI) framework played any role in your business dealings?

B3: Before I begin, there are a couple of things I should point out regarding my experience with China. First, I used to be the chairman of a Company Y, which was taken over by Chinese investors. Second, I currently serve as the chairman of the Organization Z.

In the case of Company Y, I would say the Belt and Road Initiative didn't play a significant role. To my knowledge, it wasn't a decisive factor in the owner's decision to acquire the company. From a purely business standpoint, BRI had no direct impact on our operations.

However, in the context of the Organization Z, the Belt and Road Initiative is often mentioned, particularly from a more political perspective. It frequently comes up in discussions about Slovenian-Chinese cooperation as a kind of framework or mechanism. That said, I would argue that Slovenia hasn't made strong use of the BRI, and it also doesn't appear to be a particularly prominent topic from the Chinese side either. Yes, it's often referenced in speeches and formal settings, but if I had to identify a specific project that was clearly initiated under the BRI, I would struggle to name one.

Working with Chinese partners has always been an interesting topic. I often say that we're very different. There's a clear cultural difference, and the approach to business is completely different as well. That said, I believe the most important thing is that people remain cooperative and open-minded. When that's the case, a lot can be achieved. Still, the cultural differences are real and, in many cases, they can present obstacles to fully understanding each other in a business context.

Q2: What specific sectors, niches or type of projects do you see as having strong potential for future Slovenia-China economic cooperation?

B3: I would say that, generally, the automotive industry is definitely very important. Slovenia has a long tradition in this sector, and a significant portion of our GDP is linked to it. Chinese development in electric vehicles (EVs) has been remarkable, so I would definitely bet on the automotive sector.

Then, there's also the pharmaceutical industry — Slovenia has a long-standing tradition here as well, with companies like Lek and Krka, for example, so pharmaceutical cooperation makes sense.

Beyond that, anything related to tourism and quality of life could be promising — that's more of a niche area. Slovenian wine and other Slovenian food products come to mind.

Also, anything connected to green and clean technologies. China has become very strong in this area recently, and Slovenia also has a fair amount of innovative potential here.

And lastly, I would mention Industry 4.0 — there are great opportunities in that space too. These are typically the kinds of topics we tend to discuss when engaging with Chinese partners.

Q3: How would you evaluate the current level of state support in facilitating cooperation with China?

B3: I would say that I've seen a tremendous change over the past couple of years. Just last year, three ministers visited China, and they were accompanied by business delegations — which clearly signals the importance being placed on these relations. The President of the National Council is also scheduled to visit China in November, and a state secretary has recently been there as well. So, I would say that things are developing quite well, and this marks a significant shift compared to just a few years ago.

Q4: What additional steps would you like to see from the Slovenian government?

B3: I always say that we shouldn't apply double standards — and that's probably the biggest issue right now. Chinese companies should be allowed to operate under the same conditions as others. In other words, we shouldn't selectively choose the sectors where we want Chinese involvement and exclude them from others. For example, when it comes to the automotive industry, we welcome the idea of a Chinese factory. But when it comes to technology — say, Huawei — we hesitate or talk about banning them. This selective approach is problematic, because that's not how cooperation with China typically works. Generally, it's like — either you open up to everyone, and then you're genuinely open to cooperation. That's something we still need to learn.

Q5: What are the main challenges your company or sector faces in working with Chinese partners - whether political, regulatory, cultural or otherwise? How do you manage these risks in practice?

B3: Yeah, I would say that culture is definitely the biggest challenge, because I think many of the other issues actually stem from cultural differences. What I've learned is that we really need to talk — we need to communicate and listen. That's the key. It's important to give Chinese partners the space to understand what's happening on our side, but at the same time, we have to stay open-minded and try to understand their perspective as well. So, honest and open communication is absolutely essential.

Q6: Would you say that the language barrier is the biggest obstacle when it comes to cultural challenges?

B3: It still is a barrier, but not the biggest one. I think the main issue is really the way we think — our mindset. So generally, I wouldn't say language is the main problem. The cultural gap goes beyond that. It's about our perspectives, how we understand society, how we approach things.

Q7: To what extent do you feel that Slovenian or EU policy toward China shapes or limits your company's or your sector's strategy?

B3: I can't really speak on behalf of Company Y anymore, since I'm no longer involved with the company, but I can comment on general cooperation. I think EU policy plays quite a significant role. For example, when the EU decided to impose restrictions on electric vehicles, that had a strong impact on the potential for cooperation. So yes, these kinds of decisions can really influence the space for collaboration. I believe we need to approach this more carefully — with a more open mind and more diplomatic engagement.

Q8: If you had the power to shape Slovenia's future economic engagement with China, what would your strategy or top priorities be?

B3: I would definitely encourage more politicians to visit China to better understand its culture, development, and overall context. I think it's important to be cautious about relying on stereotypes. China shouldn't be seen only through preconceived notions — we need a broader perspective and to create opportunities for cooperation on both sides. At the same time, it's also about giving China the chance to engage with Europe more openly and constructively.

Q9: In your opinion, where do you see Slovenia's cooperation with China heading in the future?

B3: I think we are seeing, and need to recognize, that cooperation is growing more and more. I believed this five years ago, and now it's proven true — there are increasing opportunities and sectors where we can collaborate. Slovenia could be an important entry point, especially with the port of Koper serving as a gateway for Chinese goods to Europe. We could build strong influence here, but I think we may have missed some opportunities, especially since Serbia has been much more active in this area. Still, I would encourage supporting Slovenia's role as a bridge between Asia and Europe, because being a small and flexible country is an advantage and makes for a strong position.

Q10: So, you are positive about this, that things will move forward?

B3: Yes, definitely.

Q11: This was the last question. Is there anything else on your mind about the topic that you'd like to add?

B3: Generally, I'm very happy to see that even in the academic world, there's increasing focus on China. I think that's important and very useful for development.