



China through European Eyes

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His current research revolves around the impact of China on the Netherlands and the EU, foreign immigrant groups in China and the transformation of Chinese Communist Party. His most recent books are *The Good Communist* (2009) and *Knowing China* (2016), both published by Cambridge University Press. He just finished a new edited volume on Global East Asia that will be published by the University of California Press in 2020. In Oxford, Dr. Frank N. Pieke set up and directed the Oxford China Centre.

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Abstract

Unlike other and even more recently rising powers, such as India, Turkey, Brazil, or Indonesia, China openly vies for superpower status, challenging the unipolar global dominance by the United States. This challenge has become much more explicit and clear since 2012 under the new Chinese Communist Party (CCP) Secretary General Xi Jinping, eventually leading to a chronic conflict with a much more belligerent U.S. under the Donald Trump administration since 2017.

The consequences of this conflict run wide and deep across the world. Increasingly, the global interdependence of the post-Cold War era is making way for “realist” competition between nations. Great powers now explicitly seek to strategise or even weaponise aspects of global interdependence in order to gain advantage over their competitors and bring both their allies and adversaries to heel. Other, lesser nations as a rule seek to balance or hedge specific aspects of their relations with these great powers in order to avoid fully to have to pick a side and thus hurt their trade, security and other interests.

The Chinese Communist Party under Xi Jinping certainly has done much to feed this image. Its triumphant insistence at the 19th Party Congress in 2017 that China’s moment in the world has come, the hard-nosed application of techno-surveillance and repression in Xinjiang and increasingly elsewhere, and the much tighter fist of CCP rule and influence across Chinese society and abroad make it no longer possible to present China as a peacefully rising country that is on the way to convergence with Western and democratic ways of being; if anything, China seems to be moving in the opposite direction, steering its own Communist and authoritarian course, and becoming increasingly combative and aggressive in the process.

In this new era of post-globalisation, the U.S. views its relations with China increasingly in Manichean terms: the forces of good and evil locked in a battle for supremacy, if not sheer survival. As the U.S.’s chief rival, enemy and competitor for superpower status, China is increasingly cast in starkly negative terms with strong echoes of, if not explicit references to, the anti-communism of the Cold-War or even the battle with Nazi Germany during the Second World War.

In this context, views on China have rapidly polarised. It is no longer possible, as Vincent Chang and I found only a very few years ago (Chang and Pieke 2018), to present information and analysis on China and its global role without getting sucked into debates about the challenges and threats that China poses to democratic (or even more plainly Western) societies and values. Paradoxically, these debates tend to be rather less informed by fine-grained and first-hand research and information about China than in the recent past. Although such research is still taking place, it has even less of an impact on China debates and policy than in the past. The main task at hand now is to take a stance, demanding broad-brush characterisations or even stereotypes rather than non-partisan analysis.

In this short paper, I will trace the evolution of views and debate on China specifically in Europe. European attitudes towards China are part of more broadly Western perceptions of China. However, because Europe is not a superpower, such perceptions do not (yet) translate into a clear-cut confrontational approach like in the United States. The question is how long this will last, an issue that I will return to in the conclusion of this essay.

Keywords: *China-Europe relations, strategic infrastructure, US-China relations, global challenges*

Wakeup Calls

Already in the 1990s, the U.S. had started thinking of China as a future competitor, but these concerns were sidelined after 9/11 by the much more pressing threat from Islamist terrorism and the debacle of the second Iraq War. U.S. attitudes toward China only became more antagonistic under the Obama administration. China's much more aggressive approach in the disputes over the Sensaku/Diaoyutai Islands and in the South China Sea in 2009 and 2010 alerted the U.S. to the fact that the confrontation with China was becoming acute. Although the subsequent "pivot to Asia" in 2011 might have been underwhelming in real terms, it nonetheless amounted to a fundamental strategic shift, in turn impressing on China the need to up its global game, especially in those places where direct confrontation with the U.S. would be less likely. In 2013, only two years after the American pivot to Asia, China announced its Belt and Road Initiative.

European countries and the EU, in the meantime, remained largely unconcerned. Having no real geostrategic axe to grind, to Europe China remained a power whose rise on the whole meant business, trade, tourism and investment, and opportunities for cooperation in for instance education and research. Concerns about human rights abuses and the lack of religious freedom in China, including Tibet and Xinjiang, continued to be voiced, but had progressively less impact. European countries were quick to join the new Asian Infrastructure Investment Bank (AIIB) set up by China in 2015 against the strongly voiced objections of the American government, and European governments continued to line up in Beijing to make the most of the opportunities that China had to offer.

For most European countries, the image of China began to change in 2016 when it became increasingly clear that under Xi Jinping Europe was fast becoming a playing field for Chinese expansionary ambitions. An early indication had been the lease of part of the Piraeus harbour in Greece in 2008 to the state-owned China Ocean Shipping (Group) Company (COSCO), but this could still be attributed to a desperate Greek government facing bankruptcy and economic meltdown (Ferchen et al. 2018). Although the Chinese involvement was commercially a success and a real boost for the Greek economy, more sceptical European observers already expressed strong reservations, pointing to the potential geo-strategic dangers of a Chinese-controlled harbour right at the doorstep. However, in 2015 and particularly

2016, several things came together that started to harden European perceptions. In 2012, China had established the so-called 16+1 cooperation (with the addition of Greece in 2019 now 17+1) with a group of eastern European EU member states and potential member states that gave China a diplomatic foothold in Europe's periphery independently from Brussels. Many European countries also signed Belt and Road agreements with China without any coordination with, let alone control by Brussels.

Around the same time, the European Union became aware that certain member states (Hungary, Greece and Cyprus in particular) leaked information to the Chinese on the goings-on in Brussels and were opposing European Council decisions unfavourable to China. This blatant Chinese interference came out in the open when Greece blocked an EU statement at the United Nations criticising China's human rights record in 2017 (Emmott and Koutantou 2017). Europe was being picked apart and seemingly had no response.

The year 2016 also saw record-high Chinese investments in Europe, including the now outright purchase of the Piraeus harbour and the German robotics firm Kuka. Similar investments and takeovers took place in other European countries as well. Really quite suddenly, China was seen as being on a shopping spree, buying up key technological assets and critical infrastructure in Europe. Strategic arguments about the erosion of Europe's innovative capacity and economic independence began to surface. Particularly in Germany and France, they quickly came to trump conventional economic arguments that Chinese investments were saving companies in trouble, creating employment, further opening the Chinese market to European products, and spurring infrastructure construction in poorer regions in Europe's East and South.

Many Chinese investments in Europe at the time in fact had nothing to do with any coordinated strategy and were criticised as wasteful by the Chinese government. In 2017, the government interfered, limiting permissions for outward investment to projects in line with its own strategy. The irony was that this only confirmed suspicions that China really had a comprehensive plan, not just for its own development and prosperity, but also for global dominance, and that Europe was a part of that.

Concerns about such a scheme have quickly broadened and deepened. The *Made in China 2025* strategy, for instance, launched in 2015 to shape China's prominence, if not leadership, in key sectors of science and technology, gained particular notoriety in Germany. It was seen as a direct attack on the country's core strategic strength: the development and manufacturing of high-tech industrial goods (Wübbecke 2017).

Awareness also increased that China was highly strategic in its use of scientific cooperation and exchange with European universities and other research institutions. In the name of science, Chinese partners, students or visiting scholars were often given research data or even intellectual property rights without the European partners having a say in their future commercial or even military application in China. European national security organisations also routinely issue

warnings that Chinese actors are highly active in outright industrial espionage, apparently stealing what it cannot get (d'Hooghe et al. 2018).

The icing on a hardening cake was provided by the importation of the 'China influencing' debate from Australia, New Zealand and the U.S. in 2018. Especially since Donald Trump had come to power in the U.S. in 2017, these Anglo-Saxon countries have been at the forefront of an escalating and polarising debate on China's impact on the world. With some delay, in early 2018 this debate landed in Germany and from there spread to elsewhere in Europe (Benner et al. 2018). China, so the argument goes, is undermining free and democratic societies by influencing public opinion and attitudes toward China in journalism, the academic world, think-tanks, local Chinese communities and even politics and government. Such (legal) influencing sometimes shades into (illegal) interference, for instance when politicians are bribed or pressured or attempts are made to influence elections. Evidence for influencing practices is indeed not hard to find. Similarly to all other major countries, the Chinese Communist Party and government quite openly work with foreign political parties, opinion leaders, academics and (former) politicians, Chinese students abroad and overseas Chinese communities, usually through the CCP's International Department or United Front Department or specialised government departments, such as the Overseas Chinese Affairs Office of the State Council or the Confucius Institute Headquarters (*Hanban*) at the Ministry of Education.

Although much of this is long-standing policy and practice, efforts have notably been stepped up in the Xi Jinping era as part of China's global ambitions. Framing this now as "influencing" rather than "soft power" or "public diplomacy" and especially pairing it with "interference" has paved the way for the securitisation of the China debate that is currently apparent in many countries. Responses to China's presence and impact are increasingly measured against the "national interest" (whatever that may be thought to be), including the safety, strength and sovereignty of the nation and the state.

The securitisation of the China debate has also started to include more conventional military security. Apart from peacekeeping, UN-mandated missions and anti-piracy, Europe has never been a geo-strategic power, leaving its defence against foreign threats in the region largely to NATO. The UK and France do have their own capabilities, including nuclear ones, but until very recently China had not featured very prominently, if at all, in their strategic outlook. Europe also does not share any borders with China and is spared the chronic headaches that countries like India, Russia, Japan, Taiwan, South-Korea, Vietnam or Russia have over their Chinese neighbours.

This, however, is beginning to change. The mounting problems in the South China Sea and the Taiwan Straits have made (western) European powers realise that safeguarding the free navigation of these international waters is an interest that they share with many other countries, and for some years now France and the UK regularly deploy military vessels there. An appetite is also growing among European powers for a role more broadly in the "Indo-Pacific" - a U.S. concept that has found favour (albeit in various interpretations) in India, Japan, Southeast Asia and

Australia - as a security space where Chinese ambitions should be contained. Both the UK and France have military bases in the Indian Ocean and the western Pacific and are thus in principle capable of playing a more active role there.

European Responses

In the last few years, perceptions of China the world over have rapidly evolved, in general giving a greater role to security and strategic concerns over economic and trade considerations. In this, Europe has lagged behind countries that are confronted with greater or more immediate security concerns, or whose alliances required them more urgently to follow the lead of China's chief rival, the U.S.

Europe has been slow off the mark not only because the China challenge was less imminent, but also because China policy is driven by an unusually diverse range of forces, factors and actors. The (still evolving) policy outcomes remain highly contested and vary greatly among countries, regions and constituencies. Against this background, it has been a major achievement that in 2018 and 2019 several European countries and the European Commission at least have tried to square the circle of many competing interests and opinions and still come up with nuanced but decidedly tougher approaches to China.

Although China's chequered human rights record, state-led market economy, authoritarian political system and military build-up are nothing new, these new approaches now frame them as the reason for China's systemic rivalry with democracy and market capitalism. The origin of the term "systemic rival" lies in the China policy paper of the German Industrial Federation (Bund für Deutsche Industrie, BDI) published in January 2019, labelling China a "systemic competitor" that will continue down its own path of development without a promise of convergence with liberalism or the free market economy. In March, the European Commission adopted a similar assessment of China in its paper *EU-China - A Strategic Outlook* (European Commission 2019). The paper labelled China a "systemic rival promoting alternative models of governance", but added to that assessment that, in other policy areas, China could also be a cooperation partner, a negotiating partner, or an economic competitor in the pursuit of technological leadership (European Commission 2019).

While a benign reading of the terms systemic rivalry and systemic competition might simply point to competition with a country with a different (political and economic) system, "systemic" as it is being used in the European Commission and the BDI implies a much more dangerous assertion that a competition for global dominance is at stake. The main conclusion drawn from this is that Europe should no longer assume that China will go along with the principles of liberalism, the free market and multilateralism of its own volition. Coming from a country with a different political system, Chinese actors should be required to operate in Europe and third markets on European terms. Going along with Chinese approaches will only feed a system that competes rather than peacefully coexists with the principles of the liberal market economy (BDI 2019b).

But what does that mean in practice? The EU bases its wealth and influence on the

size of its unified internal market. A free and rules-based world economy is usually to its advantage and the EU has gained enormously from globalization made possible by the U.S.-dominated unipolar world after the end of the Cold War. Conversely, the erosion of this world order since the banking crisis of 2008 and the growing competition between China and the U.S. at around the same time have been at Europe's disadvantage. Europe would like to keep things as they were in the early 2000s, but finds that the world is moving in exactly the opposite direction.

As a customs union and trade block rather than a federation of states, the EU is ill-equipped to play a role in a new world order that again is dominated by great-power competition. The slowness of the EU's response to the new challenges that China is posing is therefore not a matter of complacency, but a structural given. On the whole, the EU continues to aim for ways to reinvigorate the world trade system in their negotiations with their Chinese counterparts, although officials often appear quite jaded and are sceptical that Chinese talk about globalization will lead to genuine steps to make their economy more of a level playing field for foreign businesses and to reduce state aid and support for Chinese companies both domestically and abroad.

The EU (together with the U.S.) continues to block granting China full market economy status in the World Trade Organisation (WTO), but this measure, while hurting Chinese pride, also lessens China's appetite even further to work within the Western-dominated, multilateral world order. More constructively, in response to China's Belt and Road Initiative and more generally taking up China's challenge in eastern Europe, the EU has pledged funding for its own connectivity programme in eastern Europe and Central Asia (and recently joining up with Japan), but this will take years to roll out and make its impact felt. Other measures at the EU level have as yet been relatively limited and defensive, mainly involving coordination and information sharing about investment screening, reviewing European competition and procurement regulations, and considering a broader and more tactical use of export controls of military or dual-use products. In addition, there is also talk about the coordination in the area of science and technology cooperation with China.

Tougher language comes mainly from the capitals of the two leading industrial nations in Europe, France and Germany. However, some of this is going against the grain of what the EU actually stands for: free trade, a rules-based level playing field and sharing of opportunities and burdens across the member states. At the presentation of the BDI China policy paper, BDI President Dieter Kempf went as far as to say that "[t]he EU needs an ambitious industrial policy for its leading companies that focusses on innovation, intelligent regulation, social partnership, infrastructure and free trade" (BDI 2019b). With this statement, Kempf added the voice of his powerful organization to those of politicians in Germany and France who argued that China's unfair support of its "national champions" ought to be countered by a national or European strategy of supporting or building up similar champions in Europe. However, a hastily cobbled together alliance of high-speed train manufacturers floundered at the first hurdle in early 2019 when the EU Commissioner in charge of competition policy, Margrethe Vestager, blocked the acquisition of French producer Alstom by Germany's Siemens due to "serious competition concerns" (European Commission 2019).

The European Commission's formula that China simultaneously can be a cooperation partner, negotiating partner, competitor or rival has been designed not only to cater for the many different faces that China presents, but also to include the many different perspectives and interests at play across the European Union. A national or European "industrial policy" and a more antagonistic stance towards China are actually highly contested among powerful regions and constituencies in Germany. Elsewhere in Europe, the UK (when it still was an EU member state) and the smaller, pro-free trade countries of northern and western Europe also are much less sanguine about (national) industrial policy, which they see as hardly concealed protectionism that only serves a narrow range of interests rather than contributing to strengthening national or European competitiveness. All of these constituencies and countries have massive stakes in the China trade, large investment portfolios in and from China and often less of a traditional national industry to protect than Germany or France anyway.

Similarly, to many countries in eastern Europe a European industrial policy would be seen as largely serving the interests of the dominant industrial member states in western Europe. Eastern Europe's rather different take on Chinese trade and investment is part of a structural divide within the EU. The European countries working together with China in the 16(17)+1 cooperation are not really very interested in countering China's challenge to their industrial or technological lead or China's unfair trade practices, which are less relevant to them. What is vital to them is that China promises to provide desperately needed infrastructural investment that is not centred on the western European core countries, but on the needs of region itself. China is also a source of advanced technology and knowhow, possesses a shared post-socialist past and has the allure of an alternative modernity and counterpoint to western smugness. Finally, China is seen as an additional security hedge against Russian ambitions in the region.

Currently, the future of the 17+1 framework is fairly undetermined, and arguably more important to China than its European members. In the context of the China-U.S. conflict, China needs the leverage over the EU that it provides more than ever, and has decided that the next 17+1 summit in Beijing will be hosted personally by Xi Jinping rather than Premier Li Keqiang (Zhou 2020). The interests of individual European countries often diverge and there is little internal coordination. For the European 17+1 members, China is a lever to assert their independence from the EU and western European countries and thus to pry more concessions from them. Moreover, for many countries the 17+1 cooperation serves mainly as a convenient vehicle for their bilateral relationship with China, a privileged seat at the table that they were to lose if the 17+1 were to assimilate into the much larger framework of the Belt and Road Initiative (Hickman and Karásková 2019).

The strategic importance of China for eastern Europe continues to be present, despite recent disappointment in China's ability or willingness actually to deliver on its promises: Chinese investments in eastern Europe remain insignificant and only a fraction of those in other parts of Europe. This is not only true for those countries that are part the EU (Hungary, the Czech Republic and Poland being the most important examples) or are realistic candidates for accession (North Macedonia, Montenegro, Albania). For countries outside the EU and especially those

currently with a much smaller chance of joining (chiefly Serbia, to which we might want to add the non-17+1 countries Ukraine and Belarus), China is even more important. Playing a great power game that EU officials could never dream of, balancing and hedging China, Russia, the EU and the U.S. for them has become a matter of sheer survival.

Toxic Politics

Across Europe, China policy has become a matter of political contestation like it has never been seen before, exposing much larger and more general fault lines in European societies and politics. It is this that makes formulating a response to China at the same time so vital and so difficult. In the recent past, China's human rights record was the main matter exercising European parliaments and politicians. Now, any choice made about China policy begs much more fundamental questions about globalization, European integration, and the trade-off between opportunity, security and the national interest, raising the stakes beyond anything that has driven China policy before.

Disquiet among parliamentarians in Sweden and the Netherlands about the a perceived lack of transparency and direction of national China policy forced the governments of both countries to write national China strategy papers on the issues at stake, including trade, investment, science and educational exchange, peace and security, climate change and the environment, human rights and values. Predictably, these documents turned out to be sensible but fairly bland statements that made all the right points but presented few hard choices or concrete policy options, while often referring to the EU where it got difficult (Ministry of Foreign Affairs of the Netherlands 2019; Government of Sweden 2019). Equally predictably, in the Netherlands the American ("lukewarm soup") and the Chinese ("unacceptable criticism of China") ambassadors reacted with disdain. Even more predictably, in both countries the discussions on the comprehensive national China strategy became dominated by human rights issues, stunting much of the impact that the papers more broadly could have had on policy-making, at least in the short term.

Although only Sweden and the Netherlands have gone as far as a national China strategy, the China debate has developed along similar lines across in Europe. Discussions in the media, opinion leaders, policy makers are dominated by negative voices on the engagement with China, seeking to sideline or render suspect positive or even just more balanced opinions and assessments. Such voices also explicitly include strongly negative rhetoric and opinions about China itself, and these are by no means limited specifically to human rights abuses.

Western (including European) attitudes to Communist China have been black-or-white during the People's Republic of China's entire existence. Sympathetic stories like U.S. journalist Edgar Snow's "Red Star Over China" accompanied its birth, demonic McCarthyite narratives of the "Red Peril" took over in the 1950s, and when U.S. President Richard Nixon visited China in 1972 he modestly called this "the week that changed the world." More recently, the West vests high hopes in China when it perceives that it is becoming more liberal and capitalistic - the

Beijing Olympics in 2008 as a high point - and demonises it when China shows its illiberal and repressive ferocity - the suppression of the Tiananmen Square protests in 1989 as a low point.

After the Beijing Olympics Western public opinion started falling back into the language of disappointment in China long before Xi Jinping and Donald Trump came to power. Today, the West accepts China as modern society, in many areas in fact more modern than itself. Much like it viewed Japan in the 1980s, China is seen as the cradle of tomorrow's technology. However, unlike Japan, such technology will be in the hands of autocrats, determined to use it at home and abroad for their nefarious purposes.

Huawei's trials and tribulations show the consequences of such frenzy. The Chinese telecoms equipment maker has been demonised to such an extent that no rational argument against banning its 5G technology seems good enough. Detailed arguments that show that the risks - data theft, sabotage, military - are manageable are met by even sterner warnings that the real threat is strategic: the West's core technological and military superiority are at stake here.

In a similar way, China's social credit system is seen as a system of total social control. The system links up existing databases to establish what people have done, and award points and privileges accordingly. In China, it is presented as a way to manage the economy and society in a fairer, more rational and less intrusive way. Many Europeans and Americans view this as a technological nightmare - the state monitoring everything and enslaving everyone.

Publicity around the social credit system, the Huawei controversy and the indignation regarding the suppression and surveillance of Uighur in Xinjiang in 2019 have amplified the fears and suspicions surrounding China's presence and impact in Europe. China's more accommodating stance to some of the European concerns regarding trade, investment and the BRI for instance during the EU-China summit in Paris in April 2019 quickly evaporated later in the year. Beijing buckled down in the trade conflict with the US. Instead of turning to the EU for support, no real concessions have been made. In fact, European criticism of China's human rights abuses in Xinjiang, the social credit system, the protests in Hong Kong, the imprisonment of Swedish publisher Gui Minhai and a Hong Kong-based junior British diplomat are met with a much tougher approach by the Chinese government and diplomats in Hong Kong. Instead of trying to prize Europe away from the U.S. further, the Chinese authorities have made Europe another target of the "struggle" (*douzheng*) that Xi Jinping has demanded from his diplomats. All this has strengthened the hand of Europe's critics of China, made it even more difficult to argue for accommodating Huawei, and provided an opportunity for the U.S. to again try to find common ground with Europe regarding China.

In early 2020, the outbreak of the coronavirus added further fuel to the fire. Western media were quick to link the initial failure of the Chinese authorities to curb the spread of the virus to systemic flaws of China's authoritarian and non-accountable political system. Fears about a possible global pandemic have even brought hidden anti-Chinese sentiments out into the open, with Chinese residents

and visitors in Europe and elsewhere being taunted or threatened, including overt references to the old, nineteenth-century racist slur of the yellow peril (Rich 2020).

In the much more volatile political mix since 2016, the China issue has become genuinely political. Politicians across Europe are calling to curb or control Chinese influence, presence and impact in Europe, combining human rights concerns and fears of the techno-surveillance with a distrust of the unfettered globalization that has brought China to our shores. Huawei's role in building 5G networks, in particular, has proven politically poisonous. In Germany, senior Christian Democratic Party (CDU) politician Norbert Röttgen's mounted a campaign against the decision of his adversary in the CDU Chancellor Angela Merkel not to block Huawei from Germany's 5G network (Delfs 2019). In the UK, Foreign Secretary Gavin Williamson was sacked from his job after Prime Minister May received "compelling evidence" that he leaked the secret decision of the National Security Council to allow Huawei limited access to Britain's 5G network to the press (BBC 2019). China as a political issue in Europe, so it seems, has come of age.

Picking a Side?

In Europe's China-policy trials and tribulations of the past few years American influencing and even interference loom large. Although Europe was already poised for a more strategic look at China before Donald Trump came to power in 2017, it is fair to say that he opened up infinitely more room for European actors to take an outright hostile approach to China's global presence.

The Trump administration has taken America's more antagonistic attitude towards China under Obama to a different level, and quickly ended up treating China as its all-weather rival and enemy. The administration's response to the European refusal uncritically to go along with this has not been very forgiving, applying ever greater and blunter pressure on their European allies, insisting that they pick the U.S.'s side whenever the Trump administration so demands.

Many officials, opinion makers and politicians in Europe actually agree with much of the American analysis of China's challenge. They also recognize that this analysis is widely shared across the political spectrum in the U.S. and not just a Trumpian quirk that will go away with time (see CNAS 2019). Europeans would also agree that many of the specific and more concrete measures that are currently proposed or rolled out as part of that consensus make sense and would also serve European interests. Examples are ways to maintain or regain technological advantages, promoting digital freedom and the global commons against Chinese cyber-governance and standard setting, and strengthening economic power and leadership. Europeans are also getting increasingly concerned by China military presence in the Indo-Pacific and its aggressive forays into cyberspace and outer space.

However, Europeans do not wish to frame China's challenge, as many Americans do, as a comprehensive bid for power and an existential threat to U.S. global leadership. Trying to contain China's rise, to many Europeans, seems futile and beside the point. Finding common ground between the American and European

approaches to China therefore should actually be quite doable. Ironically, the devil here is *not* in the detail of the concrete measures and proposals on the table, but in the overall geostrategic framing at each side of the Atlantic.

In all these areas it should be possible to find sufficient commonalities between Europe and the U.S. provided both parties are willing to yield some ground. The Europeans should be prepared to acknowledge that its “systemic rivalry” with China would require reducing some its economic ties and cooperation with China; the Americans in turn should agree that its “confrontation” with China should be pursued through a more rules-based, multilateral approach and acknowledge that China’s global challenge needs to be managed rather than contained (Barkin 2019).

Making matters much worse than any substantive disagreement on policy is the strong European objections to the Trump administration’s ham-fisted approach of containment, confrontation and weaponization of an ever-increasing number of policy areas and policy tools. The recent, blunt U.S. pressure on the Dutch government to refuse an export licence for China to ASML, the world’s leading producer of lithography machines for the chip manufacturing industry, is a case in point.

Moreover, Europeans believe that China remains an indispensable, albeit very difficult partner in working on global challenges like climate change and the multilateral trade order, issues that the U.S. seems to have given up on. American-style measures to limit Chinese investments, oppose the Belt and Road Initiative, or block Huawei’s entry into the 5G market are not only seen as hurting European interests, but also as a slippery slope with each concession to the U.S. simply paving the way for further, and potentially even more damaging anti-China measures with no end in sight. At present the U.S. is not inclined to back down. Its pressure on Europe to choose the U.S. side is becoming ever more direct and extreme, as was on display again at the Munich Security Conference in February 2020 (Peel et al. 2020).

Despite there being more common ground than is often realized, the split over China remains, with Europe poised against the U.S. However, Europe’s “strategic autonomy” from the U.S. actually continues to have a clear limit, and perhaps more so than the U.S. itself realizes. As far as hard security is concerned, Europe will for a long time continue to be dependent on the American security umbrella, even if European governments finally were to give in to the American demand that they start paying for a more equitable share of their own defence.

The implications of this dependency have been brought out into the open by NATO, an organization already almost written off by the U.S. and declared “brain dead” by French President Macron. For years, NATO remained silent on China. At NATO’s December 2019 summit in London, China was put squarely on its strategic agenda for the first time, in process also breathing desperately needed new life into the alliance. Although a NATO strategy for China in practice will be hard to flesh out, it might actually in the longer term force the Americans and Europeans to find ways out of the deadlock between them regarding many non-military issues as well. China is hardly the kind of conventional military challenge in Europe that

the alliance was set up to deal with. Instead, the main challenges or threats are in critical infrastructure, technological competition, cyberspace and outer space. This would favour the Americans most.

Dealing with such challenges requires a major reorientation of NATO and may quickly encroach on sovereign policy areas of the EU and individual European states just at a time that they are beginning to think more seriously about their own strategic autonomy. As a defence alliance, NATO could evolve to link China's military and non-military challenges in such a way that an American need for strategic confrontation with China trumps the European desire for selective engagement (Ringsmose and Rynning 2020).

The inclusion of China in NATO's strategy might therefore be seen as a sign of a greater European resolve, but actually constitutes a major American success against its main rival, China. A future greater European role in the Indo-Pacific would strengthen this even further, particularly if this were to link up with the reinvigorated U.S.-led Quadrilateral Security Dialogue (Quad: the U.S., Japan, Australia and India) in the Indo-Pacific. Already for several years, the U.S. have wished for a military and strategic *cordon sanitaire* of democratic countries to keep China's global ambitions in check. Put together, the combination of the Quad in the Indo-Pacific and NATO in the North Atlantic may very well become just that.

Conclusion

In 2019, debate and policy-making on China in Europe have reached a completely different level, just like China's impact has changed beyond recognition (Brattberg and Le Corre 2020). The stakes are real and rising, and cut right at the heart of Europe's economic, political and strategic identity and future. China is laying bare the fragmentation and structural weaknesses of the European Union, and the divisions between its countries, regions, sectors and classes.

China is part of almost all major areas of politics and governance, and presents challenges that European countries and the EU as a whole are not necessarily well-equipped to deal with. The China debate has become polarised, even toxic at times, causing real damage, amongst Chinese resident abroad, in politics, and even in academia and the think-tank world.

Like in many other parts of the world - and especially in Asia - the China question is about much more than just China: at stake are Europe's core strategic relationships, particularly with the U.S., and the security and prosperity provided by Europe's embedding in the established international order. However, Europe is much less well-equipped than states like India, Japan, or Australia that also have found ways to deal with China and position themselves in the China-U.S. conflict. As more than a trade block but still less than a federation of states, the EU has to come up with responses that it doesn't know how to give. Should the EU become a global strategic player to safeguard European interests both in Europe itself and elsewhere in the world? How much strategic autonomy can and should European countries and the EU seek? How much should Brussels do in order to craft common instruments to deal with China's challenges, and how binding to member states should these be made? Should Europe reduce its integration in the world economy

and seek to develop its own industrial policy? To what extent should the sovereignty of member states in their own foreign relations and defence be sacrificed for a common approach?

China and the China-U.S. conflict have the potential to either rip the EU apart or else drive Europe closer together. Given the weaknesses deliberately built into the EU institutions and the shockwaves caused by Brexit, the EU in its current form is unlikely to be able to survive. Euroscepticism still runs high, but the time has passed that politicians could plausibly argue that we don't need Europe because the nation would do just fine fending for itself. With China and the U.S.-China conflict snapping at its heels, Europe needs a stronger, and especially a different European Union. However, the question is not only what kind of Europe is needed and how this should position itself in a world of great power rivalry, but also whether Europeans will have the strength, foresight and wisdom to give it to themselves.

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