



## China's EU policy in the pandemic era A new normal?

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### RECOMMENDATIONS FOR THE EU

- Emphasize long-term relations built on strategic trust towards China. Overt influencing operations, threats and inflammatory comments by Chinese representatives should be isolated and sanctioned through appropriate channels. Chinese strategic interests remain stable and strong relations with the EU across several dimensions and rejecting this will cement resentment and suspicion towards the EU in China.
- Take new challenges with China as impetus for stronger EU policy coordination. Lack of distinct and unified EU line opens the union to criticism from anti-US elements in China, and it incentivizes China to approach individual states to secure deals and progress on trade and investment.

In the Trump era, transatlantic relations are facing unprecedented uncertainties. The United States (US) is apparently pulling out of multilateral frameworks for global governance, including in security, trade and climate change. Consequently, the European Union (EU) has become more dependent on China to safeguard international institutions and treaties, reduce barriers to trade and investment and implement the Paris Climate Accord, among other issues. Likewise, in response to perceived unilateral and protectionist policies from the US, Chinese President Xi Jinping has touted China's commitment to these initiatives at podiums from Davos to the United Nations. These overlapping objectives make the EU a similarly crucial partner for China.

However, media reports over the past year indicate a relatively new Chinese assertiveness towards the EU. From the Ministry of Foreign Affairs (MFA) to state

media to Chinese ambassadors in Europe, China has begun targeting governments in countries like the United Kingdom, France, Sweden, Germany, Italy and the Czech Republic by posting inflammatory comments and issuing threats, while cultivating bilateral relations at the expense of EU institutions. Such behaviour juxtaposes official statements of a partnership with the EU, sowing distrust and disillusionment among European politicians and public opinion towards China as a responsible partner. This behaviour is likely to consolidate negative attitudes over the long-term if not handled correctly.

These observations compel the EU to confront critical questions: What are China's goals towards the EU, what strategies will it use to reach them, and does China prefer a strong or a split EU? In short, is this new assertiveness indicating "a new normal"?

### A new normal?

As the leader of the Chinese party state, the Chinese Communist Party's (CCP) primary objective is to ensure continuation of this system. However, in recognition of a more diverse source of legitimacy, other important goals for the CCP include protecting territorial integrity and sovereignty and supporting socioeconomic growth and modernization by ensuring a stable internal and external environment. We see such goals outlined in cadre performance indicators occasionally leaked by officials, which emphasize economic growth, social stability and national security as key to the party's performance. In terms of traditional security, the EU still poses a limited threat in China's neighbourhood. Consequently, Chinese policies towards the EU are primarily focused on first, public diplomacy to secure recognition of the CCP, the party state and China's territorial jurisdiction and sovereignty, and second, negotiations and lobbying to secure access to European markets and technology.

Over the past few years, several issues have arisen along these dimensions to derail high-level bilateral mechanisms. After a tense summit in 2016, the two failed to issue a joint statement as the EU refused to drop concerns over China's behaviour in the disputed South China Sea. A climate summit in 2017 similarly failed to produce a joint statement after the EU rejected giving China market economy status. In March 2019, the European Commission published a strategic outlook where they labelled China "an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance".

### Public diplomacy

The hardening of the EU's position has been mirrored by hints that China has adopted a new strategy in its influencing operations in Europe. First, Chinese actors have become more active in using social media channels like Facebook and Twitter, engaging in open debates with European politicians and the public. Second, the wording has become much more antagonistic, occasionally using direct threats to silence criticism. China's so-called "anger diplomacy" is decades old and targets criticism or debate over sensitive issues like the treatment of Uighurs in Xinjiang, the Tiananmen incident in 1989, the status of Taiwan, or mainland policies towards Hong Kong, by alluding to the "hurt feelings" of the Chinese people and demanding cessation and apologies. Direct threats have been much rarer and indicate less tolerance towards such criticism. In January, Gui Congyou, China's ambassador to Sweden, threatened severe consequences if local media did not cease criticising China for incarcerating Swedish national and Hong Kong bookseller Gui Minhai. During the coronavirus pandemic, leaked cables in April indicated that China had threatened EU officials with consequences if they published a report on an alleged Chinese "misinformation campaign" on the virus. In May, Foreign Minister Wang Yi followed up by announcing that China would no longer accept criticism on sensitive issues and would push back against "deliberate insults".

Another innovative feature is an attempt to deflect criticism by emphasizing problems in European countries. This has been particularly clear during the coronavirus pandemic. In April, the French foreign ministry summoned ambassador Lu Shaye after the embassy had posted a story claiming that French care workers had abandoned elderly patients in the pandemic, while the newspaper Global Times tweeted unsubstantiated rumors that the pandemic had actually begun in Italy. Meanwhile, Chinese representatives have attempted to compare China favourably to Europe's pandemic response to demonstrate the superiority of the party state. In April, leaked emails indicated that Chinese representatives had approached the German government to praise China's response to the pandemic. China's "mask diplomacy" from mid-March 2020, where it began donating or selling face masks to European clients and governments, was bolstered by an active publicity campaign presenting a narrative of China coming to Europe's rescue in face of failing government responses and that of traditional allies like the US.

## Economic cooperation

In addition to branding China an economic competitor, the union has increasingly restricted China's access to its internal market. A new EU-wide investment screening process is due to go into effect in 2020, while Germany tightened rules on sensitive acquisitions by foreign investors in 2019. After breakthroughs in negotiations over an investment treaty in 2019, which would ensure reciprocal and equal access to the two markets, a planned new summit in Beijing for 2020. However, this was postponed due to the pandemic and an agreement looks unlikely until 2021 at the earliest.

Huawei's access to provide 5G telecommunications kits to European clients has become a litmus test on EU sincerity to open its market in China's eyes. Chinese ambassadors have become increasingly vocal in support of Huawei's own lobbyism efforts to ensure access in face of US pressure to adopt a more restrictive position on national security grounds. In some cases, these efforts have become increasingly assertive. Liu Xiaoming, China's ambassador to the United Kingdom initially argued that it was in the UK's interest to accept Huawei's advanced kits. However, in June, Liu shifted to threatening that China could reconsider major infrastructure projects in the UK, including the Hinkley Point nuclear power plant and the HS2 high-speed railway. In Germany too, ambassador Wu Ken stated that China would "not sit idly by" if Huawei was restricted, hinting that German automakers may suffer as a result.

In its desire to strengthen economic cooperation, China has also been active in pursuing bilateral negotiations with EU members outside EU institutions. For example, while China has been unsuccessful in bringing the EU into the Belt and Road Initiative (BRI) as an official partner, Greece and Italy signed up to the program in 2018 and 2019, hosting new infrastructure projects that will play important roles in China's cross-continent trade and infrastructure network. Meanwhile, China has continued expanding cooperation with Central and Eastern European countries under the 17+1 framework, which includes 12 EU members. Most importantly, China has pledged €12.7 billion in development projects there as part of BRI, including a Belgrade-Budapest high-speed railway. The concern is that this emphasis on sub-regional or bilateral relations undermines EU unity and institutions, allowing China a stronger position in negotiations.

## Strategic implications of new observations

What do these observations tell us about China's foreign policy, its strategies and preference for a strong or split EU? Despite concerns by US officials, there is little evidence to claim that China is pursuing an expansionist foreign policy or has desire or intent to destabilize or weaken Western countries to reshape a new world order in its own image. China's foreign policy is inherently inward-looking. Two main factors help determine how perceived Chinese assertiveness tie into these questions: The level of coordination among Chinese foreign policy actors and the long-term interests of China in the EU.

## Chinese foreign policy coordination

There is widespread agreement among international relations scholars that Chinese foreign policy suffers from a low level of coordination. This is due to Chinese bureaucracies being fragmented and highly hierarchical, meaning ministries rather talk to their superiors than each other. Consequently, the MFA has limited ability to coordinate or control other foreign policy actors, or non-foreign policy actors. Second, this reliance on superiors is problematic as there are no members of China's Politburo, the highest decision-making body, with a foreign affairs portfolio. Thus, domestic considerations to political, economic, security and social factors often take precedence in their deliberations.

This lack of coordination cannot itself explain whether there is a "new normal". Traditionally, Chinese diplomats are forced to act reactively, calming tensions resulting from actions or comments by other officials to avoid lasting damage or instability to external relations. Chinese representatives themselves actively destabilizing relations to their host countries in Europe is a new phenomenon. However, it is noteworthy that this assertiveness is implemented selectively and not uniformly across the continent. The ambassadors to Sweden, the United Kingdom, France and Germany in particular, have gained the nickname "wolf warrior diplomats". Ambassadors to other European countries, like Yi Xianliang in Norway, have held a rather low profile. In fact, Chinese authorities themselves acted quickly to isolate the fallout, for example ambassador Lu Shaye's comments in France, by stating it was a bilateral matter that did not concern other European states. This differentiated application points to less coordination rather than a policy shift. We can merely conclude that there is increased tolerance in the Chinese political system for individual initiative in pursuit different goals.

## China's long-term interests in the EU

The EU and China are two of the largest economies and traders in the world. With such exposure to global markets, they have substantial common interests in trade, economic growth and lower barriers for goods and capital. After US President Donald Trump initiated the so-called trade war with China in 2018-2019, increasing average tariffs on Chinese exports from around 3% to over 19%, the EU rejected implementing similar measures. At a time when the US is introducing more stringent restrictions on Chinese companies, including Huawei and other technology companies, the EU has instead joined China in advocating a more open world and more access. Similarly, EU countries have proved much more welcoming to Chinese global initiatives like the BRI and the Asian Infrastructure Investment Bank, both of which are boycotted by the US.

Common ground exists in other issues as well. Both the EU and China re-committed to the Paris Climate Accord after the US announced its withdrawal, pledging to continue a green shift towards low-carbon economies. The two parties have also found new opportunities to cooperate in the pandemic, with Chinese President Xi Jinping holding video conferences to coordinate an international response with leaders of Italy, Spain, France and the UK, and a summit with 17+1 group leaders. National-level coordination and consultation meetings have also occurred between health officials in China and those in France, Portugal and Denmark.

## Conclusion

China's interests in the EU remain an open, advanced market and a stable, unified partner in multilateralism, climate change and free trade. Sub-regional or national-level cooperation with EU members does not necessarily equal unwillingness to engage with EU institutions, nor an intention to weaken these. Assertiveness as a strategy goes against the long-term interests and goals of China by bolstering anti-China sentiment among European populations and policymakers. Additionally, uneven implementation diffuses any clear connection between observed behaviour and overall policy direction. Taken together, the assertiveness appears as a product of an uncoordinated system where individuals go beyond their duties to serve some alternative goal than ensuring a stable external environment or enlisting support to Chinese interests. This creates confusion and suspicion towards China in the short-term, while destabilizing relations crucial to pursue common, long-term strategic interests with the EU. Thus, the most likely target audience is domestic, as are the considerations guiding this behaviour. Diplomatic postings are considerably shorter than the processes building strategic trust and cooperation, and so it remains possible yet to rescue EU-China relations from the downward trajectory currently observed in US-China relations.

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