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China's challenging year in Europe

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In a toughening geopolitical context, with much hanging also on the transition in the US, the months and years to come will certainly be difficult for China-Europe relations – just as this year has undoubtedly been.

Both China and the European Union enjoy anniversary years, and 2020, marking the 45th anniversary of their diplomatic relations, was meant to be a special one. From early 2019, Chinese government think-tanks and media started publishing lengthy reports¹ on the state of the EU and its members, praising a flourishing bilateral relationship and calling for further steps. Chinese analysts were especially keen on stressing that relations with China's largest export market were at their height – quite unlike the Sino-American relationship, which had sunk into acrimony under the Trump administration.

Despite China's apparent enthusiasm, the "year of Sino-European friendship"² has brought more challenges than successes, due to a mix of promise fatigue on the European side (with regard to a better access to the Chinese market for European companies in particular); growing Chinese assertiveness on the international stage; and increasing Chinese propaganda and controversies around the Covid-19 pandemic. In addition, Europeans have started to realize that China is not just an aspiring global power, it has become one. President Xi Jinping's assertion that, "This new era will see China moving closer to center stage and making greater contributions to mankind,"³

¹ Institute of International Studies, Fudan University, China Policies of the EU and its members, 10 avril 2019.

² "Yearender: Closer China-Europe Ties to Inspire Confidence amid Global Economic Uncertainties", Xinhua, 18 December 2019.

³ Xi Jinping, [Opening speech](#), 19th CPC National Congress, 18 October 2017.

has turned into reality. China has in fact already moved to center stage. In a year marked by a global pandemic, however, China's double approach towards the EU and its members has thus far been unsuccessful.

China and the EU: initial steps

Following the enlargement of the EU to 27 members in 2004⁴ China had stepped up its diplomacy towards both EU institutions and individual member-states. First, China increased its presence in Brussels, through its mission to the EU as well as other players such as academics, media representatives, lobbyists. Then, in March 2014, Xi paid a landmark visit to the EU⁵, the first visit by a Chinese head of state to European institutions. Addressing the College of Europe in Bruges⁶, Belgium, he spoke of a "bridge of friendship and cooperation across the Eurasian continent." This was followed by regular visits to Brussels by other officials, including Foreign Minister Wang Yi and Premier Li Keqiang – who, like his predecessor, has attended every annual EU-China summit since taking office.

Although it has always officially declared its full respect⁷ towards EU institutions, China has also established new institutions and initiatives – some of which, directly or indirectly, target Europe. China's initiation in 2012⁸ of a grouping of Eastern and Central European nations called "16+1," which initially included 11 EU member-states, plus China, created tensions with the European Commission⁹ – although the latter became an observer to the annual forum. With the addition last year of Greece¹⁰, the group has now been renamed the "17+1," and meets annually at prime ministerial level.

In 2015, the launch of the Beijing-based Asian Infrastructure Investment Bank (AIIB) illustrated China's enduring ability to divide Europe¹¹, with the United Kingdom leading the way in joining the new bank as a founding member, shortly followed by Germany, France and Italy. Europeans were not able to forge a unified approach on this new Chinese bank – and they also appeared as divisive across the Atlantic, with a senior Obama Administration official in the US accusing London of a "constant accommodation" of China¹². In the end, the episode was seen as a win for Beijing.

Another major issue in the relationship has been the Belt and Road Initiative (BRI), a network of regional infrastructures started in 2013 that was initially aimed at the European continent, but which has now expanded into a global project. Among EU members, fifteen have signed BRI Memoranda of Understanding (MoU) with China. At the second Belt and Road Forum organized in Beijing in April 2019, no less than 12 European heads of State and heads of governments

⁴ [From 6 to 27 members](#), European Commission.

⁵ ["Xi Becomes First Chinese President to Visit EU"](#), *Politico*, 31 March 2014.

⁶ [Xi Jinping's speech to College of Europe](#), Bruges, 1 April 2014.

⁷ "China Hopes for a United, Stable and Prosperous EU: Premier Li Keqiang", Xinhua, 18 April 2017.

⁸ "China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries", Xinhua, 26 April 2012.

⁹ Richard Q. Turcsanyi, ["Growing Tensions between China and the EU Over 16+1 Platform"](#), *The Diplomat*, 29 November 2017.

¹⁰ Horia Ciurtin, "The "16+1" Becomes the "17+1": Greece Joins China's Dwindling Cooperation Framework in Central and Eastern Europe", *China Brief*, Jamestown Foundation, Vol. 19, n° 10, 29 May 2019.

¹¹ Philippe Le Corre, ["Dividing the West: China's New Investment Bank and America's Diplomatic Failure"](#), Brookings, 17 March 2015.

¹² ["US Attacks UK's 'Constant Accommodation' with China"](#), *Financial Times*, 12 March 2015.

attended, including those of Austria, Hungary, Italy, Greece, Portugal, the Czech Republic and Malta. Still, representatives of the European Commission took part without signing the final communiqué, while Germany's minister of economy, Peter Altmaier, clarified the position of larger EU member states: "In the big EU states we have agreed that we don't want to sign any bilateral memorandums but together make necessary arrangements between the greater European Economic Area and the economic area of Greater China," he said¹³.

Although China has pushed for more European support for BRI, EU institutions have been less than enthusiastic. It should also be noted that most Chinese foreign direct investments (FDI)¹⁴ by state-owned enterprises or private companies have been registered in countries that did not officially join the initiative, including the UK, Germany and France.

China has also continued to nurture its long-established bilateral relations with European countries. France and Germany have enjoyed fairly close relations with the People's Republic, the former since the establishment of diplomatic relations in 1964, the latter since 1972. The launch of China's reform and opening policy in 1978 led to ever-tightening economic ties from the 1980s onward. This was especially true in the German case, with corporations such as Volkswagen or Siemens committing long-term investments to China. German technology and automobiles have been popular in China for several decades, which has translated into huge profits for German automakers especially¹⁵.

The German government also built a reputation of sticking to an economic agenda (rather than "interfering in Chinese internal affairs" as Beijing would say), with the vastly unrealistic hope that China would eventually switch to a more open, if not more democratic system. Germany's engagement approach to China, with a focus on trade, is termed "change through trade" (Wandel durch Handel) in German. Although this concept has come under increasing criticism, top politicians in Germany, including Peter Altmaier, Germany's economic minister, have to date defended this approach¹⁶.

As for France, President Charles de Gaulle's early gesture of recognizing the People's Republic in 1964¹⁷ rapidly helped his country's standing in the PRC, and allowed for large industrial deals to develop in areas such as energy, water utilities and transport. Both among the five permanent members (P5) of the UN Security Council, China and France have also held regular discussions on global issues, including climate and some peace-keeping operations, although these seem to have diminished in recent years¹⁸. But such discussions have in fact been rare for China within the United Nations system. Since 2015, and without much cooperation at all with others (save for Russia), China has managed to become a very influential player at the UN. The Chinese-Russian tactical alignment in the U.N. Security Council challenges protection of human rights and humanitarian access, demonstrated in July 2020 when China and Russia vetoed two resolutions regarding Syria and both blocked the appointment of a French national as special envoy for Sudan.

In another category of bilateral relationship with China are those EU countries that have been recipients of fairly large Chinese FDI in areas such as energy, port infrastructure, finance and

¹³ ["Europe Wants to Deal with China as a Group: German Minister"](#), Reuters, 26 April 2019.

¹⁴ [China Global Investment Tracker](#), American Enterprise Institute.

¹⁵ ["Luxury Vehicles, Booming Sales in China Boost BMW Profits"](#), Associated Press, 4 November 2020.

¹⁶ ["Peter Altmaier Defends Berlin's Muted Response to China's Crackdown in Hong Kong"](#), *Politico*, 15 July 2020.

¹⁷ ["De Gaulle Sets up Tie to Red China"](#), *New York Times*, 28 January 1964.

¹⁸ [France-China bilateral relations](#), French Ministry of Europe and Foreign Affairs.

transport. These include Greece and Portugal, both in southern Europe. Finally, there are those Eastern and Central European countries, formerly members of the socialist block, that China often regards as “old friends” (老朋友). These countries, including Hungary, Romania and Bulgaria, belong in a category of their own – and many have been grouped by China in the aforementioned “17+1.”

New challenges

Despite this recent past of deepening ties, the last six months have been anything but smooth in China-EU relations. Following the European Commission’s release in March 2019 of its joint communication, “EU-China – a strategic outlook,”¹⁹ which included a blunt yet realistic assessment of its relationship with China as “a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership and a systemic rival promoting alternative models of governance.”

In March 2020, as the Covid-19 epidemic spread to Europe, Brussels set new guidelines and temporary rules on financial take-over by non-EU actors²⁰, responding to the need for “a strong EU-wide approach to foreign investment screening in a time of public health crisis and related economic vulnerability.” While no country was singled out in these measures, it was no secret that they were largely directed at China²¹. In April, the EU followed by issuing further specifics concerning FDI to member states, publishing a White Paper on state aid that was to be reviewed and debated by members this fall²². The White Paper, which proposed three new review mechanisms²³, was a direct response to Action 8 of the European Commission’s 2019 joint communication, which urged the EU to “fully address the distortive effects of foreign state ownership and state financing in the internal market.”

These actions in Europe might have led Beijing to conclude that it could no longer take the soft European position for granted. But there is no evidence that the Chinese Communist Party (CCP) in any way adjusted its efforts to match this new situation. On the contrary, diplomats at China’s Ministry of Foreign Affairs (MFA) have apparently been empowered by the party leadership to be far more outspoken, a trend already described by some as “wolf warrior diplomacy”²⁴. Among them is Foreign Ministry spokesman and active Twitter activist Zhao Lijian, who insinuated that Covid-19 did not originate in China²⁵ and retweeted propaganda video ostensibly showing Europeans praising the efforts of Chinese medical teams.

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¹⁹ European Commission, [EU-China Strategic Outlook](#), April 2019.

²⁰ European Commission, [Commission issues guidelines to protect critical European assets and technology in current crisis](#), 25 March 2020.

²¹ “[China is Bargain Hunting – and Western Security is at Risk](#)”, *Foreign Policy*, 15 April 2020.

²² European Parliament, [White Paper on levelling the playing field as regards foreign subsidies](#), June 2020.

²³ “[European Commission Publishes White Paper Suggesting New EU Filing Obligations for Companies that have Received Non-EU Subsidies](#)”, *Baker McKenzie*, 19 June 2020.

²⁴ Chen Dingding, Hu Junyang, “[Is China Really Embracing Wolf Warrior Diplomacy?](#)”, *The Diplomat*, 9 September 2020.

²⁵ “[Allegations of Doctored Films Fuel Concerns about Beijing Propaganda](#)”, *Financial Times*, 3 May 2020.

The Covid-19 pandemic has certainly been a complicating factor in the EU-China relationship through 2020 – due in no small part to the CCP’s domestically-focused propaganda and nationalist agenda praising its efforts at home, often at the expense of European countries²⁶. As the pandemic spread across Europe beginning in March, the Chinese government not only persisted in its denials that the Chinese city of Wuhan was the origin of the pandemic, but also orchestrated a global propaganda campaign describing how it had swiftly brought the domestic spread of the coronavirus under control²⁷. China also portrayed itself as the leader of a massive international aid operation, rendering much-needed assistance to some seventy countries. These included several EU member states, such as Italy, Austria and Greece, to name just a few. These narratives, meant to build up favorable views of China as a responsible global leader in the face of crisis, were propagated through the official websites of Chinese diplomatic missions²⁸ as well as through accounts on Twitter and other social media.

Whatever the impact of these narratives domestically, they have mostly backfired in European public opinion. According to the most recent global survey from Pew Research²⁹, the opinion Europeans have of China has worsened over the past six months. In the UK, the Netherlands, and Sweden, 2020 marks the second year in a row during which negative views of China have reached historic highs. Similarly, positive views are down in Germany, France, Italy and Spain.

Clearly, though there are rare exceptions, notably Italy (in a modest way), China’s image has broadly suffered in Europe this year, corresponding with the spread of Covid-19 and the global response. This is true whether the issue is China and the EU, or China and its relationship to individual member-states.

Chinese diplomacy at play in Europe

In late August 2020, China’s two top diplomats, Politburo member Yang Jiechi and Foreign Minister Wang Yi, staged a well-choreographed charm offensive to seven European countries³⁰. While Yang, director of the CCP’s Foreign Affairs Office, visited Greece and Spain, Wang paid visits to France, Germany, the Netherlands, Italy and Norway (the last not an EU member). The visits, by officials with different diplomatic weights and styles (though more low-key, Yang, as a top CCP official, is more senior), were meant to smooth the way ahead of the EU-China Summit videoconference on September 14. But the charm offensive left European leaders unconvinced.

The September summit, originally envisioned by German Chancellor Angela Merkel as a crowning event for Germany’s European Council presidency³¹, to be held in Leipzig, was to be a “27+1” meeting between General Secretary Xi and the 27 European heads of state and government. These plans were scuttled by the Covid-19 pandemic, with an announcement in June that the summit would be postponed. In lieu of the original face-to-face event, a virtual summit took place on September 14, with the presence only of Xi, Merkel, European Commission President Ursula von der Leyen and European Council President Charles Michel. The result was underwhelming. On the most important agenda item, the Comprehensive

²⁶ Jasper Jia, “[Stigmatizing Europe](#)”, *Echo Wall*, 2 September 2020.

²⁷ Kathy Gilsinan, “[How China is Planning to Win back the World](#)”, *The Atlantic*, 28 May 2020.

²⁸ “[Outraged French Lawmakers Demand Answers on Fake Chinese Embassy Accusations](#)”, Reuters, 15 April 2020.

²⁹ Laura Silver, Kat Devlin, Christine Huang, “[Unfavorable Views of China Reach Historic Highs in Many Countries](#)”, Pew Research Center, 6 October 2020.

³⁰ Philippe Le Corre, John Ferguson, “[China’s Diplomatic Duo Fails to Engineer Successful Summit in Europe](#)”, *The National Interest*, 21 September 2020.

³¹ “[Leipziger Gipfel in der Schwebel](#)”, *Süddeutsche Zeitung*, 10 May 2020.

Agreement on Investment (CAI)³² – which seeks to open up China’s market and remove discriminatory regulations, generating new investment opportunities for European companies – little progress was achieved. The CAI between China and the EU, which has been under negotiation for seven years, is considered a critical issue by major business organizations such as the EU Chamber of Commerce in China³³ and Business Europe³⁴. Based on the concept of reciprocity and market access, the agreement is also the best leverage Europeans may use towards the PRC.

Following the meeting, Michel noted the EU’s grievances, and stressed that there must be mutual benefit and openness³⁵. “Europe needs to be a player, not a playing field,” he said, adding that the EU “more fairness” and “a more balanced relationship” – which meant also “reciprocity and a level playing field.”

From the point of view of the Chinese, the summit was disappointing considering one of Beijing’s key objectives was to counter the creation of a slowly-building, united transatlantic front on China-related issues following multiple trips to Europe by Secretary of State Mike Pompeo³⁶ and other US officials, including National Security Adviser Robert O’Brien, and his deputy Matthew Pottinger. Long-awaited and underlined by various experts, a transatlantic united front on China is unexpectedly taking shape under the Trump Administration³⁷.

There are high chances that strengthened transatlantic ties under the upcoming Biden Administration will reinforce the dialogue on China between the US and the EU.

Revealingly, the doubts and concerns voiced by EU leaders – topics ranging from forced technology transfers, IP theft and state subsidies, not to mention human right violations in Xinjiang and a controversial national security law in Hong Kong – were not reported in the Chinese media following the trips by Yang and Wang. Instead, coverage by the state-run news agency Xinhua³⁸ lingered on the usual platitudes, reporting that Yang Jiechi had called on European countries to “uphold multilateralism, safeguard the international order and system with the United Nations at its core and the purposes and principles of the UN Charter as its foundation.”

China’s discourse on “multilateralism” seems to be hitting a wall in Europe, which uses a very different definition. Beijing’s aim is to get full international recognition for its actions, without any foreign or supranational interferences in its internal matters, including in the way it is dealing with ethnic minorities or critics. It is trying to obtain approval from as many countries as possible while minimizing those critical countries. One example is its actions at the UN last July when it managed to get the support of 53 countries over its newly-introduced Hong Kong national security law, against 27 countries³⁹. Among them were a fair number of EU members, who see the respect of international law as a crucial matter.

³² European Commission, [EU-China Comprehensive Agreement on Investment](#).

³³ European Chamber, [European Business in China Position Paper 2020-2021](#).

³⁴ Business Europe, [“The EU and China – Addressing the Systemic Challenge”](#).

³⁵ [“‘We won’t be Played’, EU tells China’s Xi”](#), Reuters, 14 September 2020.

³⁶ Stuart Lau, [“Mike Pompeo and Top EU Diplomat to Discuss ‘Increasing Shared Concerns about China’”](#), *South China Morning Post*, 19 September 2020.

³⁷ David Dollar, Philippe Le Corre, [“A United Front for a more Open China”](#), *Wall Street Journal*, 29 December 2016.

³⁸ [“Roundup: Senior Chinese Diplomat says Trip to Asian, European Countries Produces Key Consensus”](#), Xinhua, 6 septembre 2020.

³⁹ Dave Lawler, [“The 53 Countries Supporting China’s Crackdown on Hong Kong”](#), Axios, 3 July 2020.

During and after the late summer Chinese diplomatic trips, European official comments reflected a majority view in favour of defending the EU's rules-based core principles. This was especially the case with regard to the Czech Republic's policy vis a vis Taiwan and the August visit by the Czech Senate's president to the island, utterly denounced by Beijing⁴⁰. At a joint press conference with his Chinese counterpart Wang Yi on September 1st, Germany's Heiko Maas stressed that "Europeans act in close cooperation" and that "we offer our international partners respect, and expect the exact same from them." The same day, a French Foreign Ministry spokesman also weighed in on Tuesday, calling Wang's comments "unacceptable"⁴¹.

Although China had an opportunity to capitalize this fall while the US faced a tough election period (not to mention Covid-19), it seems almost incomprehensible that its diplomacy was unable to grasp the risks and sensitivities of the European context.

Where to go from here?

China's two-fold approach towards the EU and member-states has thus far been unsuccessful. Although top Chinese diplomats managed to secure meetings with the French president, with the Spanish and Dutch prime ministers, and so on – always harping on the theme⁴² of "upholding multilateralism" – there were no concrete outcomes, neither during the visits nor at the leaders' summit that followed.

To the contrary, there are now growing signs that the EU is moving toward a more unified position on China, on both economic matters and crucial political ones, like Hong Kong's new national security law and China's treatment of ethnic minority groups such as Uyghurs, Kazakhs, Tibetans and Mongols. In some EU countries, the weight of public opinion has become a factor feeding certain politicians' discourse on China. For example, members of the Italian parliament hosted representatives⁴³ of the Hong Kong democratic movement in 2019 – despite the signature of a Memorandum of Understanding on the Belt and Road Initiative during President Xi Jinping's state visit to Italy in April 2019. In Prague, where President Xi was given a red-carpet welcome in 2016, the city elected a new Mayor in 2018, Zdeněk Hřib. Alongside other Czech politicians who are critical of China's human rights record, he has since developed a close relationship with Taiwan, and signed a sister-city agreement with its capital Taipei.

The European Parliament has also been very critical. In May 2016, it passed a resolution against granting China a market economy status⁴⁴, stressing that "the five criteria established by the EU to define market economies have not yet been fulfilled". More recently, Members of the European Parliament, including Raphaël Glucksmann in France and Isabel Wiseler-Lima in Portugal, have been vocal on Xinjiang's situation.

Following the September 14 summit, the European Council published a strong statement reaffirming its March 2019 position and stressing "the need to rebalance the economic

⁴⁰ "[Merkel's Top Diplomat Warns China over Taiwan Threats](#)", *Straits Times*, 1 September 2020.

⁴¹ Matthew Karnitschnig, "[German Foreign Minister Warns China against Making Threats \(Sort of\)](#)", *Politico*, 1 September 2020.

⁴² "[Chinese Diplomat Says Upholding Multilateralism Remains International Consensus](#)", CGTN, 6 September 2020.

⁴³ Otto Lanzavecchia, "[Did Someone Say Hong Kong? China's Crackdown Divides Italy](#)", *Formiche*, 3 July 2020.

⁴⁴ European Parliament resolution of 12 May 2016 on [China's market economy status](#).

relationship and achieve reciprocity.”⁴⁵ The statement insisted on trade and investment goals, re-iterating “the goal of finalising, by the end of this year, negotiations for an ambitious EU-China Comprehensive Investment Agreement (CAI) that addresses the current asymmetries in market access, contributes to a level playing field, and establishes meaningful commitments on sustainable development.” It called on China to deliver on previous commitments, addressing market access barriers and industrial subsidies.

Interestingly, the EU also encouraged China “to assume greater responsibility in dealing with global challenges.” It expressed the hope for more “ambitious action” on climate goals, in line with the Paris Agreement. It encouraged multilateral responses to the Covid-19 pandemic, particularly on treatments and vaccines, as well as an independent review of the international health response to Covid-19. Climate change in particular is one area where there are good prospects for cooperation between China and the EU. The EU statement, we should note, followed the announcement by President Xi during his video address to the United Nations that China aims to achieve carbon neutrality before 2060. There are hopes in European policy circles, which the author has heard repeatedly in conversations with European officials, that climate and health will become issues of cooperation with the PRC in the months and years to come.

But behind the continued talk of cooperation, even as European officials are still officially calling for a meeting with Xi Jinping in 2021, their language has become less enthusiastic and more critical. In the same September statement following the virtual summit, for example, the European Council underlined its “serious concerns about the human rights situation in China, including developments in Hong Kong and the treatment of people belonging to minorities.” These days, “impatience” and “frustration” seem to be the operative terms in European relations with China, whether the issue is trade and investment, human rights, scientific cooperation, or more aggressive diplomatic tactics. Even in the area of climate change, where cooperation seems within reach, there is frustration with the way China has exploited fragmentary regulatory environments in the Western Balkans, right in the EU’s backyard, to push through polluting coal projects. There is growing fatigue with China’s promises and rhetoric. “China policy internally is becoming more totalitarian all the time,” Reinhard Bütikofer, the German MEP who chairs the European Parliament’s Delegation for Relations with China, told *Euronews*, “and its policy towards the outside world is becoming more aggressive all of the time.” Bütikofer urged a re-think of EU-China relations: “We tell China, we have had it with their win-win rhetoric.”⁴⁶

These concerns and more might have had a strong hearing at the European Council meeting scheduled for November 16, where the EU’s China policy was to top the agenda. However, the resurgence of Covid-19 in Europe has prompted Chancellor Merkel decided to call the meeting off. This is certainly not good news for those who aim to confront China on the issue of economic reciprocity as well as sensitive issues such as human rights abuses in Xinjiang and Hong Kong.

In a toughening geopolitical context, with much hanging also on the outcome of the US elections, the months and years to come will certainly be challenging for China-Europe

⁴⁵ [European Council conclusions on external relations](#), 1 October 2020.

⁴⁶ Darren McCaffrey, “[What to Expect from the EU’s Special Summit on Foreign Affairs](#)”, *Euronews*, 1 October 2020.

relations – just as this year has undoubtedly been. In areas like health and climate, there are hopes, and perhaps opportunities, for cooperation. But much will depend on the Beijing leadership, which has so far placed its domestic agenda above anything else, failing to hear the growing list of grievances across the continent. The CCP, which last month held its Fifth Plenum of the current party congress, is very much focused on its hundredth anniversary next year, as well as the 20th National Party Congress in 2022 which will include a major reshuffle under Xi’s leadership. Meanwhile, the party continues to capitalize on its domestic handling of the pandemic while pointing out Western “failures.” As for Europeans, the challenge will be to stand strong on their agenda, values and interests, in the face of a China that still considers Washington – no matter who is in the White House – the only leading interlocutor among Western powers. At least, there is now more European unity than ever in the past thirty years.

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