

China and the EU: From Strategic Partner to Systemic Rival

Report (*full version*) by **Allison Carpenter**, written for Euroskop

PANEL I: Eastern Promises: Is China Dividing Europe?

Hosted by the European House, the conference began with a recent quote made by High Representative for Foreign Affairs, Federica Mogherini, from her [statement](#) remembering the June 4, 1989 protests in Tiananmen Square:

“Engagement on human rights with China is, and will remain, a fundamental pillar of the EU-China Comprehensive Strategic Partnership.”

This initial focus on enforcing European values and principles became a core tenant of policy proposals made throughout the day. Ultimately, it was agreed by all panelists that ensuring the European Union (EU) maintains a unified stance towards the People’s Republic of China (PRC) is of paramount importance. The subsequent disagreements between panelists lied in which enforcement policies they believed would effectively bring about these ends. Central to all policies was understanding the PRC’s role in geopolitics. To accomplish this task effectively was a matter of observing not only the country’s current political and economic behavior, but also the historical and cultural contexts that inform Chinese political thought, and the country’s long-term strategic objectives.

Given global events, most notably the accommodating shifts in the EU’s communication tone and style towards the PRC, the focus of the day’s conference was, in effect, to play ‘catch-up.’ Thus, the conference began the process of identifying potential pragmatic long-term solutions to engage with the PRC in the years to come.

Shifting Perspective: Historical and Contemporary Diplomacy with China

In order to identify the insufficiencies of the EU’s current policy towards the PRC, the first panel began by critically assessing the historical interactions between the West and the Chinese. The benefits of this foray into past policy were two-fold; first, it allowed current scholars to more accurately discern the long-term goals of the Chinese Communist Party (CCP). Second, it demonstrated earlier politicians’ mistaken assumptions about the PRC so that future European policy could avoid similar oversights.

Ms. Karásková, who chose to focus on the leading Western perception of the PRC in the past, brought this issue to the fore. “After 1979, the West had largely assumed that the PRC would seek to modernize and receive a stake in the Western world order.” What the West forgot was the country’s explicitly “national interests – namely, to be a dominant hegemony.”

The “PRC was happy to integrate into beneficial institutions, like the WTO,” but in truth, this was “only a staircase [for the Chinese] to eventually ascend and remain on top of, not to remain a subordinate in the current system.” In short, the PRC is seeking, and has always sought to, “fundamentally change the world order.” This has only become more glaringly obvious over time, with “[President Xi Jinping](#) even openly stating that he is determined to put the PRC in a top position.”

Unfortunately, up until now, this ambition has largely gone unchecked. While the United States of America (USA) had been somewhat wary in the past, the country’s “preoccupation with the War on Terror”

has largely subsumed their foreign policy focus. Meanwhile, the PRC has been paying close attention to countries abroad, particularly in the [16 + 1 \(now 17 + 1\)](#) region.

The Chinese have learned to approach “different countries with different carrots and sticks” based on what they perceive that country needs; ultimately, the “PRC understands the central and eastern European regions far better than is currently assumed.” While these states may seem highly diverse, many of the countries on which the PRC has chosen to focus “share one trait in common - a communist legacy.”

Moreover, the PRC has been able to capitalize its influence in these areas due in no small part to the common perception that “while the [EU enlarged in 2003-2004](#), it did not integrate.” Central and Eastern Europe are still seen as a “buffer zone” to Russia by many western EU countries.

This largely explains the formation of Chinese ties with Central and Eastern European economies over the past several years. Because new EU member states were not properly integrated, and the [European Neighborhood Policy](#) is devoted solely to fend off Russia, these countries sought other sources of economic and political cooperation – hence the interest in the PRC.

Today, Ms. Karásková asserted, the Chinese are simply “exploiting an unaddressed, previously existing split.” This, accompanied by the “rise of populism, illiberalism, Euroscepticism, and Russian aggression” has served only to deepen the ties of particular countries with the PRC.

To what extent this increased division within the EU is a goal or side effect of Chinese policy remained a key question for the remainder of the morning.

Divide & Conquer: Is China Strategically Weakening the EU?

For Mr. Matura, the current relationship between the EU and the PRC is best explicated with an astronomical metaphor:

“When two large astral bodies come into close proximity to one another, they create a gravitational force. The smaller of the two bodies tends to heat up and split into smaller bodies over time, and begin to revolve in an orbit around the larger body. Similarly, as economic interaction between the EU and PRC increases, so too does the friction inevitably caused by the interaction of powerful forces.”

However, it is important to note that “the PRC is not doing this on purpose; on the contrary, the Chinese recognize the EU as a valued trading partner.” The PRC’s interest lies in the trade between the two entities being on their terms.

Some national governments in the EU view the PRC as an “alternate social-economic model.” As a result, they are seeking closer relationships with the PRC. While this has naturally sown division within the EU, it is not an indication that the PRC’s intentions are similar to Russia. They are simply “benefitting from a situation that is occurring in their favor, in accordance with the Chinese Communist Party’s (CCP) national interest.” In short, the Chinese government is not seeking to pivotally erode the EU’s existence in the global economy.

To determine what the Chinese are doing, according to Mr. Matura, you need only look to the existence of dance classes for elderly Chinese citizens in Europe to find your answer. While anecdotally amusing, this trend is mimicked in a myriad of different subject areas; in short, “the Chinese are trying to infiltrate and influence Europe at every social level.”

By occupying “socially strategic positions” without anyone realizing it, Mr. Matura argues, the PRC can influence the EU from within its borders – literally change Europe from the inside, and change it

in a way that serves the interests of the PRC. For decades, the West tried to influence the PRC; now the reverse is happening.

However, it is important to remember that, “ultimately, the PRC is focused on competition with the USA.” For the PRC, the EU is going to become a help or hindrance to their goals. By taking proactive measures to influence European society and politics, the Chinese are attempting to shift Europe into an overall favorable role for their national interests.

The Carrot and Stick Method

Agreeing with the contention that the PRC is advantageously using existing divides within the EU, Ms. Poggetti sought to demonstrate that the economic benefits the PRC has enjoyed from the EU in recent years is a result of the “disarray in Europe.” While “ambivalent about European integration, the PRC has strong economic interests in a single European market.” Interested in a “quiet and relatively weak Europe,” Ms. Poggetti sought to stress that the Chinese have a political agenda, and that certain European politicians are being enticed to aid it through the allure of Chinese markets.

Despite these problematic intentions, Ms. Poggetti believes that there is still time for the EU to undo the progress that the PRC has made in “weaker economies” within the European market. While today the PRC is able to use carrots and sticks to receive favorable economic arrangements, it is still the case that “the Central and Eastern states with which the PRC is most integrated still do the vast majority of their business within the EU.”

Moreover, states who have economic arrangements with the PRC have “not always seen the Chinese promises of investment materialize.” The true threat to the EU’s unity is instances where “individual countries have begun to use their relationship with the PRC as a bargaining chip against Brussels,” and to sell nationalistic agendas domestically. In short, there is a “relatively small, but vocal group of political elites who are the driving mechanism” behind the PRC’s real and perceived intrusion into the EU’s economy.

The Role of the Media

For Ms. Karásková, this intrusion is most apparent in the Chinese dedicating most of their economic resources towards “making and changing their image abroad.” There have been multiple instances in which the PRC purchased a European media outlet because it disliked their coverage. This has correlated with an “increase in positive coverage of the PRC within the EU” over time.

The PRC has invested in the media so that it may influence European policy with minimal resistance in the future. While its earliest attempts at media influence may have been notably obvious and “clumsy,” the Chinese are learning fast, and have begun making more sophisticated inroads into European political and economic thought.

In the analysis of Chinese ambition for positive perception, Ms. Poggetti agrees that it is a focus of the PRC. However, she further asserted that “the EU must not depend on [the PRC having to contend with] a steep learning curve.” The “mere attempt of the Chinese to influence EU policy sufficiently warrants a European response.”

What the European response might look like, however, has remained unclear up to this point. To combat this influence, the EU must first look to remedy the divides that the Chinese are currently able to exploit. How to create and enforce a truly European policy towards the PRC thus came to the forefront of discussion.

Future Steps: Unifying Future European Policy towards China

So, what can the EU do to combat this situation? Before anything else, Mr. Matura asserted, “the EU must do its homework.” Right now, we “overestimate both the EU’s strength and the PRC’s diplomatic capabilities.” Understanding our own strengths and weaknesses, and how we can best grapple with the Chinese’s long term strategy for EU relations, is the best next step Europe can take in order to prevent a disadvantageous relationship with the PRC in the future.

Ms. Karásková asserted that this process must begin with a “sober analysis of what current policies work, and which do not.” First, the EU as a whole must begin to repair the rift that has existed between the old countries of the EU and the new ones since their accession.

For Ms. Poggetti, it is no coincidence that the concrete actions that the EU have begun to implement are internally focused. By fortifying strong institutions and creating more permanent and indivisible ties within the EU, member states can repel foreign encroachment on relations within the EU states. In short, the EU must strengthen and unify its own policies before it can reasonably hope to combat the encroachment of the Chinese.

Audience Questions:

- ❖ *Is it possible there will be a public opinion backlash against the PRC in coming years? What benefits do EU governments that are cooperating with China think they are receiving from PRC relations? Should the EU abandon the ‘moral high-ground?’*

Ivana Karásková: In regards to the EU’s policy towards the PRC, it is imperative that the EU begin to operate in a geopolitical mindset. However, that does not necessarily exclude the ability of the EU to uniformly support policies contingent upon ethical values, particularly in regards to human rights abuses in the PRC.

Lucrezia Poggetti: As for why individual countries feel they are benefitting from closer relations with the PRC at the expense of their relationship with the EU, the reasons vary depending on the particular context of the state in question. However, it can generally be assumed that the reason is either economic greed, domestic political ambition, the need for a bargaining chip against the EU, or some combination therein. This is a particular problem from the European perspective because the EU needs to maintain a unified bargaining position in order to remain a strong political force.

- ❖ *Why has the 17+1 strategy been ineffective thus far?*

Tamás Matura: Simple; the 17 + 1 strategy focuses on countries, but it is individual people who enact policy. Right now, there is insufficient political will to enforce this strategy within the EU.

Ivana Karásková: However, there is hope. It is only a small number of politicians who are actively pursuing a pro-PRC agenda.

- ❖ *Is the EU ‘asleep at the wheel’? What exactly is the EU’s strategy outlook, and why is it so recent in its formation?*

Lucrezia Poggetti: While this description might be an accurate portrayal of the EU in the past, it is not an accurate portrayal of the EU’s far more assertive stance today. Now the EU must remain resolved and continue the stronger rhetoric finally in use by EU officials. Encouragingly, the EU has finally come to

understand that the PRC does not want to be a new Western power, and the concrete actions, which the EU plans to enact, reflect this shift in perception.

Right now, the EU needs to focus on raising awareness about the PRC's agenda through the regular dispersal of accurate and up to date information, and ensure that policy within EU institutions is free of language that is sympathetic to Chinese political and economic interests. This internal policy also needs to be implemented internationally within NATO countries, as well as between the EU and USA.

❖ *To what extent can the PRC's "divide and conquer" strategy be seen in the breakdown of transatlantic diplomacy between the US and EU?*

Lucrezia Poggetti: Since President Trump's election in 2016, the PRC has been able to benefit in some ways due to some divergence in the political priorities of the USA and the EU. However, this relationship remains politically and economically strong, despite the media's sensationalized portrayal of the breakdown of transatlantic relations.

Ivana Karásková: That being said, the continued criticism of EU policies by the US Congress serves only to enflame the issue, and the greed of various EU politicians is serving to divide the two Western powers.

Tamás Matura: The PRC also began to implement more social control over its citizenry in 2016, causing concern independent of US and EU policies. This is most evident in that Chinese diplomats can no longer discuss politics with EU diplomats alone; in short, the CCP is beginning to spy on and mistrust its own citizens. This has served to worsen diplomatic relations, as the West has grown increasingly concerned about incidentally endangering Chinese officials during diplomatic interactions.

PANEL I SPEAKERS:

Chair: **Václav Kopecký**, Association for International Affairs, Czech Republic

Panelists:

Ivana Karásková, Association for International Affairs, Czech Republic

Tamás Matura, Corvinus University, Hungary

Lucrezia Poggetti, Mercator Institute for China Studies, Germany