

THE MEANING OF SYSTEMIC RIVALRY: EUROPE AND CHINA BEYOND THE PANDEMIC

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SUMMARY

- Beijing's handling of the pandemic has changed long-standing European assumptions about its reliability as a crisis actor and its approach to the European project.
- Europe's immediate medical-supply needs and dire economic situation will limit the scope of shifts in its China policy – for now.
- But, on issues ranging from supply chains to ideological competition, European governments have rebalanced their view of what dynamics with China should look like in the aftermath.
- The crisis is also intensifying demands from European parliaments, media outlets, and citizens for Europe to put its China policy on a more open, accountable, and values-based footing.
- Governments' pursuit of a "business as usual" approach to Beijing is growing harder to sustain.

Introduction

Europe is in the nascent stages of a new debate about China. Last year, the European Union published a strategic outlook paper in which it labelled China as a “systemic rival”, reflecting a sharp change in its balance of assumptions about the Sino-European relationship. The pandemic is tilting that balance further. This is certainly not happening out of preference: European policymakers would rather address the urgent health and economic challenges they face with geopolitical competition largely suspended. Pragmatic cooperation with Beijing to secure essential medical supplies remains at the top of the bilateral agenda for a number of European countries, while the need to revive shell-shocked economies will drive many of their decisions in the months ahead. But, even in the midst of the crisis, China’s attempts to exploit political and economic vulnerabilities in Europe have necessitated pushback – be it against disinformation campaigns or attempts to target strategically important economic assets.

More important, however, will be Europe’s efforts to take stock of the relationship with China in the aftermath of the crisis. A decade ago, the modest but helpful Chinese role in Europe’s sovereign debt crisis bought Beijing goodwill with leaders across the continent, influencing their China policies to this day. The current crisis is likely to have the opposite effect. Deliberations in Europe about long-term issues ranging from supply chain diversification to telecoms security will take place in an atmosphere of intensified distrust of the Chinese government, as well as greater clarity about the nature of the actor China is becoming under Xi Jinping’s leadership.

The behaviour of the Chinese party-state during the crucial early weeks of the outbreak in Wuhan, and the exposure of Europe’s dependency on China for critical supplies, would have been grounds enough for a reassessment of their relationship. The manner in which Beijing has handled one of the most acute tests faced in recent times by European governments – and by the European project itself – guarantees that there will be a political reckoning.

Grazie, Cina

In the early stages of the crisis, the theatrics of Chinese “mask diplomacy” beguiled some outside observers into believing that Beijing was scoring a series of soft power victories in Europe. Praise and airport welcome parties for Chinese aid organised by the likes of the Serbian president, [Aleksandar Vucic](#), and the Italian foreign minister, Luigi Di Maio, were widely [cited](#) as examples of a power shift in China’s favour. There was little justification for this even at the time. In each case, politicians with already-friendly ties to the Chinese government sought to use its provision of medical supplies to validate those linkages and to shame their European partners into doing more to help. There is little question that the lack of intra-European solidarity in those initial days – seen in everything from border closures to export restrictions – created genuine problems for the worst-affected countries. But Beijing’s willingness to embrace and magnify those divisions at such a sensitive juncture has brought about a backlash from the governments and institutions on the receiving end of its political manoeuvres.

China’s use of divisive tactics in Europe is far from new. China’s “17+1” meetings with central and eastern European states, and its efforts to push European countries to block joint statements on the South China Sea or human rights issues, are familiar (if often over-egged) examples of this. European politicians have, at times, been irritated enough to demand – with a nod to Taiwan – that China should follow a “[one Europe](#)” policy. Long before the pandemic, the EU and its largest member states were also ramping up their efforts to deal with Chinese information operations, which had become a growing source of concern.

But Beijing benefited from the contrast that many Europeans drew between China and Russia. In this view, whereas Russia was actively hostile to the EU, China only sought to stymie European unity on a set of narrowly Sinocentric issues; whereas Russia thrived on chaos, China could be relied on as a status quo actor during crises; and whereas Russia pumped out disinformation, targeted European citizens, and sought to bring populists to power, China focused on positive image management and behind-the-scenes elite capture.

This was no idle distinction. The views of many European leaders were deeply

affected by the last economic meltdown on the continent. Beijing's handling of the period from the 2008 collapse of US investment bank Lehman Brothers to the debt market panics that began to roil southern Europe in 2010 was widely seen as practical, discreet, and constructive. A contribution to the European Financial Stability Facility and a few reassuring public statements and bond purchases at delicate moments hardly made China the eurozone's saviour. But – when coupled with China's massive stimulus as the global economy crashed, and its unwillingness to go along with Russia's [reported proposal](#) to dump holdings in US government-sponsored mortgage companies – it left a lasting impression on European leaders. Though China may erode the liberal, democratic, and market-based elements of the international order in ordinary times, it seemed driven by self-interest to hold things together when the system itself – which included the EU – came under threat.

This was put to the test repeatedly in Europe during the Xi era too. Beijing took a [clear public position](#) against a Brexit that Russia eagerly encouraged. There was no gleeful Chinese exploitation of the refugee crisis. And China undertook [excruciatingly contorted](#) attempts to remain neutral on Russia's annexation of Crimea. In each instance, Beijing certainly made the most of the aftermath – from purchasing ports and energy concerns in Portugal and Greece to tightening its relationship with Moscow – but was, at best, a part-beneficiary of the turmoil rather than a catalyst for it.

Partner, competitor, rival

This perception of China as a revisionist power, but not an actively destructive one, has long conditioned European policy. In recent years, Europe has generally [toughened](#) its approach to China – for many of the same reasons that the United States has. These include deepening authoritarianism under Xi; the abandonment of hopes for meaningful economic reform in China; a comprehensive reassertion of the role of the Chinese Communist Party throughout societal and economic life; the externalisation of the Chinese government's most problematic political and economic practices through the Belt and Road Initiative (BRI); and the acceleration of Beijing's techno-nationalist agenda through the Made in China 2025 strategy

and China Standards 2035 plans.

In the last couple of years, European policymakers have taken steps to end their countries' long period of asymmetric openness to China. A suite of new defensive instruments in areas ranging from investment screening and trade enforcement to procurement reciprocity are either in place or in development. The EU's [industrial](#), [connectivity](#), and [digital](#) strategies are infused with the perceived need to compete with China more effectively. Shifts to EU export control policies and plans for a [European equivalent](#) of the US Global Magnitsky Act are closely informed by the mass incarcerations and surveillance methods the Chinese government employs in Xinjiang.

Yet, for all that, there has still been a high degree of restraint on the part of European political leaders – and not only because of the need to maintain the smooth functioning of one of their countries' largest economic relationships. Many of them expected competition, and even rivalry, with China to proceed under a cloak of civility. Neither side would stick the knife in at politically inopportune moments. Cooperation would continue wherever possible. And, if the sides faced a mutually threatening crisis, channels for close coordination between them would operate smoothly.

This has become all the more important given the precipitous slide in the transatlantic relationship during the Trump presidency. In a number of areas, the US and Europe have [quietly intensified](#) their cooperation on China-related issues – be it investment restrictions, industrial subsidies, or the mobilisation of infrastructure finance to compete with the BRI. But this has been overshadowed by the array of shocks Europe has faced: the Trump administration's imposition of national-security tariffs on European goods, efforts to paralyse the dispute settlement mechanism of the World Trade Organisation (WTO), and withdrawal from the Paris Climate Accord and the Iran nuclear agreement. Doubts about Washington's commitment to mutual defence under NATO's Article 5, and a litany of lower-profile issues, have only heightened Europe's uncertainty about the transatlantic relationship and the functioning of the multilateral system. As a result, many European leaders have been reluctant to simultaneously assume greater risk in their relationships with China.

Nowhere has this been clearer than in European governments' painful – and almost certainly fruitless – efforts to placate both Washington and Beijing in their decisions on Huawei's role in domestic 5G networks. Concerns about the security, privacy, and long-term economic risks of allowing Chinese suppliers to dominate Europe's future communications networks have led to political revolts from [London](#) to [Berlin](#). Yet both the British and German governments have desperately sought to hold the line even against their own parliaments' preference for European equipment makers. Intense lobbying, [economic threats](#), and outright disinformation campaigns from the Chinese government, from Huawei, and from European telecoms operators that benefit from China's subsidies have had the most telling effect on such decisions. But European governments' deep-seated unwillingness to risk a sharp decline in relations with Beijing, which made the issue a litmus test, has also played its part – particularly for the leader who has done most to shape the dynamics of European ties with China in the last decade, German Chancellor Angela Merkel.

Whistleblowers and wolf warriors

As European policymakers decided how to handle the darkest days of the coronavirus outbreak in China, there was no suggestion that they would gloat over, or politicise, the situation. Indeed, Europe rushed to help. As the virus ravaged Wuhan, the EU provided [nearly 60 tonnes](#) of medical material to China, often from national strategic stockpiles, and did so discreetly – at Beijing's request. Given the explosion of criticism inside the country over the cover-up of the crucial early stages of the virus's transmission, the [quasi-martyrdom](#) of whistleblower doctor Li Wenliang, and Xi's [temporary disappearing act](#), European leaders were well aware that this was a moment of extreme domestic sensitivity for the Chinese Communist Party. European leaders would save recriminations about the party-state's culpability for a later date. This would be an example of the quiet cooperation-when-it-mattered that was supposed to characterise the Sino-European relationship. "They will remember it when the time comes," French President Emmanuel Macron [reportedly](#) told his aides.

But, just weeks later, Europe was subjected to a Chinese propaganda and disinformation barrage that shows no signs of letting up. The performative nature

of China's provision of medical supplies alone would have grated on European leaders, as would its crude linkages to points of controversy – from Huawei's role as one of the [public vehicles](#) for the supply of face masks to the soaring videos of medical deliveries travelling [along BRI rail routes](#).

Beijing's refusal to recognise that Europe had provided prodigious levels of support to China also went down poorly with political leaders in Berlin, Paris, and Brussels, who started pointing to this assistance. Many of the Chinese supplies proved to be [faulty](#). Most of them were European purchases rather than the donations Beijing presented them as. Yet Europe could have, in the most generous of interpretations, attributed all this to ineptitude and churlishness on Beijing's part rather than malign intent.

It quickly became clear, however, that Chinese officials and propaganda outlets were going beyond clumsy and graceless efforts to showcase their "assistance". There was nothing accidental about Beijing's willingness to play along with European populist leaders, who used the crisis as an opportunity to attack the EU and other European governments. It formed part of an active campaign that involved coordinated anti-EU messages from [Chinese bots](#) on social media; Chinese state-controlled outlets' promotion of conspiracy theories that the virus originated in the US or [Italy](#); articles by a Chinese diplomat in France claiming that care workers in French nursing homes had left residents to die, and that Westerners were "[beginning to lose confidence in liberal democracy](#)"; and a People's Liberation Army colonel's [claims](#) that European solidarity would not return, the EU would not last, and that a European turn towards China was, therefore, inevitable.

China's attacks on the US were to be expected, given the geopolitical tension between the countries. But Beijing also appeared to have decided to instrumentalise Europe, at a moment of deep internal strain, in a broad information battle over the supposed inadequacies of Western democracy. It was not enough to argue that the Chinese Communist Party had succeeded; others had to be seen to fail.

It was also evident that, far from giving European governments or the EU breathing room during the crisis, Beijing would make a concerted effort to take

advantage of their situation. The Hungarian government [rushed through](#) the highly contentious Belgrade–Budapest railway deal – financed by the Export–Import Bank of China – with the details classified for a decade under emergency legislation it had enacted in response to the pandemic. A Chinese state-owned venture fund [sought to seize control](#) of the United Kingdom’s major graphics-chip maker, Imagination Technologies, necessitating an emergency intervention by the British government. Huawei and its advocates among European telecoms providers have [publicly argued](#) that the crisis creates an even greater need to accelerate the deployment of 5G; the likes of Deutsche Telekom even [pushed ahead](#) with network upgrades that use Huawei equipment. Beijing’s use of the crisis as a cover is a familiar story elsewhere too – be it in mass arrests of leading pro-democracy figures in Hong Kong or the [escalation of military incidents](#) in the South China Sea.

Beijing has also explicitly linked its political interests to countries’ economic and health needs. In March, a Chinese state media outlet suggested that the US government’s treatment of Huawei [could affect](#) its access to face masks. One might write this off as a rogue voice. It is harder to dismiss a Chinese ambassador’s [open warnings](#) that Australian demands for an enquiry into the origins of the virus could result in economic retaliation. Then it was Europe’s turn. After the Netherlands changed the name of the Dutch representational office in Taiwan, Chinese state media outlets contended that Beijing might react by [suspending essential medical supplies](#).

The battle of narratives

In the very short term, European officials have scrambled to respond. The EU’s top diplomat, Josep Borrell, denounced China’s “aggressive” tactics and abuse of the [“politics of generosity”](#). France summoned the Chinese ambassador [amid outrage](#) among French lawmakers about the articles published by his embassy. European officials and politicians have pushed back in critical briefings about China’s behaviour and promotional material about the greater scale of EU support for countries such as Italy. There is a newfound willingness in Europe to call out Chinese information operations. A contentious EU report that did exactly this was subjected to intense diplomatic pressure from Beijing in advance of publication. While much of the press reporting was absorbed with claims that it had been

watered down, the report nonetheless **starkly laid out** China’s “conspiracy narratives and disinformation”, “covert Chinese operations on social media”, and “the coordinated push by ... Chinese sources ... to deflect any blame for the outbreak of the pandemic”.

European policymakers have also moved to address China’s attempts to snap up assets on the cheap. Within days of each other, the **EU trade commissioner** and the **NATO secretary-general** warned governments to exercise extra vigilance in dealing with efforts to acquire infrastructure and sensitive technologies, while the EU’s competition chief suggested that governments should consider **taking stakes** in strategically important companies. Germany, France, Italy, and Spain have all announced new protective measures. Sweden, which did not have an investment review process in place, has moved ahead with plans for an emergency stop-gap. Pressure is building on previously settled 5G decisions. There are **already indications** that the UK will have to revisit its plan to allow Huawei a limited role in its 5G networks, following a backlash from members of parliament. The British foreign secretary has warned that Beijing should not expect “business as usual” after the crisis, while some MPs have established a grouping to push for a **more comprehensive reassessment** of the UK’s approach to China.

All of this is taking place during a period when governments are otherwise overwhelmed by the need to deal with the pandemic. Many of them are also facilitating the flow of vital medical supplies from China. No European country wants to make dramatic short-term moves that might damage its prospects for economic recovery. Moreover, China has not taken a hardline approach to all European countries – some of which have been spared the attacks, if not the propaganda. But Beijing has shown a particular talent for targeting the states and institutions that are most influential in shaping not just the EU’s China policy but its wider strategic agenda. Accordingly, the debate over the broader shape of the future relationship with China is now well under way.

Don’t call it decoupling

Some of the considerations in these debates reflect immediate reactions to the pandemic. From Sweden to Germany, European governments have been among those calling for transparency about the origins of the virus, amid continued

obfuscation by Beijing. Given that China remains a hot zone for emerging diseases, they regard this approach as an essential element in the Chinese government's responsibility for dealing with future such crises – and not just as a finger-pointing exercise. Dependence on China for various critical supplies also looks far riskier than it did just months ago. This goes well beyond the question of future stockpiling for medical needs. As China's factories shut down and the flow of essential products came to a halt, the crisis exposed just how reliant [European supply chains](#) had become on production facilities in the country.

One prominent conservative German business figure, Mathias Döpfner, has [called](#) for “forceful decoupling” from China. The French finance minister, Bruno Le Maire, has [argued](#) that “we have to decrease our dependence on a couple of large powers, in particular China, for the supply of certain products” and “strengthen our sovereignty in strategic value chains”, such as those of the automotive, aerospace, and pharmaceutical industries. But the buzzword that has emerged among European officials is “[diversification](#)”.

While there may be select areas in which the repatriation of production facilities makes sense, no one thinks that European autarky is plausible or even that countries in close geographic proximity to Europe alone can serve as substitutes for China. Yet an obvious European priority is to rebalance away from excessive dependence on a single supplier, particularly when doubts about that supplier's transparency, reliability, and attitude towards weaponising its position have become so pronounced. Some European companies were already rebalancing away from China as the result of rising costs, escalating tariff pressure, and growing restrictions on the transfer of components and intellectual property. Moving further and faster will almost certainly require support. Tokyo has [allocated \\$2.2 billion](#) of its coronavirus stimulus package to helping Japanese manufacturers shift production away from China, while the US is [exploring](#) tax incentives and subsidies to reduce its companies' reliance on Chinese sourcing and manufacturing.

Yet it is no easy undertaking. Some of the obvious alternatives – such as Vietnam, with which the EU has signed an extensive free-trade agreement – face capacity constraints ranging from land pricing and logistics to the availability of trained workers. If European firms are to avoid bidding wars amid similar pushes from Tokyo and Washington, it will not be enough to just scramble to relocate

production to the familiar “China plus one” locations. From Africa to the Western Balkans, European governments will need to coordinate their strategies for building more resilient supply chains with like-minded partners, as well as making serious resource commitments to build the capacity outside China that will be required.

This will be all the more challenging amid a debt crisis that is already affecting much of the developing world. The influx of BRI financing in recent years already [had a detrimental effect](#) on many European companies’ operations in developing countries’ markets, as they began to suffer from precisely the same difficulties with subsidies, corruption, political favours, and closed procurement arrangements they used to wrestle with in China.

The pandemic will magnify these problems. Beijing is [under pressure](#) to reach a comprehensive deal for debt rescheduling and cancellation that goes beyond its unenthusiastic acquiescence to the G20’s temporary suspension of debt payments. But, even if China eventually agrees to join a bigger debt relief package, it will also use whatever leverage it has over the issue in separate bilateral negotiations. Indeed, in recent weeks, Beijing has sometimes [demanded collateral](#) in return for debt deferral.

Yet China’s acquisition of, for instance, Zambian copper mines is likely to be of less salience than its capacity to use countries’ position as *demandeurs* to extract concessions on issues of longer-term strategic value, such as the consolidation of its position as the builder of the developing world’s digital infrastructure. Chinese surveillance and cloud services companies are [now rolling out](#) tracing tools and other health apps that would neatly pair with existing “safe city” monitoring capabilities and wider telecoms packages. When developing countries are in dire economic straits, negotiating new financing arrangements with Beijing, and in urgent need of technologically enabled mechanisms to deal with the pandemic, they will find it harder than ever to say no to China’s technology offers.

The EU was on the back foot in this regard even before the pandemic. It had laid out an ambitious “connectivity” agenda in the final year of the previous European Commission, putting forward plans to mobilise hundreds of billions of dollars of new infrastructure financing, launching new diplomatic efforts to back it up, and

signing infrastructure partnerships with countries such as [Japan](#). But the new Commission had not yet devoted serious resources or top-level political energy to the initiative. This looked like an oversight even before the crisis began. It was going to be hard to implement Europe's green agenda while China was rolling out coal-fired power stations across the developing world; to implement Europe's digital agenda while developing countries were increasingly adopting Chinese internet, surveillance, and telecoms standards; or to pursue Europe's industrial strategy while major European companies were being squeezed out of emerging markets by their Chinese competitors.

The pandemic adds to this the need to build more diverse supply chains, and to find drivers of growth that do not further deepen dependence on the Chinese market, in what is now an increasingly challenging landscape across the developing world. Advocates of enhanced European connectivity efforts have already [set out plans](#) for why these measures should now occupy a far more prominent place in the EU's global strategy.

It is not only developing world debts that Europe needs to worry about. These trends will also affect the situation far closer to home. Toughened investment screening mechanisms will have little purchase if the European countries hardest hit by the crisis struggle to mobilise sufficient resources or, later, face premature pressure for debt consolidation.

The political climate has changed considerably since the last Chinese infrastructure spending spree in Europe, both in the EU's wariness and in [China's caution](#) about throwing its money around. But the temptation for cash-strapped European governments to turn to outside sources such as China was evident even before the crisis – and there are still a number of choice acquisitions that Beijing would make if the conditions were right. The battles that are currently raging over the eurozone's economic response will, therefore, have important ramifications for the permissiveness of the environment that China is likely to face. And northern European countries should be aware of the risks of pushing their neighbours into a corner.

The last of the multilateralists

Europe also confronts a new balance of opportunities and risks in dealing with China in multilateral institutions. Regardless of the rights or wrongs of the behaviour of the World Health Organisation (WHO), trust in the integrity and independence of multilateral bodies has undoubtedly taken a hit. This bolsters European arguments about the potential consequences of the US ceding these institutions to China – be it by withdrawing from them, failing to reach compromises with its allies over candidates for key slots, or devoting too little attention to coalition-building work among their memberships. It should be easier, as a result, to avoid the kind of [fiasco](#) that played out at the United Nations' Food and Agriculture Organisation last year, in which US unwillingness to back the only credible European contender for the top job allowed the Chinese candidate to win out.

The US approach to competition within multilateral bodies was [already shifting](#) before the crisis began. Washington [successfully](#) took on the diplomatic heavy-lifting in a similar contest that played out at the World Intellectual Property Organisation earlier this year. Now, in areas ranging from food security to civil aviation to artificial intelligence standards, European officials will see their battles in these institutions gain even greater political salience.

Yet, as US threats to defund the WHO have demonstrated, Europe will also have to deal with the argument that many global organisations are being so hollowed out by China that, in the long term, the only viable course is to build plurilateral alternatives among like-minded partners. Europeans have grown used to this parallel set of dynamics in the trade realm, where the EU's unshaken commitment to maintaining the functioning of the WTO has not prevented it from embarking on a comprehensive push for bilateral free-trade agreements. But, even after the failure of the Doha round, it was a major wrench for the EU to adopt this parallel approach.

The question is whether the pandemic will act as the catalyst for a more comprehensive rethink: even as Europe steps up its fight for multilateral organisations to do their job effectively, there will also be pressure for it to build

trusted, values-based alternatives to prepare for situations in which these institutions no longer function as intended.

Core interests

While many of the questions Europe is wrestling with involve a wider assessment of China's impact on the strategic landscape, others relate to the core of the bilateral relationship. In principle, before the crisis, the EU still aimed to strengthen its economic ties with China, so long as it could make them fairer and more reciprocal. This, ideally, meant greater investment in China, a larger economic presence in the country, and increased bilateral trade.

Some European policymakers perceived the new instruments the EU was lining up in areas ranging from procurement to antitrust as regrettable but temporary means to show Beijing that Europe could wield a stick when it had to. Few expected these measures to bring about truly far-reaching changes in Chinese economic policies, but persuading China to tangibly improve market access for European companies has remained virtually the primary goal of European negotiations. Even now, while the chances of reaching a deal have already diminished, the EU-China Comprehensive Agreement on Investment is supposed to remain at the centre of the two sides' agenda for the rest of the year – and was once intended to be the main deliverable for the leaders' summit in Leipzig, which is increasingly unlikely to happen.

Europe should now re-evaluate this approach. Given the impetus towards greater diversification and even a degree of carefully managed disengagement from China, it is unclear why the EU should continue to expend so much effort, and most of its leverage, on trying to secure concessions that may now prove, in many cases, to be liabilities. Deeper economic integration with China may be a long-term aspiration, if the conditions are right, and the Chinese market remains important to European companies. But continuing on the current trajectory with no serious reassessment of the new economic landscape that is emerging from the pandemic should not be the short-term priority.

Political issues involve even trickier choices. While the EU has considerably sharpened elements of its economic competition with China, its approach to

values-based questions has been far more tentative. Yet, given Beijing's increasingly unabashed propensity to act as what the EU calls a “systemic rival promoting alternative models of governance” – including at the expense of the bloc itself – European leaders' delicate rhetorical dance over issues such as Hong Kong, Xinjiang, Taiwan, and human rights no longer makes sense.

Without drifting into confrontation for its own sake, the EU and member state governments could start shucking off some of their inhibitions about the language and positions they take on topics ranging from Taiwan's international status to Hong Kong's democracy. The EU's [highly publicised](#) gratitude towards Taiwan for its provision of medical supplies during the crisis provided a modest taster of what this approach might look like. Strong European support for Taipei's participation in multilateral bodies that are essential to global health and security would give this a practical form.

A less contorted approach to values issues would be in keeping with the growing interest of European citizens, parliaments, and media outlets in China questions that governments traditionally handled behind closed doors. The 5G debate – which touches on so many politically sensitive issues for European voters – had already made the old model hard to sustain, as governments found it almost embarrassingly difficult to mount credible defences of their decisions. The trade-offs they made – due to the interests of European telecoms operators or threats of economic retaliation from Beijing – had a certain logic in private meetings but withered before public scrutiny.

The pandemic now vastly enlarges the scope of public interest in China. Issues ranging from the transparency of the Chinese political system to Beijing's coercive economic practices now have a significant impact on European voters' lives and livelihoods. Citizens will expect their governments to lay out more clearly and openly how they propose to address them. Meanwhile, old ways of talking about and managing the relationship with China will come under political pressure. The recent, jarringly undemanding op-ed by the EU's ambassador to Beijing, and the decision to allow it to be published in censored form by *China Daily*, might once have passed without notice. Instead, it was subjected to a [firestorm](#) of criticism.

This acceleration of democratic engagement with European countries' China

policy will have significant consequences. There are some suggestions that European public opinion will shift in Beijing's favour as the result of the crisis – particularly after one striking [poll](#) in Italy, conducted at the peak of the pandemic. Yet this seems unlikely. In most European countries, voters were generally becoming [more](#) critical of China – a trend reinforced, in many cases, by the kind of [belligerent diplomacy](#) the Chinese government has exhibited in recent weeks. The inescapable fact of Beijing's culpability for the pandemic will sour public perceptions of China, regardless of mask deliveries. And the populist narrative should not be expected to play out in China's favour either: for every Di Maio, there is a Matteo Salvini – whose party's Lombardy wing has [demanded compensation](#) from the Chinese government for its handling of the outbreak.

This is not to suggest that Europe is “united” in its thinking about China. Yet defaulting to the conclusion that European views are divided has become a less analytically useful way of evaluating the debates that are now in play – more often a shoulder-shrugging conversation-stopper than a means of predicting outcomes.

If China policy was largely a matter of agreeing to critical language in joint statements on foreign policy issues, then countries that acted as spoilers would have a telling effect. But China is now the principal factor behind a wider set of strategic choices. Of course, if the more “Beijing-friendly” countries arrayed themselves against a shift in the European approach to trade enforcement, industrial strategy, investment screening, antitrust policy, and infrastructure finance out of fealty to China, that would have also weighed heavily. But it is self-evidently not the case. This holds true for questions about value chains, supply vulnerabilities, multilateral institutions, disinformation, intensifying competition in third markets, and many of the other issues that are at stake.

Each one of these issues will be subject to fierce debate. Europe's national political parties and business associations will not have monolithic views. But when the centre of gravity moves, so does the spectrum of possibilities for European policy – and the results that follow. Moribund proposals for reciprocity instruments gained a new lease of life thanks to China. Positions on investment screening or competition policy that many thought to be unconscionably radical a few years back have quickly moved into the mainstream. The pandemic is inducing an even bigger shift.

The right kind of recovery

In recent weeks, Europe's interactions with China have been bruising but clarifying. Long-held assumptions about Beijing's behaviour and intentions towards Europe were already creaking under pressure; they have now collapsed altogether. European officials and analysts have become firmer in their hypotheses about issues ranging from the risks of closer Sino-Russian coordination to the Chinese party-state's willingness to use its power to advance an ideological agenda hostile to European values.

Europe's decisive geopolitical and geo-economic stock-taking exercise will only come in the aftermath of the US presidential election in November. But European leaders have to make a number of critical decisions before then. In the short term, Europe's priorities in its relationship with Beijing will remain highly conditioned by the pandemic itself. The need to deal with immediate health needs and to fix the economic situation will hang over bilateral dynamics for much of the rest of the year. China's earlier recovery from the virus-induced recession will inevitably affect Europe's calculations too. The cooperative agenda in areas such as climate change remains essential.

Yet European leaders should be aware of the risks of exacerbating the same problematic dynamics with China that have been evident throughout the crisis. They have already been debating whether the EU's economic recovery plans adequately serve their climate, digital, industrial, and long-term political goals. These questions apply with equal force to China. A few years ago, had European countries been consumed by a simultaneous health and economic crisis, they

would have kicked those questions into the long grass. China is now too bound up with virtually all their most important political and economic choices for that to be possible.

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