

THE NEW CHINA CONSENSUS: HOW EUROPE IS GROWING WARY OF BEIJING

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SUMMARY

- Since the onset of the covid-19 crisis, there has been a new convergence of EU member states' assessment of the challenges China poses to Europe.
- The Sino-European economic relationship lacks reciprocity, and there are mounting concerns within the EU about China's assertive approach abroad, as well as its breaches of international legal commitments and massive violations of human rights in Hong Kong and Xinjiang.
- Overall, there is growing scepticism about the future trajectory of the relationship, which provides an opportunity for a more robust and coherent EU policy on China.
- In its remaining months, the German Council presidency could use this momentum to create institutional structures to improve the EU's capacity to act.
- In doing so, it will be crucial to ease concerns about Franco-German dominance of the China agenda – especially those of eastern and southern European countries – while enabling all member states to become more engaged in shaping the EU's future approach to China.

Introduction

The relationship between EU member states and China is undergoing a transformation that the coronavirus crisis has accelerated. While efforts to enhance trade and other economic links continue to play a major role in the relationship – especially due to the financial impact of the pandemic – countries across Europe are becoming increasingly sceptical of Beijing’s intentions. They are debating reducing their dependency on China for supplies of critical goods, and are ever more concerned about the future of the relationship in a rapidly shifting geopolitical environment marked by growing US-China rivalry. The pandemic has moved the debate about China, which is heavily influenced by EU member states’ domestic political constellations and considerations, much closer to the centre of national and European policymaking.

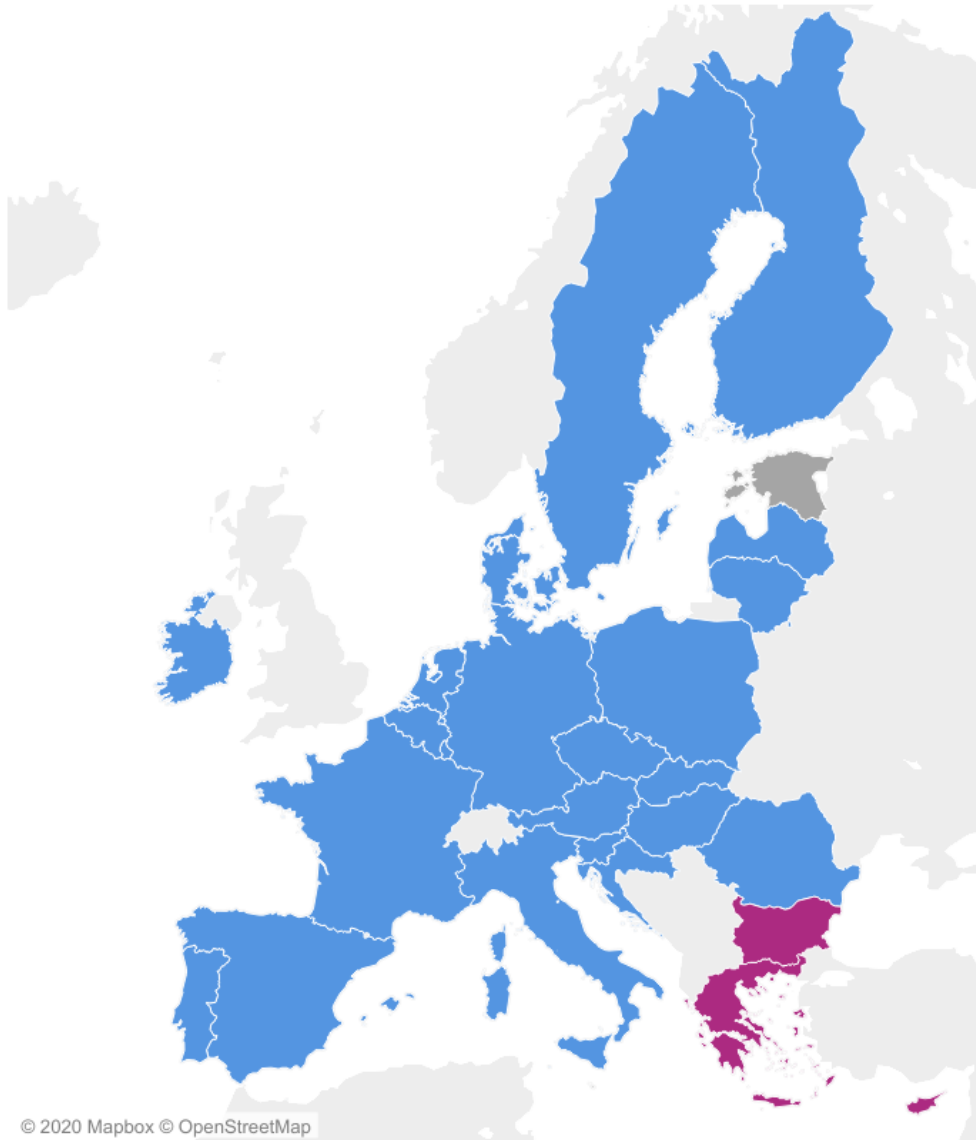
What is the preferred outcome for your country's government when it comes to the character of EU-China relations?

Policy Relationship

China policy

- China as strategic rival
- China, pragmatically, as rival and partner
- No common EU position on China
- China as strategic partner

Government's preferred outcome concerning the character of EU-China relations



Source: ECFR

ecfr.eu/eucoalitionexplorer

RETHINK: EUROPE



What is the level of agreement on China policy among political parties?		Is China policy controversial among the country's general public?	
Strongly agree	Belgium	Not at all controversial	Austria
	France		Belgium
	Germany		Bulgaria
	Greece		Croatia
	Netherlands		Cyprus
Tend to agree	Austria	Somewhat controversial	Finland
	Bulgaria		France
	Croatia		Germany
	Cyprus		Greece
	Denmark		Hungary
	Estonia		Netherlands
	Finland		Poland
	Ireland		Slovakia
	Latvia		Slovenia
	Lithuania		Spain
	Luxembourg		Sweden
	Malta		Denmark
	Poland		Estonia
Portugal	Ireland		
Slovenia	Italy		
Spain	Latvia		
Sweden	Lithuania		
Tend to disagree	Czech Rep.	Very controversial	Luxembourg
	Hungary		Malta
	Romania		Portugal
	Slovakia		Romania
Strongly disagree	Italy		Czech Rep.

Source: ECFR

ecfr.eu/eucoalitionexplorer

RETHINK: EUROPE

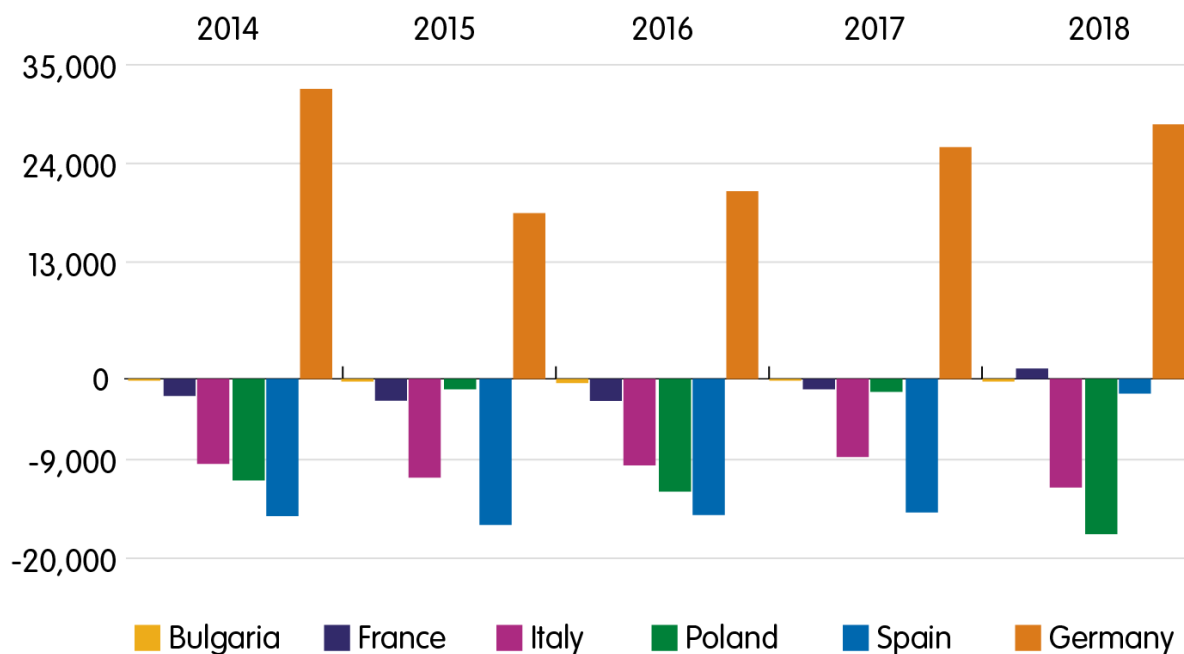


While member states' attitudes towards China are changing at different speeds and do not fall into neat regional categories, there is a broad consensus between them that the EU is not adequately equipped to tackle the challenges posed by the country's state-led authoritarian model and state-capitalist economy. As shown in data from the European Council on Foreign Relations' [EU Coalition Explorer](#), member states now view China pragmatically as a partner, but also almost everywhere simultaneously as a rival. With a few exceptions, they agree that the EU needs to restrict Chinese investments in strategic sectors, underlining their

growing wariness of overdependence and exposure to the political and economic risks emanating from Beijing.

The data also show that, in most member states, there is general agreement between political parties on China policy. This makes sudden reversals of current trends relatively unlikely, allowing the EU to engage in longer-term planning on the issue with relative certainty. Member states' economic relations with China are very diverse, albeit with few of them as economically entwined with the country as is Germany – by far the most influential European player in EU-China economic relations.

Trade balance with China in mil USD



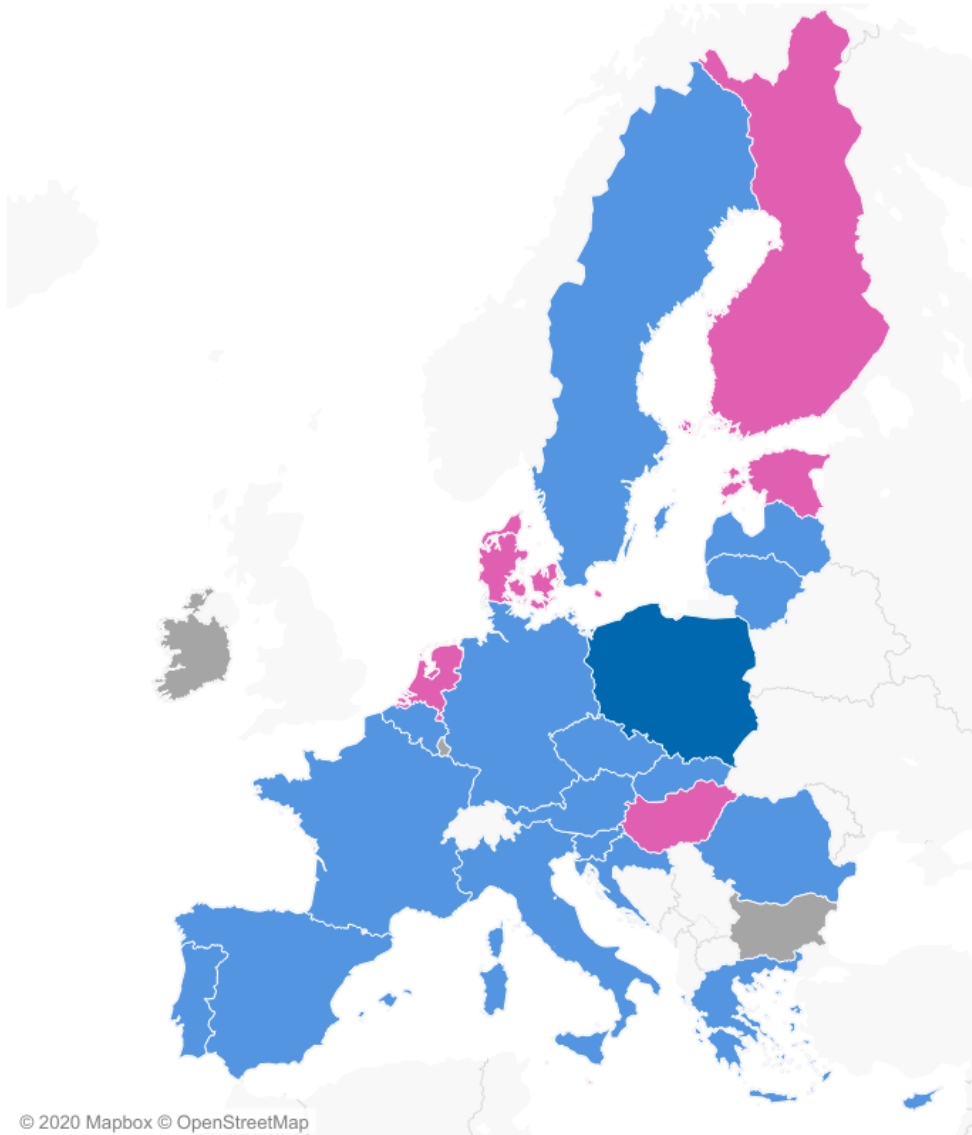
Source: World Bank
ECFR · ecfre.eu

What is the preferred outcome for your country's government when it comes to Chinese investments in Europe?

- Policy Investments
- Prohibit all Chinese investment in EU
 - Restrict Chinese investment in EU in all sectors
 - Restrict Chinese investment in EU in strategic sectors only
 - No specific position on this issue
 - No restriction to Chinese investment in EU

China policy

Government's preferred outcome concerning Chinese investments in Europe



Source: ECFR
ecfr.eu/eucoalitionexplorer

RETHINK: EUROPE



The annex to this paper lays out the perceptions and priorities that will shape Europe's approach to China in a world struggling to contend with the coronavirus.

Based on case studies of Bulgaria, France, Italy, Poland, and Spain, it shows how EU member states are grappling with the inherent conflict between short-term economic gains and long-term dependencies in the intensifying geopolitical competition between the United States and China. It draws on a series of roundtables and interviews that the European Council on Foreign Relations, in collaboration with Heinrich Böll Foundation, conducted with experts, administration officials, and parliamentarians in these countries. Each case study in the annex provides an overview of the dynamics in these states' bilateral interactions with China, as well as their priorities in, and their expectations of, the EU in Sino-European relations.

EU-China relations remain highly nuanced and full of individual priorities created by bilateral interactions. As a conclusion to these roundtables and interviews, this paper provides a series of broad recommendations for how the European Union should position itself in preparation for future engagement and competition with China.

The emerging consensus between EU member states on China reflects a shared sense of economic imbalance, disappointment, and unease. Member states are increasingly dissatisfied with the country's unwillingness to reciprocate the openness of the EU market. Most of them – not least Bulgaria, Poland, and Italy – are keenly aware that they still receive relatively little Chinese investment, despite signing cooperation agreements with China or joining groupings such as the 17+1. Accordingly, they aim to gain greater economic benefits from the Chinese economy through the establishment of a level playing field – but they are determined to do so without increasing their dependency on China, particularly given that the country's economy is recovering from the pandemic faster than Europe's. Member states believe that they will only achieve this if the EU uses its market power more assertively and shows a willingness to engage in geo-economic confrontation. As such, the bloc's defensive economic measures are necessary but not sufficient.

Beyond these economic qualms, the emerging European consensus on China also stems from a growing range of political concerns. Member states recognise that China is increasingly adept at dominating bilateral relationships with them, and ever brasher in its violations of human rights and international commitments in

places such as Xinjiang and Hong Kong. They acknowledge that this partly reflects the failure of European efforts to stand up to Beijing politically – and that only a coherent EU policy framework and coordinated action could halt or reverse these trends.

While member states argue that the EU should demand more of China politically, there are slight differences between them on whether to prioritise areas such as human rights, climate change, or international finance. And concern about Germany's and France's perceived dominance of China policy is increasingly acute in other member states.

Another important aspect of the consensus comes from recognition of the importance of third countries. Most member states believe that the EU can rebalance its relationship with China partly by strengthening its ties with other powers, through arrangements such as free trade agreements and security partnerships. However, there are differences between them in their priorities. For instance, Poland regards the US as Europe's key ally in the effort, while France currently looks especially to the Indo-Pacific, and Spain is one of the few member states that is highly alert when it comes to China's growing influence in Latin America. These differences do not necessarily present obstacles to a coherent EU approach. They could even be turned into strengths, positioning the EU as an indispensable partner around the world under different member states' leadership.

Although all member states in which the roundtables and interviews took place express a desire for the EU to become more ambitious and assertive in its China policy, they are sometimes wary of one another's reasons for doing so. For example, many member states worry that France treats the EU as merely a vehicle for its own geopolitical power, and that Germany largely shapes China policy according to national economic interests. Regardless of how accurate these perceptions are, they are likely to remain an obstacle to the emerging consensus for some time to come – even with the fluid unpredictability of politics in the coronavirus era. While it is thus unrealistic to expect perfect unity between EU member states on all issues related to China, the growing convergence in their assessments provides a new basis for a more coherent and effective European approach. It seems that they can no longer use their lack of agreement as a pretext for inaction.

Recommendations for EU policy

The European Commission set the course for Europe's approach to China in March 2019, when it published the Strategic Outlook document. The challenge is not to write a new strategy but to use the current momentum to revitalise and implement the EU's policy framework. This will require not only a reassessment of the EU's normative approach to human rights in Hong Kong and Xinjiang, but also the creation of mechanisms that encourage all member states to engage with and shape China policy, which is increasingly a 'whole-of-society challenge'.

European policy experts generally see it as important to continue negotiations over a Comprehensive Agreement on Investment, strengthen the legal basis for economic interactions with China, and work to provide all European companies with greater access to the Chinese market. But this will require China to make concessions and work towards creating a level playing field. Given the disruption created by the pandemic, it is far from clear whether the sides can come to an agreement on these issues. Thus, the EU needs to create alternative paths to more robust economic engagement with China that serves European interests – paths on which it will not rely on Chinese goodwill but rather strengthen its negotiating position by improving resilience and cooperation between member states, thereby realising the full potential of the EU’s market power.

To address concerns about Franco-German dominance of China policy, and to elevate the importance of the topic beyond the established structures of the Asia-Oceania Working Party (COASI), the EU should launch a China Taskforce as an ad hoc committee with a clear mandate and time-bound goals, operating directly under the European Council’s Committee of Permanent Representatives. The body could comprise working groups that focus on key topics of concern, such as supply-chain security, countering Chinese economic coercion, increasing pressure on China to implement more ambitious climate policies, tracking human rights violations, and mapping Chinese influence in multilateral institutions, while engaging in various forms of interaction with policy experts (including discussions in member states’ capitals). This approach would lend weight to all member states’ concerns about China, while sharing responsibility for leading policies on the country between them.

As Germany is experiencing during its Council presidency, it is challenging to broaden the scope of EU member states’ engagement on China to create a more unified approach. The EU leaders’ meeting scheduled for September 2020 was supposed to reduce reliance on alternative formats for engagement with China such as the 17+1. Yet its postponement as an in-person event has met with a degree of relief in many member states. As the Chinese side was unlikely to make concrete commitments to address Europe’s concerns in the areas of trade, investment, human rights, and climate change, there was a great worry among Europeans that the event would not only showcase existing divergences between member states

but also signal to Beijing that Europe was not serious in its demands. In its place, the president of the Council will hold a video conference with the Commission and the Council presidency. There were reportedly discussions over whether French President Emmanuel Macron should be involved in the call. While a strong Franco-German front on China issues is highly valuable from a leadership perspective, such a move would send a problematic signal to member states that feel France and Germany dominate this area. This is especially true given the fact that the president of the Commission is a German national. Indeed, even a discussion of such a format can erode trust in the EU process in some member states.

Nonetheless, member states will still need to tackle the problems in the current setup for high-level EU-China exchanges in a way that ensures a leading role for EU institutions, while addressing the question of member state representation. There are several ways in which a revised institutional setup could help them do so.

For example, they could return the EU-China summit to its original format of representation by the president of the Commission, the president of the Council, and the troika (compromising the last, current, and next Council presidents). While the EU abandoned this format to empower its institutions in relations with China, the relationship between the sides has become so multifaceted and challenging – and has so often exceeded the competencies of the EU institutions – that it may be wise to directly involve additional heads of state and government in the process, albeit on a limited and rotating basis.

At the same time, member states could devote more time to discussing China-related strategic questions in existing formats. For instance, they could agree that, over the next two years, a set number of meetings of the European Council will focus solely on China. This would allow them to coordinate their policies and messages, and to implement these policies by revisiting the parameters and tasks laid out in the 2019 Council conclusions.

An alternative option could be to increase member states' involvement around the EU-China summit, without necessarily replicating the 27+1 format planned for the EU leaders' meeting in Leipzig. Led by the respective Council presidency, these gatherings could involve all heads of state and government, but would take place without a Chinese presence the day before the main summit every other year –

when the gathering occurs in Europe. This could help leaders coordinate their approaches and messages, and revisit the state of EU-China relations and the strategic framework within which they operate – which would set the stage for the next day, at the EU-China summit proper, with representatives of EU institutions only. There is a risk that Chinese lobbying would transform a high-level format of this sort into a source of disunity, but it may be one worth taking if it strengthens member states' role while maintaining a lean EU-led process vis-à-vis Beijing.

Member states will not be able to create coherent European policy through joint declarations alone; doing so will require joint action and tangible successes. Policy experts in several member states regard connectivity as a key tool for shaping the world in which the EU competes with China and other powers for global influence. The EU-Asia connectivity strategy was an initial step in the right direction, but it requires a broader regional scope and better-coordinated funding to address the global dimension of the China challenge. The EU should take the EU-Asia connectivity strategy global and engage in the financial reshuffling needed to bring together the different strands of economic cooperation, trade, and development. This should be based on EU norms and standards, developing what is a relatively limited and highly defensive economic agenda into one that can create a counterweight to China's new global role.

The effort would push the connectivity agenda to the highest political level, allowing it to be overseen by the president of the Commission and thereby enhancing institutional coherence. And, while multilateral cooperation on connectivity should remain inclusive and open, the EU should ensure that China's engagement with the process is bound by clear conditions – as the defining feature of a pragmatic and rules-based European approach.

The EU has not sufficiently integrated the climate debate into its approach to future economic competition with China, but doing so could help establish a clear link between the opportunities of the European Green Deal and its positive effects on the long-term economic competitiveness of European businesses. The European Green Deal is about an ambitious climate agenda, but also about European competitiveness in a carbon-neutral global economy. By linking discussions about its future relationship with China to the climate agenda more decisively, the EU could strengthen its negotiating position vis-à-vis the country.

One piece of low-hanging fruit for enhancing coherence and transparency would be to design a public information-sharing mechanism on bilateral conversations with China under the European External Action Service. This tracker would constantly map interactions with China and could even facilitate senior EU representation in these interactions, laying the groundwork for a coherent pan-European response. The mechanism would need to cover not only conversations involving central governments, but also those at the level of municipal governments – which are an increasingly important factor in EU-China relations.

The EU could establish a dedicated ‘China intelligence unit’ to address the discrepancies in member states’ capacities to manage the challenges of their interactions with China, which could be attached to the European Commission’s internal think-tank (I.D.E.A). The research unit could provide independent analysis on China, particularly its propaganda and disinformation activities, in member states’ native languages, which they could use for capacity-building in their dealings with China at the national and municipal level.

The German Council presidency – which, even before the covid-19 pandemic, faced perhaps unrealistically high expectations on the China agenda – could use its remaining months to create institutional frameworks for a more powerful and coherent EU approach to the cooperative and competitive dimensions of engagement with the country. The need to do so has likely never been greater, but there have likely never been better conditions for enhancing the EU’s coherence in dealing with China.

Annex: Case studies

Poland

Poland's bilateral relationship with China has undergone a significant shift in recent years. Yet the economic opportunities that were supposed to come with a closer partnership – which led Warsaw to embrace the Belt and Road Initiative in 2015 – have not materialised. From Polish policy experts' perspective, some parts of the economic playing field have become more uneven. They generally regard Europe's asymmetrical openness to the Chinese market as a problem. This view is reflected in EU Coalition Explorer data: [Poland](#) is the only surveyed country in which there is strong support for restrictions on all Chinese investments (and not just those in strategic sectors).

Although its structure and objectives formally focus on reciprocity, pragmatism, and realism, the strategic partnership Poland established with China in 2011 has remained unbalanced since then. Partly due to restrictions on access to the Chinese market, Poland has a significant trade deficit with China. At the same time, Poland receives far less investment from China than many other EU countries. Warsaw's lack of a clear long-term strategy in, and reactive approach to, the relationship with Beijing has contributed to a failure to implement mooted projects that involve China. However, like its counterparts in other EU member states, Poland's government still seeks to strengthen its economic ties with China, without becoming too dependent on it.

For Poland, the 17+1 format of Chinese engagement with central and eastern Europe serves as a supplement to the EU. While Poland is critical of certain instruments China uses, including aspects of the 17+1 format, member states within this framework are no more dependent on China than those outside it. Partly because they view Europe's debate on China as dominated heavily by Franco-German interests, Polish experts like the fact that central and eastern European countries have made it onto Beijing's agenda.

Despite the shift in the Polish elite's perception of China, the Polish public debate on the country remains relatively subdued. Nonetheless, at the height of the

coronavirus crisis, China's attempts to gloss over its deliveries of defective medical supplies prompted a backlash.

For Poland, the EU and the US are far more important than China. Poland's close relationship with the US put it under a lot of pressure to take a more assertive stance on China – and it has done so on, for example, Huawei's provision of 5G in recent months. Poland has to balance this US pressure and Brussels' sharpening tone on China with the economic opportunities created by China's market size and speed of innovation, which make the country an attractive economic partner.

Polish expectations

Poland prioritises the EU and economic cooperation between member states. The country relies on the EU-China Strategic Partnership framework to guide its relations with Beijing. Polish experts agree that, to achieve a more coherent approach, the EU needs to start at home. Only a strengthened EU with more balanced internal economic development will be able to compete effectively. They contend that closer coordination between national leaders in the EU, and a coherent long-term strategy process on China that spells out and defines the details and conditions of future engagement, would make individual countries' actions more effective.

Unlike their German counterparts (for example), Polish policy experts view China as a competitor with somewhat limited economic complementarity. This perception is one of the reasons why Poland has a less intense trading relationship with China. At the same time, relatively limited economic engagement also creates a relative lack of dependency on China, which can be an asset in the current circumstances. Poland, policy experts argue, would be willing to support action on China that is crucial for other EU member states but less important for itself, if doing so would improve the overall coherence of Europe's approach. They contend that Germany should use its Council presidency to shape the internal EU debate on competition law, technology competition, and the protection of critical infrastructure. The EU needs to be more assertive and, to some extent, protectionist to pressure China into opening its own market. At the same time, high-level meetings between the EU and China should continue to focus on trade and a progressive investment agreement, even if this agenda will be less beneficial

to Poland than other EU member states.

Across the EU, covid-19 has changed the economic outlook and the assessment of vulnerabilities through economic dependencies in critical sectors within EU member states. The resulting European debate about re-shoring and shortening supply chains poses a challenge to China, but presents an opportunity for Poland and central and eastern Europe more broadly. Moving assembly lines to the region and creating clusters of economic activity with improved access to high-quality infrastructure and enhanced connectivity within the region could help countries there move their industries up the value chain. And it could provide Europe with lasting supply chains in critical sectors that could prove to be more resilient than those running through China. As part of its trade policy review, the EU should pay special attention to the potential and current capacity of central and eastern Europe, while encouraging countries in the region to actively participate in the consultation process, potentially through intra-regional coordination.

Polish experts underlined that the 17+1 will continue to exist if the current European approach to China makes many countries feel left out. From their perspective, in future, EU member states should place emphasis on mechanisms that include all EU member states instead of continuing to bypass EU channels through high-level bilateral conversations with China – if these conversations have implications for other member states or the EU as a whole.

Spain

From a political and economic perspective, Madrid's key goal in its relations with Beijing is to achieve a level playing field in economic interactions and a more balanced relationship by increasing exports to China. As Spanish companies want to do more business with China, economic decoupling is not in their interest – even though those that are already present in the Chinese market find it increasingly difficult to operate there.

Spain is experiencing two conflicting trends. The economic opportunity presented by China looms large – especially as the economic fallout of the pandemic becomes ever more evident. With China's economy expected to bounce back faster than Europe's, exports to China have become even more attractive for European firms that are feeling the impact of the months-long lockdown. Meanwhile, a heightened

awareness of the challenges of interacting with an increasingly assertive China has created scepticism about dependence on the Chinese market and cooperation with Beijing more broadly. As a recent public opinion [poll](#) by Real Instituto Elcano shows, Spanish respondents identify China as the second-most significant threat to their country's security. Both trends have been accelerated by the covid-19 crisis.

Spanish policy experts argue that the EU should maintain a healthy relationship with China in both economic interactions and multilateral forums, but they realise that the bloc has failed in its current approach to accommodating the country politically while improving economic cooperation with it. China only recently became a real issue in Spanish public discourse following the onset of the covid-19 pandemic and several major developments in the country – especially the crackdowns in Hong Kong and mass detentions in Xinjiang. Chinese propaganda efforts around the coronavirus pandemic have not been highly successful in Spain. This is reflected in the Spanish complaints about faulty test kits purchased from Chinese companies – and in the fact that 46 per cent of Spanish respondents to a recent [ECFR survey](#) stated that their view of China had worsened during the coronavirus crisis.

Chinese disinformation and propaganda have become a major cause for concern in Spain. And, while there are already serious efforts to address this issue at the national and EU levels, the challenge will be to create the resilience and knowledge base to mitigate such threats.

Spanish expectations

Spanish policy experts identify three key foreign policy goals for Europe: strengthening European economic sovereignty, avoiding further global fragmentation and confrontation between great powers, and addressing the climate crisis. All three issues are closely linked to Europe's relationship with China. Spanish experts argue that, to strengthen its economic sovereignty, the EU needs to create a coherent industrial policy shaped by more than just Franco-German interests.

During ECFR's roundtable conversations, they emphasised their unease with the

role of Germany in Europe's relations with China. They saw an opportunity in the fact that the pandemic had forced the EU to postpone the leaders' meeting that the German presidency of the European Council had scheduled for September. This is because the postponement meant that the Europeans would not meet in person before they had made significant progress on the issues that concerned them most, including the Comprehensive Agreement on Investment and climate change commitments. With its new Multiannual Financial Framework in place, the EU has created a strong base on which to enhance coordination between member states and European autonomy. Such coordination needs to extend beyond the Franco-German tandem. The EU needs to ensure that individual countries – including Germany – engage with China in a way that benefits all member states.

Spanish experts view the economic recovery from the coronavirus crisis as an enormous challenge. They contend that, while economic relations between the EU and China are important for economic growth in member states, there is a need for a clearer EU policy that allows member states to adapt their own actions accordingly. On the EU level, it is possible and necessary for the EU to make clearer demands of China in terms of reciprocity and human rights, and to use European market power more assertively.

There was broad agreement among Spanish experts that, to address the challenge emanating from the geopolitical competition between the US and China, the EU's only option was to take a strong and coherent approach based on strategic sovereignty. Decoupling is not a goal, but diversification must be. This involves efforts to strengthen the internal market and reinvest in European values by fighting populism and inequality, making the EU model more attractive. But it cannot be limited to a defensive and inward-looking agenda. It also needs to involve setting a proactive agenda for Europe's interactions with third countries, which could come in the form of an ambitious approach to development assistance and a more comprehensive approach to connectivity.

The Spanish public debate on China is not limited to its relationship with Europe's immediate neighbourhood and the US. Spanish experts believe that China's large and rapidly growing role in Latin America should be an area of great concern for the EU, as it is important to the geopolitical competition that shapes global rules and standards. Reinvesting in relations with Latin American partners on

multilateralism and trade should be key to the EU's redefined approach to China – an effort in which Spain could take up a central position.

Bulgaria

Bulgaria's bilateral relations with China focus mainly on trade, investment, technology, education, and tourism. But the trade and investment dimensions of this remain underdeveloped and one-sided. Bulgaria's **trade deficit** with China is typical of eastern European states. While Bulgarian policy experts argue that their country has a strong desire to enhance economic relations with China, they also observe that there is limited appetite to further increase dependency on the country – especially in the realm of technology. Bulgarian companies are eager to boost exports to China, but market access restrictions and other trade barriers continue to impede progress. Currently, China largely sets the terms of its bilateral relationship with Bulgaria, as the latter lacks a clear strategy for dealing with Beijing. Bulgaria would benefit from a more concrete and coherent European policy framework in which it can embed its own approach.

This problem has not been offset by Bulgaria's membership of the 17+1 format. Bulgarian policy experts are increasingly frustrated about the persistent lack of tangible economic benefits from joining the grouping. However, they also perceive the 17+1 as useful for avoiding isolation and enhancing their country's importance to Beijing. Like their Polish counterparts, Bulgarian policy experts view the grouping as complementary to EU cooperation rather than an alternative to it. They argue that the 17+1 can provide a venue for substantive cooperation on overland logistics and connectivity between Asia and Europe, in line with Europe's broader goals in this area.

Bulgaria's domestic political debates lack a comprehensive discourse on China. This is evident in the Bulgarian parliament, which has expressed growing scepticism about Chinese purchases of agricultural land but has not engaged in a broader discussion of the country's influence on the rule of law or procurement procedures.

Bulgarian expectations

A shared EU position on China with a focus on a joint and balanced approach is in

Bulgaria's interests. Bulgarian experts see the need for closer European cooperation – and a coherent, long-term strategy – on dealing with issues ranging from fair competition and market access to human rights and climate change. As Bulgaria receives very little Chinese investment, it attaches great importance to the conclusion of the EU-China Comprehensive Agreement on Investment. There are high expectations that this will benefit Bulgarian companies. Bulgarian policy experts contend that this would enable the EU to protect its economic interests vis-à-vis China and maximise its ability to change China's approach. Without a coherent European approach, Bulgarian experts argue, Beijing will continue to shape bilateral relations on its own terms. They advocate for an EU strategy process that leads to a stable framework for member states' engagement with China, providing support and a degree of guidance in the bilateral relationship.

In addition to a coherent political and economic strategy, there is also a need for improved access to accurate, independently sourced information about China. So far, China has not gained a significant foothold in the Bulgarian media landscape or shaped domestic political narratives. Bulgarians need improved access to reliable data to avoid dependence on information from biased sources. To maintain sovereignty over its information environment, the EU should invest financial resources in capacity building not just in Brussels but also in member states themselves. This would enhance member states' ability to contribute to the EU process on the broad range of topics that now have a China dimension.

Bulgarian policy experts also called for the formation of a coalition of EU member states that can take the lead on a common approach to China – one based on technical expertise and guided by shared values and interests (rather than policies based on the lowest common denominator). A group of like-minded member states or an EU-China taskforce could create an inclusive, innovative framework for engagement with Beijing.

As Europe and China become increasingly interconnected in many economic and other areas, the EU needs to ensure that the country reciprocates European openness and addresses the growing political and economic conditionality that Beijing attaches to its interactions with other countries. This would ensure that these interactions do not come at the expense of European interests.

While climate change is a key area of international cooperation (including that with China), the topic does not receive the attention it deserves in the Bulgarian public debate. Bulgarian leaders often regard green policies as an impediment to economic growth. Accordingly, the Bulgarian debate on climate issues frequently centres on the question of why Europe wants to lead the way in creating a carbon-neutral world.

Overall, Bulgarian policy experts argue that central and eastern European countries need to see clearer benefits for their region in the EU's approach to China. One area in which the bloc could achieve this is industrial policy and adjustments to global value chains. As in Poland, there is a clear demand among Bulgarian experts for an inclusive EU process that allows the bloc to clearly define the economic potential of the region in the current debate about recalibrating economic relations with China.

Italy

Italy has one of the most complex bilateral relationships with China of any EU member state. This is largely due to the heavily contested Italian public debate on China policy, as well as the series of disputes between Rome and Brussels that have arisen since the eurozone crisis, if not earlier. It is impossible to separate the Italian debate on the EU's China policy from this underlying dynamic. The Belt and Road Initiative Memorandum of Understanding (MoU) that Italy signed with China in 2019 is a case in point. The Italian leadership likely underestimated the broader effect of signing the MoU – while outside observers have tended to overestimate the significance of the document for Italy and its economy.

And the geopolitical environment has changed significantly in the past year. Italy expected that the signing of the MoU would enhance economic development and incentivise deals with China. However, as one Italian expert put it, Rome “slowly had to realise that there is no shortcut to doing business with China”. Italy struggles to attract significant investment from China; there remains an imbalance in the countries' cooperation frameworks in areas such as research and education; controversy surrounds Sino-Italian technology cooperation; and Italy's overall economic relationship with China remains far less developed than that of Germany or France. Additionally, the fierce domestic debate on the issue has not led to

greater strategic engagement with China on the bilateral level.

The coronavirus crisis has had an enormous human and economic cost for Italy. And it has illuminated a new dimension of Chinese engagement with Europe. Whereas countries such as France and the Netherlands have had their first serious encounters with China's so-called "wolf warrior" diplomacy – named for its aggression in shaping the political narrative in line with Beijing's preferences – Italy has been on the receiving end of Beijing's "mask diplomacy", focusing on medical and technical assistance. China coupled the latter effort with a major disinformation campaign, prompting the EU to issue an unusually clear condemnation of, and publicly [attribute](#) this malign activity to, Beijing.

A report by Italy's Joint Committee for the Security of the Republic confirmed that thousands of pro-Chinese bots had mobilised on Twitter; in March, almost 40 per cent of posts with the [hashtag #grazieCina traced back to these bots](#). The Italian media environment has been subject to disinformation for many years. However, China has increasingly received more public and media attention in Italy. In 2014 Italians had one of the [least favourable](#) views of China in Europe. But this has gradually shifted towards a more positive stance: polls conducted at the height of the coronavirus crisis [indicated](#) that China's mask diplomacy produced at least temporary results, with the Italian public regarding China as a more reliable partner than the US or Germany.

It remains to be seen whether this is the beginning of a long-term shift in Italian public opinion – as this polling was very much influenced by immediate reactions to a devastating pandemic. But the episode underscores the volatility of public discourse on China and Italians' disappointment with the EU during the crisis. Recent political debates about 5G and other areas indicate that the tone in Rome is shifting towards greater caution when it comes to engaging with Beijing.

China's access to the European information space is becoming increasingly problematic, as the country provides no such openness to Europe in return. While the Chinese authorities can freely use social media platforms and gain direct access to the public in Europe, European media outlets in China are subject to significant restrictions, including extensive censorship. Italy's experiences in the coronavirus crisis demonstrate the need for an EU-wide effort to carefully balance

the demands of an open society with efforts to counter malign Chinese activities.

Growing scrutiny of Italian engagement with China is reflected in the public debate: an increasing number of political representatives in Italy have started to criticise the country's policies on Hong Kong and other issues. But, in comparison to many other EU member states, Italy generally lacks a [domestic political consensus](#) on how to deal with the challenges posed by China. Several Italian parties use China policy as merely a mechanism for achieving domestic political gains – which currently makes it difficult for Rome to actively shape a broad European agenda.

Italian expectations

In contrast to authoritarian regimes, democracies find it very difficult to counter the weaponisation of social media. Although countering disinformation is a priority for the current European Commission and the subject has risen to the top of the agenda in many EU member states, the importance of strategic communication is not necessarily reflected in their institutional structures. Italian policy experts argue that EU member states need to enhance media literacy, improve citizens' capacity to detect disinformation, and provide an independent fact-checking capacity to tackle the problem more effectively. Existing EU structures could support these efforts on the national level.

Italian experts argue that European cooperation on China policy must increasingly involve both national governments and all EU institutions. They see the European Parliament as more willing than either the Council or the Commission to criticise China. In the European Parliament, policymakers can overcome national differences to build coalitions that push China policy forward. Additionally, they regard Franco-German dominance of the EU-China relationship as a hindrance to EU cooperation. Most of them argued that the EU needed to engage in a more inclusive strategic process to rethink the priorities and broad approach of its China policy – and that this was likely to be more useful than publishing a new strategy document.

Some Italian experts and officials argue that the challenges posed by China have entered a new stage, requiring the European Commission to live up to its

commitment to be truly “geopolitical”. While the pandemic is making this more difficult from an economic perspective, it has also underlined the fact that Europe needs to become more confident in using its economic leverage and, where necessary, to not shy away from confrontation. Some Italian experts called for the EU to translate this new approach into, for example, greater direct engagement with Taiwan.

France

France is at the core of Europe’s efforts to reassess its approach to China policy – and is seen as such by other member states in everything from industrial policy to investment screening. But the French public debate on China does not reflect Macron’s prioritisation of the issue. The coronavirus crisis has not fundamentally changed this.

While Chinese officials engaged in [attacks](#) on the French government for its handling of the pandemic – which led the French Foreign Ministry to take the unusual step of summoning the Chinese ambassador to France – the episode has had only a modest effect on the French public. In contrast to the legislative bodies of other EU member states, the French parliament has engaged in no significant debate on China. This is remarkable because, while France’s economic relationship with China is not as intense as that of other Asian powers or Germany, it is highly important to French geopolitical ambitions and engagement with the Indo-Pacific region.

The French government has focused on enhancing European strategic sovereignty in light of the growing US-China rivalry and other key geopolitical shifts. Macron’s administration has long identified China’s growing role in the world as a key foreign policy challenge. This perception has also been part of the reasoning behind France’s overtures to Russia and its debates about strengthening Europe’s defensive and offensive economic capabilities. The covid-19 emergency has reinforced France’s commitment to this approach.

Three issues are central to France’s agenda on China: reciprocity; EU cohesion and resilience; and multilateral engagement with Beijing to address global challenges relating to climate change, international financial institutions, and – now very prominently – health. France is also one of the few EU countries to have a

relatively strong relationship with Taiwan, one built on sales of defence equipment.

Efforts to strengthen the EU's political and economic resilience are particularly important to France, as the crisis is likely to weaken the bloc relative to China. It may become increasingly easy for Beijing to buy political influence and economic opportunities in Europe while European companies suffer from the economic impact of the pandemic. This would increase Europe's dependence on China and could have implications for France's attempts to promote European strategic sovereignty.

French expectations

France has significant weight in pushing for EU action on China and, according to French policy experts, is set to fulfil its potential to enhance European sovereignty at a time of growing US-China rivalry. France can only maintain its geopolitical influence by building a stronger Europe. Therefore, it is not enough to merely acknowledge that China poses a challenge and is already close to matching – or, in part, exceeding – Europe's strength in areas such as trade, investment, and technology. The EU also needs to engage in a conversation on China based on revised assumptions about the trajectory of the relationship, and to act more decisively. There are significant doubts among French experts about whether a new strategy document will be necessary.

This approach should not be limited to defensive measures to protect the European market. The EU needs to invest in its relationships with third countries, particularly those in the Indo-Pacific. These close ties, established through mechanisms such as free trade agreements and security partnerships, not only enhance Europe's capacity to act in the region but also serve its broader interests in shaping norms and standards globally.

French experts acknowledge that China has become not only a major development partner for many countries, but also a key provider of loans and other financial assistance. At a time when the economic fallout of the coronavirus crisis has put the Belt and Road Initiative under pressure, the EU needs to address the shortcomings in its connectivity strategy to provide an alternative answer to development and infrastructure needs, especially those in Africa.

The EU and its member states need to focus on defending European values and international rules, while enhancing the EU's role in multilateral institutions. French experts argue that this requires a coherent pan-European focus on Chinese breaches of international law and treaties everywhere from the South China Sea to Hong Kong.

French experts contend that it is crucial for the EU to counter Chinese political narratives and disinformation, not least due to China's actions during the height of the covid-19 pandemic. Sovereignty in the information domain and critical communication infrastructure is an important part of this. As the EU's tools to counter China's growing influence in the information space are limited, a good place to start improving the situation would be to establish clear mechanisms for information exchange between the member states, to increase transparency and awareness about Chinese activities.

About the author

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