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# The Future of EU-China Relations in the Wake of COVID-19

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# The Future of EU-China Relations in the Wake of COVID-19

# Daria Pietropaolo<sup>1</sup>

"Men only act in a state of necessity and usually only recognize necessity in a situation of crisis." – Jean Monnet

# I. Introduction

As the European Union (EU) approaches unprecedented challenges due to the Coronavirus crisis, it must look towards its relations with China to understand and form a progressive strategy to continue a vulnerable partnership. The relationship between the EU and China formally began in 1975 when the European Economic Community (EEC) developed a framework of economic cooperation between these two trade partners.<sup>2</sup> Since then, the relationship has become more politically and economically integrated. Recently, the EU's China policy focuses on "reciprocity, a level playing field, and fair competition in political and economic relations" while also advancing "European values, such as the promotion of democracy, rule of law, human rights, economic and social reform in China, and respect for the U.N. Charter's principles." Fundamental ideological differences between China's system of governance and certain EU principles may seem to conflict. Instead of viewing those sociopolitical factors as competing obstacles, the EU approaches those differences as an opportunity to overcome challenges and be adaptable, considering China's identity and goals of furthering a tailored strategic partnership.<sup>5</sup>

# II. The EU-China Relationship

The main objectives of EU policy towards China have included involvement in a continuous political dialogue, supporting China's transition to a more open society based on the rule of law and respect for human rights, and encouraging the integration of China into the world economy. Today, China is the EU's largest trading partner after the United States (US), and the

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<sup>&</sup>lt;sup>2</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 263-269.

<sup>&</sup>lt;sup>3</sup> Morelli, Vincent L. *The European Union and China*. Congressional Research Service, 1.

<sup>&</sup>lt;sup>4</sup> "Global Trends to 2030: Can the EU Meet the Challenges Ahead?" *European Strategy and Policy Analysis System*, ESPAS, 2015, 48.

<sup>&</sup>lt;sup>5</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 263-269; Rough, Peter. "How China Is Exploiting the Coronavirus to Weaken Democracies." *Foreign Policy*, 25 Mar. 2020.

EU is China's largest trading partner.<sup>6</sup> The interdependence in trade between the EU and China makes it even more critical to advance their economic and political relationship into one which is cooperative, progressive, and respectful of ideological differences.<sup>7</sup>

Since the 1990s, the European Commission has become increasingly concerned with protecting and promoting European interests in developing East Asia. Deeper relations with China resulted in valuable economic and political outcomes for the EU including opened access to a new market and solidified the separation of China from the former Soviet bloc. Engaging further with the EU gave China an opportunity to gain the technology and equipment to modernize and promote their own developing political goals. This was solidified in a report by the Commission titled "A Long Term Policy for China-Europe Relations," where a call for more structured political dialogue was published. From that point, regular meetings between EU and Chinese leadership were instilled and built a stronger proposal for partnership in the Commission's report, "Building a Comprehensive Partnership with China," where an annual EU-China summit was established. Since then, the European Commission has issued several documents promoting more effective strategies for partnering with China, which highlights the value of the EU-China relationship.

Some key differences between the EU and China as international actors are sourced in the political nature of their entity. <sup>13</sup> The EU is a supranational international organization which promotes regional integration and prioritizes political freedom, rule of law, respect of human rights, and the development of democracy, among other policy areas. The People's Republic of China, on the other hand, is an authoritarian polity that prioritizes national sovereignty and territorial integrity with a domestic focus in improving its economy. <sup>14</sup> The identity of China as a developing country which holds significant global political and economic power puts the EU in a unique position with its relationship. The EU recognizes the necessity to interact with China and involve it into global governance through cooperation and a strategic partnership. <sup>15</sup> The EU can exercise soft power on China and can support China in tackling global concerns such as the

<sup>&</sup>lt;sup>6</sup> "EU-China Relations Factsheet." *EEAS*, 18 Oct. 2019; "*Strategy*." *European Commission - European Commission*. 31 Jan. 2020.

<sup>&</sup>lt;sup>7</sup> Men, Jing. "EU-China Relations: Problems and Promises." *Jean Monnet/Robert Schuman Paper Series*, Miami European Union Center, June 2008, 7.

<sup>&</sup>lt;sup>8</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 263; Dumbaugh, Kerry. "China's Foreign Policy: What Does It Mean for U.S. Global Interests?" *CRS Report for Congress*, Congressional Research Service, 18 July 2008, 2-5.

<sup>&</sup>lt;sup>9</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 264.

<sup>&</sup>lt;sup>10</sup> COM (1995) 279.

<sup>&</sup>lt;sup>11</sup> COM (1998) 181.

<sup>&</sup>lt;sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Zhang, Li. "Reflexive Expectations' in EU-China Relations: A Media Analysis Approach." *Journal of Common Market Studies*, vol. 54, no. 2, Mar. 2016, 466.

<sup>&</sup>lt;sup>14</sup> Men, Jing. "EU-China Relations: Problems and Promises." *Jean Monnet/Robert Schuman Paper Series*, Miami European Union Center, June 2008.

<sup>&</sup>lt;sup>15</sup> "Global Trends to 2030: Can the EU Meet the Challenges Ahead?" *European Strategy and Policy Analysis System*, ESPAS, 2015, 48-71.

environment, but it also must recognize that fundamental differences between China's goals and EU priorities may inhibit further integration.<sup>16</sup>

The EU policy towards China has been focused on engagement, cooperation, and partnership. The perspective of China, explained by Prime Minister Wen Jiabao in May 2004, "cooperation should be all-dimensional, wide ranging, and multi-layered...long-term and stable...transcend[ing] the differences in ideology and social systems...[the partnership] should be equal footed, mutually beneficial and win-win...[based on] mutual trust...and seek[ing] common ground." In line with these statements, the EU has continued to recognize the importance of China as a regional and global power, developing its goals to address the rising economic and political power that China has to offer. Through this interaction, the "action-oriented" policy of the EU has become a strategic partnership with China. Since 2006, however, the deepening of the EU-China relationship has stalled, and even threatens backsliding in light of the current global pandemic.

Other important considerations for the EU-China relationship include the "Belt and Road Initiative" (BRI) and relations with the EU's largest trading partner, the US. The BRI global development strategy adopted by China in 2013 promotes the cooperation of nearly seventy countries and international organizations. Through this initiative, China is striving to support the development of infrastructure and international investments in ways which echo the ancient Silk Road. The BRI has been an important forum for economic cooperation but also tension for the EU, especially when considering other relationships particularly with the US. Between the Obama administration's pivot to Asia and the Trump administration's trade war, the EU has had to choose whether to follow the "American example" or to develop their relationship with China in a different way. A full analysis of these aspects is outside the scope of this paper but are important considerations which contribute to further complexities during the pandemic.

Some scholars have identified that the current relationship with the EU and China has transitioned from a 'honeymoon' phase to a 'marriage' phase where deeper divisions have been brought to life and tested the strength of cooperation. This 'marriage' between the EU and China is being tried once again in the midst of a global health crisis that has paused China's "year of Europe" and caused the entire globe to pause and reassess its capacity to balance nationalism and globalism. The Coronavirus, named COVID-19 by the World Health

<sup>&</sup>lt;sup>16</sup> Dumbaugh, Kerry. "China's Foreign Policy: What Does It Mean for U.S. Global Interests?" *CRS Report for Congress*, Congressional Research Service, 18 July 2008, 5-6; "Global Trends to 2030: Can the EU Meet the Challenges Ahead?" *European Strategy and Policy Analysis System*, ESPAS, 2015, 25-30; Farnell, John, and Paul C. Irwin Crookes. *The Politics of EU-China Economic Relations: An Uneasy Partnership*. Palgrave Macmillan, 2016, 5.

<sup>&</sup>lt;sup>17</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 265.

<sup>&</sup>lt;sup>18</sup> Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World.* Washington, DC: Brookings Institution, 2012, 266.

<sup>&</sup>lt;sup>19</sup> "Global Trends to 2030: Can the EU Meet the Challenges Ahead?" *European Strategy and Policy Analysis System*, ESPAS, 2015, 71.

<sup>&</sup>lt;sup>20</sup> Perlez, J., "China Creates a World Bank of Its Own, and the U.S. Balks," *The New York Times*, December 2015.

<sup>&</sup>lt;sup>21</sup> Ford, John, "The Pivot to Asia Was Obama's Biggest Mistake," *The Diplomat*, 24 January 2017.

<sup>&</sup>lt;sup>22</sup> Zhang, Li. "Reflexive Expectations' in EU-China Relations: A Media Analysis Approach." *Journal of Common Market Studies*, vol. 54, no. 2, Mar. 2016, 466, 476.

Organization (WHO), has presented unprecedented public health difficulties around the world. The first cases of the communicable disease were in China, then they spread to Europe, notably Italy, Spain, and other EU member states. The global pandemic has jeopardized the world economy and consequently has halted Beijing's political and diplomatic agenda with Europe. This turn of events is unfortunate beyond the tragic loss of human life and suffering of political and economic resources; the gatherings organized for the Chinese leadership's 'year of Europe' where key negotiations and a long-awaited bilateral investment treaty have delayed further integration and cooperation between the two formerly thriving entities. Aside from allegations of distorted data or questionable decisions made on the part of Chinese leadership regarding the handling of the virus—much of which seems to threaten or hinder an opportunity for political cooperation with western countries—the EU has been able to continue to cooperate with China due to relief efforts reciprocated from January up to present day.

The future of EU-China relations, therefore, rests in cooperation during COVID-19 and its aftermath. On one hand, China's overwhelmingly generous reciprocation of resources to aid EU member states signals a push for further cooperation and international integration. President XI Jinping's proposed "health Silk Road" to Italian Prime Minister Giuseppe Conte signals China's sustained effort to enhance trust and cooperation: two keys to deepening external relations between the EU and China. While many member states of the EU are welcoming Chinese aid out of desperation and appreciation, there is a growing concern on the narrative legacy of China's actions in Europe at this time. From a critical perspective, given China's authoritarian history and nationalistic tendencies in an ever-competitive struggle for global dominance, the help could be taken as an attempt to gain soft power in the race for global influence. These thoughts are echoed by EU foreign policy chief, Joseph Borrell, among other EU diplomats who fear that China's targeted relief attempts threaten disunity for the EU during these tumultuous times.

Other relational concerns which have arisen due to COVID-19 include the fear of a Chinese economic takeover in the EU. The pandemic threatens the survival of businesses all over the world due to the closing of many businesses for an extended period of time. The economic consequences as a result of the Coronavirus outbreak continues to lead to the falling of share prices. In turn, the potential for overseas bids–particularly from China–have increased. In an effort to prevent vulnerable businesses to be the object of a Chinese takeover, European Commission Vice President, Margrethe Vestager, called for the engagement of states as market

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<sup>&</sup>lt;sup>23</sup> Ruehlig, T., et. al., "Exposing the fragility of EU-China relations," East Asia Forum. 23 May 2020

<sup>&</sup>lt;sup>24</sup> Wu, Wendy. "Coronavirus Puts China's 'Year of Europe' on Hold amid Growing Unease." *South China Morning Post*, 28 Mar. 2020.

<sup>&</sup>lt;sup>25</sup> China has been sending not only supplies but medical experts to some of the worst-affected EU member states, such as Italy. Also, President Xi Jinping has been promising continued support and "for health officials to share their experiences in battling the virus."

See more at: Wu, Wendy. "Coronavirus Puts China's 'Year of Europe' on Hold amid Growing Unease." *South China Morning Post*, 28 Mar. 2020.

<sup>&</sup>lt;sup>26</sup> Wu, Wendy. "Coronavirus Puts China's 'Year of Europe' on Hold amid Growing Unease." *South China Morning Post*, 28 Mar. 2020.

<sup>&</sup>lt;sup>27</sup> Farnell, John, and Paul C. Irwin Crookes. *The Politics of EU-China Economic Relations: An Uneasy Partnership*. Palgrave Macmillan, 2016, 199-201.

<sup>&</sup>lt;sup>28</sup> Wu, Wendy. "Coronavirus Puts China's 'Year of Europe' on Hold amid Growing Unease." *South China Morning Post*, 28 Mar. 2020.

participants. <sup>29</sup> Such actions would also counter a potential opportunistic Chinese presence demonstrated in the aftermath of the 2008 financial crisis and the subsequent euro-zone debt crisis. <sup>30</sup> This stronger approach towards China regarding the types of investment foreign actors can make inside the common market places tension on the "equal footed" relationship built on "mutual trust" that was established in 2004.

# III. Conclusion

As economic globalization encouraged international integration, the interdependence between the EU and China grew.<sup>31</sup> A major obstacle to a deeper partnership between the two entities is rooted in differing political identities. During the times of COVID-19, the EU and China are presented with a particular opportunity to deepen integration and strengthen a growing partnership in unprecedented ways. By continuing to support the global community, particularly the EU, China is demonstrating its ability to promote EU priorities of human rights and welfare of the international community, even if not in traditional ways of western liberal-style democracies. It is the EU's prerogative at this point to recognize China's efforts and root further cooperation in EU values which will most efficiently battle this global pandemic and, afterwards, to continue this productive relationship, widening it to other sectors which were delayed or damaged by the circumstances of today. It is with a cautious and hopeful mind that presents mistakes and differences of the past to be overcome and identities to be complemented in a mission to address present-day struggles. The cooperation between the EU and China in addressing the COVID-19 pandemic presents an opportunity to progress a partnership in unprecedented ways which may better prepare China to reclaim its 'year of Europe'<sup>32</sup> and allow for further cooperation in the future.

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<sup>&</sup>lt;sup>29</sup> Espinoza, J., "Vestager urges stakebuilding to block Chinese takeovers," *The Financial Times*, 12 April 2020.

<sup>&</sup>lt;sup>30</sup> Wu, Wendy, "Coronavirus puts China's 'year of Europe' on hold amid growing unease."

Bindi, Federiga ed. *The Foreign Policy of the European Union: Assessing Europe's Role in the World*.
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