

THE STATE OF EU-CHINA RELATIONS

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Europe's China dilemma

Sino-European relations had a very eventful second quarter this year. Most developments in these relations should be interpreted in light of Europe's strategic dilemma regarding China. Within the European political elite, two views have emerged on the China issue.

One view is that the US-dominated unipolar world order (referred to politically correctly as the "rules-based international order") is favourable for Europe, even if Europe is merely a subordinated ally (in Macron's words, a "vassal") of the United States. According to this perspective, Europe must do everything possible to prolong the "unipolar moment." This entails joining the US in efforts to contain other emerging poles, such as imposing technological blockades and sanctions against China, participating in the "new Cold War" (or whatever it may be called), and aligning with the US-led bloc in the emerging global order characterized by competing blocs. Supporters of this view believe that being a secondary player in the dominant group is preferable to being an independent but vulnerable actor caught in an intense struggle among a handful of global actors.

The other view, however, argues that Europe has no interest in maintaining US hegemony (or that it is impossible to maintain it) and should instead support (or at least accept) the multipolarization of the world, striving to become one of the poles in the emerging multipolar world. Consequently, Europe should refrain from bloc-building, Cold War mentalities, and involvement in conflicts instigated or escalated by the US (e.g. the situation concerning Taiwan). Europe should act as an independent actor, even if it means encountering disagreements with the US.

What complicates clear understanding in this debate is that neither side typically addresses the real issue. The anti-China narrative is dominated by concerns such as human rights violations, the repression of Uighurs, the suppression of the democratic movement in Hong Kong, Chinese sabre-rattling around Taiwan, intellectual property rights violations, cyber-espionage, "debt-trap diplomacy," and Chinese "malign influence," among others. While there is a basis for these concerns, they are rarely raised in the case of other countries (such as Vietnam, another Communist dictatorship, or India with its recent nationalistic, populist, and anti-democratic tendencies). On the other hand, those advocating for good relations with China do not address Europe's position in the new world order (which would provoke their US partners). Instead, they focus on pragmatic advantages, business relations, and economic opportunities. While these are valid arguments, a new Cold War would inevitably overshadow them and render business relations impossible.

This dilemma is essentially unsolvable, thereby paralyzing European decision-making on China. Some leaders act as “good cops,” while others act as “bad cops” from the Chinese point of view. At times, the same person even switches roles. Strategic papers are vague and contradictory, and the common labelling of China as a “partner, competitor, and systemic rival” fails to answer the most essential question: What are our plans with China? Consequently, European actions appear unpredictable and untrustworthy in the eyes of the Chinese.

Macron’s visit to China

After an almost four-year hiatus, President Macron made an official visit to China from 5 April to 8 April, 2023. The trip of the French head of state took place in the shadow of the Russia-Ukraine war and the tangible tension between Washington and Beijing. Macron, who had previously served as Minister for the Economy, aimed to decrease Chinese influence, for example, by establishing the “Cerbere Group” to protect strategic sectors and reduce the bilateral trade deficit, which currently stands at EUR 40 billion.

The April visit strove to ease the Franco-Chinese relationship that had become particularly tense during the Covid-19 period, but no fundamentally new developments emerged. Since the beginning of his presidency, Macron has championed “European autonomy” and seeks to avoid Europe being at the mercy of China or the United States. With this in mind, he wants to stay out of the duel between Beijing and Washington and keep Europe from being drawn into it. Given that France possesses the second-largest maritime territory (EEZ) in the world, it is in its direct interest to be directly involved in the processes unfolding in the South China Sea. However, Paris’s policy toward China always considers the importance of trade and economic exchanges, making it challenging to achieve the desired balance in the near future.

Macron also sought to encourage Beijing to play a mediating role in the Russia-Ukraine war, which has yielded limited results thus far. However, it has increased trust between France and China, potentially having positive effects on the global international relations system beyond bilateral relations. The April visit once again demonstrated that, despite support from Paris for a multipolar world, Beijing prefers a classic bilateral relationship. Additionally, Macron’s trip aimed not only to strengthen ties with China but also to address the relationship between Europe and the United States, underscoring the French president’s determination to maintain a greater distance from Washington. Therefore, the visit indicates that Macron is consistently pursuing the foreign policy guidelines he has established over the years, despite facing contradictions and limitations regarding France’s and Europe’s manoeuvrability resulting from the Ukraine-Russia crisis.

Li Qiang’s charm offensive in Germany and France

Li Qiang’s first trip as China’s new prime minister led him to Germany and France, China’s most important partners in the EU. The June visit had a business focus and was celebrated in the Chinese press as a great triumph by their premier. However, the

current international situation is more tense and complex than ever before, which has influenced the outcome of the talks. The primary goal was not to usher in a new era or return to the “honeymoon” period of EU-China relations but rather to engage in damage control, maintain communication, and keep channels open. In this regard, the trip can be considered successful.

China has a clear interest in continuing to cooperate with Europe, as it still requires European capital, technology, and access to markets. Similarly, it is fundamentally in Europe’s economic interest to maintain good relations. China’s main objective in its relations with Europe is to prevent a close US-Europe anti-China coalition. In other words, China aims to prevent the Americans from dragging Europe into their anti-China “Cold War”, for example by pushing EU countries to impose sanctions on Chinese companies if necessary. The establishment of a European sanctions regime would significantly impact China, which is already facing economic difficulties. However, it would also be detrimental for Europe to sever ties with the Chinese market and lose access to parts and other products, especially after its access to cheap Russian energy sources and raw materials has been cut.

Li Qiang mostly tried to avoid thorny political issues and focused on economic relations, science and technology, the fight against poverty, and climate cooperation. In Paris, however, discussions also touched on European strategic autonomy and the multipolar world order, where Beijing and Paris share similar positions (and the divided and cautious Germans are reluctant to take a firm stance). While Li rejected the notion of “decoupling” and attempted to downplay the concept of “de-risking” — the new European buzzword — he argued that cooperation and risk reduction are not mutually exclusive. He also emphasized that China presents more opportunities than risks for its partners.

Li’s visit did not result in any breakthroughs in various areas, but it has demonstrated that the Chinese have not given up on maintaining good relations with Europe. Realistic actors in European politics are trying to navigate the challenges by partially accommodating US and domestic ideological pressures while maintaining profitable business relations with China. This task is undoubtedly difficult.

Taiwan Steps Up Efforts to Bolster Ties with European Partners

Democracy, digitalization, and human rights are the fields of cooperation that the government of Taiwan has targeted, recognizing their importance not only from a political standpoint but also as popular topics in public communication. In June, three Taiwanese ministers made visits to various European countries. The European Values Center in Prague hosted an event focusing on democracy, with Czech President Petr Pavel and Foreign Minister Joseph Wu as keynote speakers. It appears that the Czech Republic is the EU member state most willing to make strong gestures in favour of Taiwan. In Milan, Joseph Wu met with leaders of the Italian Parliament, while in Brussels, he had unofficial meetings with some EU officials. Digital Minister Audrey Tang visited Britain, attending the London Tech Week and holding meetings with officials from the

Department for Science, Innovation and Technology and the Department for Business and Trade. Minister-without-Portfolio Lo Ping-cheng went to Brussels to co-chair the sixth EU-Taiwan Human Rights consultation at the European External Action Service. Taiwan is resolute in expanding its relations with European countries, with the EU as its primary target, although the current diplomatic offensive extends to non-EU states like Britain. While interactions between European and Taiwanese legislations have become the norm over the past decade, recent efforts have aimed to broaden the scope of interaction to include the executive domain as well. Moreover, these efforts not only seek to enhance official relations but also to increase Taiwan's visibility in areas where it can present itself in a positive light, such as democracy, digitalization, and human rights. The goal is to deepen political cooperation and bolster Taiwan's soft power on the European scene, and the government of Taiwan intends to implant and solidify a 'Taiwan awareness' in the European public. This way, when European decision-makers manage their relations with China, they will also take Taiwan into account. This was emphasized by Joseph Wu when he stated, "We certainly hope that other countries who want to attract TSMC to make investment can also think about the situation Taiwan is in, or TSMC's position in Taiwan, and the position Taiwan is seeing in this geo-strategic landscape."