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Towards a Sustainable and Seamless Arctic: Synergising the EU-China Relations at the North Pole

The Global Gateway: A Robust Reponse to China's Belt and Road?

SCHUMANN INSIGHT: Economic Coercion vs Sovereignty: How China's Divisive Trade Policies Stand to Threaten the EU's Strategic Autonomy



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Introduction

EXACERBATED by the Russian war in Ukraine,¹ the worsening climate crisis has resulted in the melting of Arctic ice, transforming the region into an opportunistic space for the Arctic, non-Arctic States, including other entities, to gain geopolitical and geoeconomic advantages for the past decade.² China and the European Union (EU) are no exception. While China is geographically a non-Arctic State, three of twenty-seven EU Member States (Finland, Sweden, and Denmark via Greenland) are part of the Arctic region and the Arctic Council, the utmost regional multilateral organisation co-governed by the Arctic States. Moreover, the Arctic Council also comprises the United Kingdom, two members of the European Economic Area (EEA), which are Norway and Iceland, and five observers from the Union – Spain, the Netherlands, Poland, Germany, and France. Regarding itself as a “near-Arctic State,” China has been engaging in the Arctic region since the Arctic Council approved China’s observer

status in 2013. Likewise, in 2021, the EU published an updated version of its Arctic policy to further emphasise the EU’s prominent role in the Arctic region.

Previous studies have highlighted both China’s and the EU’s growing presence in the Arctic region for the past few years. Raspotnik and Østhagen, together with Kuus, study how the EU acts as a geopolitical actor and how it justifies itself to be in the Arctic region.³ Biedermann points to the EU’s shifting Arctic policy from a wider Arctic region to concentrate more on the Barents sub-region, in which all States are members of the EU.⁴ Sørensen, along with Brattberg and Soula, further studied how the EU could play a supporting role for the Euro-Arctic States amidst the intensifying great powers’ rivalry in the Arctic region.⁵ Several studies have examined the underpinnings behind the increasing Chinese participation in the Arctic region, including how China is giving grounds for its presence in the region.⁶

1 Danielle Bochove, “A New Cold War Is Heating Up the Arctic,” *Bloomberg*, October 20, 2022, <https://www.bloomberg.com/news/articles/2022-10-20/russia-s-ukraine-war-prompts-arctic-rivalry-in-setback-for-climate-change>; Aryn Baker, “Ukraine’s Conflict Has Rippled All the Way to the Arctic Circle,” *Time*, March 9, 2022, <https://time.com/6156189/russia-ukraine-conflict-risks-arctic-climate/>.

2 Charles K. Ebinger and Evie Zambertakis, “The Geopolitics of Arctic Melt,” *International Affairs* 85, no. 6 (November 2009): 1215.

3 Andreas Raspotnik and Andreas Østhagen, “What About the Arctic? The European Union’s Geopolitical Quest for Northern Space,” *Geopolitics* 26, no. 4 (2021): 1150-1174; Merje Kuus, “Regulatory Power and Region-making in the Arctic: China and the European Union,” *European Urban and Regional Studies* 27, no. 4 (2020): 321-24.

4 Reinhard Biedermann, “Adapting to the Changing Arctic? The European Union, the Nordics, and the Barents Governance,” *Journal of Contemporary European Studies* 28, no. 2 (2020): 167-181.

5 Camilla T. N. Sørensen, “The Evolving Role of the EU in Intensifying Great Power Politics in the Arctic – Potential Implications for EU-China Relations,” in *China-EU Relations in a New Era of Global Transformation*, ed. Li Xing (New York, NY: Routledge, 2022), 146-162; Erik Brattberg and Etienne Soula, “Europe’s Emerging Approach to China’s Belt and Road Initiative,” *Carnegie Endowment for International Peace*, October 19, 2018, <https://carnegieendowment.org/2018/10/19/europe-s-emerging-approach-to-china-s-belt-and-road-initiative-pub-77536>.

6 Kai Sun, “Beyond the Dragon and the Panda: Understanding China’s Engagement in the Arctic,” *Asia Policy*, no. 18 (2014): 46-

Nevertheless, only a few studies addressed the interrelations between China and the EU, as well as the potential areas for cooperation between them. For example, Biedermann analyses the impacts and influence of changing Chinese Arctic policy on the EU's Arctic policy, outlining both critical junctures and crossovers in their relations across space and time.⁷ Similarly, Erokhin, Tianming, and Xiuhua study how the collaboration between China, Russia, and the EU could result in the successful development of the Arctic Blue Economic Corridor (ABEC), which will connect Europe and Asia through alternative sea routes in the Arctic Ocean.⁸

Therefore, this article will analyse areas and/or opportunities for the EU-China collaboration in the Arctic region by investigating the common interests between them as Stated in their official Arctic Policy documents –the 2018 China's Arctic Policy, the 2016 Joint Communication on integrated EU's policy for the Arctic, and the following updated version of it in 2021. The article argues that, although affected by the war in Ukraine this year,⁹ China and the EU could collaborate on various areas in the region. These involve co-building Arctic regional connectivity, encouraging sustainable development, promoting environmental protection, and strengthening Arctic governance through

Arctic-led initiatives, for example, the Arctic Council. As a result, the synergies between them could contribute to stability and economic prosperity in the Arctic region in the long term.

In building this argument, this article will proceed in three parts. The first part will evaluate the EU-China relations in the Arctic for the past few years and shed light on the shared interests between them to provide opportunities for their future collaboration. The next part will focus on the potential for cooperation between China and the EU on reinforcing Arctic connectivity and promoting sustainable development in the Arctic region. The last part concludes that China and the EU should work together on Arctic connectivity and sustainable development. Not only would this strengthen EU-China relations further in the future, but this may also be beneficial for the Arctic region to prosper amidst the intensifying climate crisis.

Although this study will not consider other factors such as the great powers' rivalry and the role of Russia in the Arctic region, it will provide two main contributions to the study of EU-China relations in the 21st century. First, it will contribute to a more fruitful discussion on the synergies between China and the EU in the Arctic. Second, the study offers

51; Siwat Varnakomola, "An Analysis of China's Motivations behind the Rare Earths Mining in Greenland through a Constructive Eco-Developmental State Paradigm," Masters diss., (King's College London, 2022); Marc Lanteigne, "Have You Entered the Storehouses of the Snow? China as a Norm Entrepreneur in the Arctic," *Polar Record* 53, no. 269 (2017): 117-130; Mariia Kobzeva, "China's Arctic Policy: Present and Future," *The Polar Journal* 9, no. 1 (2019): 94-112; Nong Hong, *China's Role in the Arctic: Observing and Being Observed* (London: Routledge, 2020); Anne-Marie Brady, *China as a Polar Great Power* (Cambridge, UK: Cambridge University Press, 2017).

7 Reinhard Biedermann, "China's Impact on the European Union's Arctic Policy: Critical Junctures, Crossovers, and Geographic Shifts," *Asia Europe Journal* 19 (2021): 467-487.

8 Vasilii Erokhin, Gao Tianming and Zhang Xinhua, "Arctic Blue Economic Corridor: China's Role in the Development of a New Connectivity Paradigm in the North," in *Arctic Yearbook 2018*, eds. Lassi Heininen, Heather Exner-Pirot, and Justin Barnes (Akureyri: Northern Research Forum, 2018), 1-19, <https://arcticyearbook.com/arctic-yearbook/2018/2018-scholarly-papers/292-arctic-blue-economic-corridor-china-s-role-in-the-development-of-a-new-connectivity-paradigm-in-the-north>.

9 Philippe Le Corre, "The Ukraine War's Impact on Sino-European Relations," *Ash Center, Harvard Kennedy School*, May 17, 2022, <https://ash.harvard.edu/ukraine-wars-impact-sino-european-relations>; Yaning Zhang, "The War in Ukraine Is Not a Watershed in China-EU Relations – Yet," *The Diplomat*, August 17, 2022, <https://thediplomat.com/2022/08/the-war-in-ukraine-is-not-a-watershed-in-china-eu-relations-yet/>; Paul Haenle and Philippe Le Corre, "Russia's Invasion of Ukraine Has Jeopardized the China-EU Relationship," *Carnegie Endowment for International Peace*, May 10, 2022, <https://carnegieendowment.org/2022/05/10/russia-s-invasion-of-ukraine-has-jeopardized-china-eu-relationship-pub-87107>; Matthew Fulco, "Once Bound by Trade, China-EU Honeymoon Sours over Ukraine War," *Al Jazeera*, April 28, 2022, <https://www.aljazeera.com/economy/2022/4/28/europe-once-saw-china-relations-through-trade>.

hope to strengthen (and restore) EU-China relations in the far future.

The EU-China Relations and Their Shared Interests in the Arctic Region

For the past few years, there have always been interlinkages between China and the EU in the Arctic region. The implementation of China's Arctic policies and the Chinese activities across the Arctic States seem to influence the EU's policies towards the region and *vice versa*. To exemplify, China's increasing investment in rare-earths mining in Greenland after China gained observer status from the Arctic Council in 2013 has driven the EU and the Danish government to strengthen bilateral relations with the Greenlandic authority. After the EU had initiated a dialogue with the Greenlandic government on minerals and rare earths in 2010, the European Commission signed a letter of intent for collaboration with Greenland to secure its continued access to the rare earths located in the region.¹⁰ Notwithstanding, this was followed by former Chinese President Hu Jintao's three-day historic visit to Denmark in the same month.¹¹ More recently, as China increases its cooperation with Russia in many projects across the Arctic, for example, the Yamal-LNG gas project and series of joint scientific expeditions,¹² the EU further enhances its policies towards the region and, specifically, the Barents sub-region, consisting of Norway, Finland, Sweden, and North-West Russia,

in response to growing Sino-Russian cooperation in the Arctic.¹³

Interestingly, both China and the EU, in the light of the European Green Deal (EGD), have been justifying their position and continued participation in the Arctic for a similar reason –the consequences of changes in Arctic ice concentration resulted from the climate crisis. What seems significant is that this justification has been developed into one of the foremost priorities in the EU's and China's Arctic policies. Studying four sea ice zones in the Arctic Ocean, Zhang *et al.* argue that there are significant correlations between the changes in Arctic ice concentration in such areas and the frequency of dust storms in North China.¹⁴ Similarly, another research indicates that the changes in ice concentration in the Barents-Kara Sea link to two spatial categories of heatwaves in North China: the S-type and the N-type. The research also suggests that the retreat of sea ice concentration in the Barents-Kara Sea seems to reinforce the cyclonic circulation over North China.¹⁵ On the EU side, Chuffart *et al.* point to the relationship between the changing weather patterns, coastal flooding, the rising sea level across the EU Member States, and the loss of sea ice and glaciers in the Arctic.¹⁶ In this regard, climate mitigation, adaptation, and sustainable development gained immense priority in both China's and the EU's Arctic policies.

10 Magdalena Tomala, "The European Union's Relations with Greenland," *Interdisciplinary Political and Cultural Journal* 20, no. 1 (2017): 31-46, 42.

11 Wu Jiao, "President Hu Makes Historic Trip to Denmark," *China Daily*, June 16, 2012, https://www.chinadaily.com.cn/china/HuvisitsDenmark/2012-06/16/content_15506257.htm.

12 Christopher Weidacher Hsiung, "China and Arctic Energy: Drivers and Limitations," *The Polar Journal* 6, no. 2 (2016): 243-258; Tianming Gao and Vasilii Erokhin, "China-Russia Collaboration in Arctic Shipping and Maritime Engineering," *The Polar Journal* 10, no. 2 (2020): 353-374.

13 Alyson J. K. Bailes and Kristmundur Þ. Ólafsson, "The EU Crossing Arctic Frontiers: The Barents Euro-Arctic Council, Northern Dimension, and EU-West Nordic Relations," in *The European Union and the Arctic*, eds. Nengye Liu, Elizabeth A. Kirk, and Tore Henriksen (Netherlands: Brill | Nijhoff, 2017), 40-62; Enrico D'Ambrogio, EU Regional Policy in the Arctic, *European Parliament*, June 1, 2022, [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)729464](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)729464).

14 Jiashen Zhang, Gongbing Peng, Mei Huang and Shihuang Zhang, "Are Dust Storm Activities in North China Related to Arctic Ice-snow Cover?," *Global and Planetary Change* 52, no. 1-4 (July 2006): 225-230, 228.

15 Guwei Zhang, Gang Zeng, Xiaoye Yang and Vedaste Iyakareye, "Two Spatial Types of North China Heatwaves and Their Possible Links to Barents-Kara Sea Ice Changes," *International Journal of Climatology* 42, no. 13 (2022): 6885-86.

16 Romain Chuffart, Andreas Raspotnik and Adam Stepień, "Our Common Arctic? A More Sustainable EU-Arctic Nexus in light of the European Green Deal," *The Polar Journal* 11, no. 2 (2021): 284-302.

Having thoroughly analysed the 2018 China's Arctic Policy white paper, the 2016 and the 2021 EU's Joint Communication on the EU's Arctic policy, five intersections of interests of both actors appeared. These shared interests comprise building inter- and intra-regional connectivity in the Arctic region, strengthening Arctic governance, protecting the Arctic environment and natural resources, encouraging sustainable development in the region, and promoting scientific collaboration among the Arctic and non-Arctic actors.¹⁷ On the Chinese side, these are all included in the fundamental objectives and principles of the Chinese engagement in the Arctic, as Stated in the third section of the 2018 China's Arctic Policy white paper.¹⁸ On the EU side, these are also clearly included in the three pillars of the 2016 Joint Communication,¹⁹ as well as in the EU's objectives stated in the 2021 Joint Communication.²⁰ Furthermore, these areas of priority resonated from numerous initiatives of both China and the EU, for instance, the ABEC, the Chinese Polar Silk Road initiative, the EU-China Blue Partnership for the Oceans, the EU's "Fit for 55" climate package, the China's and the EU's support to the Arctic Council Framework for Action on Enhanced Black Carbon and Methane Emissions Reductions.²¹

Taken together, both China and the EU have certain common prioritised areas in their Arctic engagement, providing both actors with solid opportunities for their future collaboration in this region, despite the impacts of the Russo-Ukrainian war on their relations. The next part will investigate the potential for EU-China cooperation to build Arctic connectivity and promote sustainable development in the Arctic region.

Co-building the Seamless and Sustainable Arctic: Connectivity and Sustainability at the Forefront of the EU-China Arctic Collaboration

Despite growing tensions between the EU and China in the geopolitical realm, the two could potentially collaborate on reinforcing Arctic connectivity and encouraging sustainable development in the Arctic region. Buttressing the Arctic connectivity may involve researching and developing an Arctic economic corridor, and alternative shipping routes through the Arctic Ocean, including physical and digital infrastructure within the Arctic States. One of the overarching projects to achieve these ends is the cross-border Arctic Blue Economic Corridor (ABEC). Having developed from the Nordic countries' proposal to construct an

17 The State Council Information Office of the People's Republic of China, "China's Arctic Policy," *Xinhua*, January 26, 2018, http://www.xinhuanet.com/english/2018-01/26/c_136926498.htm; European Commission, and High Representative, *Joint Communication to the European Parliament and the Council: An Integrated European Union Policy for the Arctic*, Brussels, 2016, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016JC0021>; European Commission, and High Representative, *Joint Communication to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions: A Stronger EU engagement for a Peaceful, Sustainable and Prosperous Arctic*, Brussels, October 13, 2021, https://www.eeas.europa.eu/sites/default/files/2_en_act_part1_v7.pdf.

18 The State Council Information Office of the People's Republic of China, "China's Arctic Policy."

19 European Commission and High Representative, *Joint Communication to the European Parliament and the Council*; Adam Stepień and Andreas Raspotnik, "The EU's Arctic Policy: Between Vision and Reality," *The Arctic Institute*, August 20, 2019, <https://www.thearcticinstitute.org/eu-arctic-policy-between-vision-reality>.

20 Özlem Terzi, "Contesting the European Union at the 'Poles': A Multi-level Analysis of Contestation of the EU's Presence in the Arctic," *Global Affairs* 6, no. 4-5 (2020): 399-415; European Commission, and High Representative, *Joint Communication to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions*.

21 Ian Anthony, Jiayi Zhou, Jingdong Yuan, Fei Su and Jinyung Kim, "The Evolving China-European Union Relationship," in *China-EU Connectivity in An Era of Geopolitical Competition*, SIPRI Policy Paper No. 59 (Solna: Stockholm International Peace Research Institute, 2021), 11-24; Giuseppe Amatulli, "The Role of China in the Arctic: Challenges and Opportunities for a Sustainable Development of the Region," *Jindal Global Law Review* 8, no. 1 (2017): 103-110, <https://doi.org/10.1007/s41020-017-0043-2>; Qiang Zhang, Zheng Wan, and Shanshan Fu, "Toward Sustainable Arctic Shipping: Perspectives from China," *Sustainability* 12, no. 21 (2020): 1-12; Liudmila Osipova and Bryan Comer, "Be Truly 'Fit for 55' by Adding Black Carbon Emissions from Ships," *The International Council on Clean Transportation*, August 31, 2022, <https://theicct.org/fit-for-55-black-carbon-from-ships-aug22/>.

economic corridor to connect European with Asian markets, and to reinforce the flows of economic and commercial activities within the Arctic region, this project was incorporated into the larger China's Belt and Road Initiative (BRI) in 2018.²²

Regulated under the United Nations Convention on the Law of the Sea (UNCLOS), the ABEC contains three principal passages through the Arctic Ocean –the Northwest Passage, the Northern Sea Route (NSR), and the Transpolar Passage,²³ as well as physical and digital infrastructure projects within the Arctic States. The ABEC, specifically the development of the NSR, offers both China and the EU an extraordinary opportunity to collaborate. If succeeded, Sur and Kim suggest that the NSR will reduce the shipping distance between Northern Europe and Asia, the transport cost, and other distance-related costs like time and non-shipping services, while boosting the total volume of trade and commercial activities between the two regions.²⁴ They also identify that the operation of the NSR will benefit the Netherlands the most among other European countries.²⁵ Likewise, Biedermann adds that this route is expected to save up to forty per cent in terms of time and fuel costs in comparison to southern routes.²⁶ Primarily financed by China Ocean Shipping Company (COSCO),

ongoing projects under the NSR include the construction of an ice-free seaport in Kirkenes (Norway) and a railway linking Kirkenes to Rovaniemi (Finland).²⁷ More funds are expected to come from the EU's recent initiatives. Launched in 2021, these are the Interreg Northern Periphery and Arctic (NPA) and the Interreg Baltic Sea Region programmes, which span across the Barents sub-region.²⁸

The collaboration between China and the EU on this subject seems feasible. On July 16, 2018, the EU and China signed a Blue Partnership for the Oceans at the EU-China summit, to cooperate on improving *"the international governance of the oceans in all aspects."*²⁹ Before that, in 2015, China and the EU also signed a Memorandum of Understanding (MoU) on the EU-China Connectivity Platform, to reinforce the synergy in EU-China connectivity projects, such as the Trans-European Transport Network (TEN-T).³⁰ On one side, the EU-China Blue Partnership for the Oceans would offer them a dialogue to discuss how to co-improve connectivity in the Arctic region. On the other, both parties seem to possess decent capabilities to fund infrastructure projects in the Arctic countries. As a result, their cooperation may further improve the connectivity within the Arctic region and successfully bridge Europe and Asia together, leading to economic prosperity in both regions.

22 Henry Tillman, Jian Yang and Egil Thor Nielsson, "The Polar Silk Road: China's New Frontier of International Cooperation," *China Quarterly of International Strategic Studies* 4, no. 3 (2018): 345-362, 356; Erokhin, Tianming, and Xiuhua, "Arctic Blue Economic Corridor," 2-3; Zhang, Wan, and Fu, "Toward Sustainable Arctic Shipping," 3; Sanna Kopra, Karoliina Hurri, Liisa Kauppila, Adam Stępień and Yulia Yamineva, "Chapter 5 China, Climate Change and the Arctic Environment," in *Chinese Policy and Presence in the Arctic*, eds. Timo Koivurova and Sanna Kopra (Leiden, The Netherlands: Brill | Nijhoff, 2020), 62-89.

23 Erokhin, Tianming, and Xiuhua, "Arctic Blue Economic Corridor," 6.

24 Ji Min Sur and Dong Jin Kim, "Multi Criteria Evaluation of Beneficial Effect of Commercializing Northern Sea Route on Europe and Asia Countries," *The Asian Journal of Shipping and Logistics* 36 (2020): 193-201, 183, 187.

25 *Ibid.*, 186.

26 Biedermann, "Adapting to the Changing Arctic?," 177.

27 Atle Staalesen, "Kirkenes Port Developers Put Their Faith in the Chinese," *The Barents Observer*, June 7, 2019, <https://thebarentsobserver.com/en/node/5478>.

28 D'Ambrogio, *EU Regional Policy in the Arctic*, 4; Adam Stępień and Andreas Raspotnik, *Continuity with Great Confidence: The European Union's 2021 Arctic Policy Update* (Washington, D.C.: The Arctic Institute, 2021), 1-23, <https://www.thearcticinstitute.org/wp-content/uploads/2021/10/Continuity-with-Greater-Confidence-The-EUs-Arctic-Policy-Update-2021.pdf>.

29 Directorate-General for Maritime Affairs and Fisheries, "EU and China Sign Landmark Partnership on Oceans," *European Commission*, July 16, 2018, https://oceans-and-fisheries.ec.europa.eu/news/eu-and-china-sign-landmark-partnership-oceans-2018-07-16_en.

30 Maaike Okano-Heijmans and Daniel Lanting, "Europe Finds the China Connection," *East Asia Forum*, July 23, 2015, <https://www.eastasiaforum.org/2015/07/23/europe-finds-the-china-connection/>.

In addition to reinforcing Arctic connectivity, both China and the EU could cooperate in promoting sustainable development in the region. This includes three sub-areas comprising green development, and environmental protection, including the rights of indigenous peoples living across the Arctic States. To illustrate, both parties have committed to minimising their carbon footprints and researching how to green their commercial activities (shipping, mining, and fishing, to name a few) in the Arctic region. In light of EGD, the EU attempts to reduce GHG emissions by 55 per cent at minimum over the next decades to accomplish climate neutrality by 2050.³¹ Additionally, not only has the EU recently adopted the proposal to establish the Just Transition Fund to help finance projects facilitating the transition to a low-carbon economy, but it also launched the Interreg Aurora programme aimed at encouraging cross-border collaboration on sustainability and social inclusion in Northern Europe and Sápmi.³² On the Chinese side, Xi Jinping announced in 2020 that China will strive to reach peak carbon emissions by 2030 and achieve carbon neutrality within the next four decades.³³ In terms of Arctic shipping, China has developed the idea of green Arctic shipping to reduce the black carbon emissions, a fine particulate air pollution which contributes to climate change, from regular commercial shipping through the NSR.³⁴ Makarova *et al.* indicate that the immense amount of black carbon emissions in the Arctic has resulted in

the ever-increasing retreat of the Arctic ice sheets. If not addressed effectively, this would further make the Arctic region more vulnerable to climate change.³⁵

Most importantly, both China and the EU are proactively advancing scientific research and encouraging collaboration among scientists to mitigate the climate crisis and promote peoples' resilience and adaptation to the changing climate. While the EU has recently initiated the "Fit for 55" climate package,³⁶ the PolarNet-1 and PolarNet-2 projects to provide technical and financial assistance to any Polar research related to climate mitigation, resource efficiency, and indigenous peoples' resilience, China has established the Polar Research Institute in Shanghai and many Polar research centres across the Arctic States (Norway, Finland, Sweden, and more recently Iceland) to research on the climate mitigation and resource development in the Arctic region. Moreover, China has actively conducted joint scientific expeditions with Russia using Chinese vessels named *MV Xue Long* (Snow Dragon) and *MV Xue Long 2* around the Arctic Ocean. The most notable expedition is the Sino-Russo joint expedition in the Laptev Sea to study the Arctic Shelf in Siberia.³⁷

Nevertheless, there are several challenges to the EU-China collaboration in these two areas. One of them lies in the role of Russia in the (sub-) region. Both Russia's attempt to increase its military presence around the Euro-Arctic and Russia's

31 Agnieszka Widuto and Pernilla Jourde, *Just Transition Fund*, European Parliament, September 20, 2021, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646180/EPRS_BRI\(2020\)646180_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646180/EPRS_BRI(2020)646180_EN.pdf).

32 D'Ambrogio, *EU Regional Policy in the Arctic*, 4.

33 Anmar Frangoul, "President Xi Tells UN that China Will Be 'Carbon Neutral' within Four Decades," *CNBC*, September 23, 2020, <https://www.cnbc.com/2020/09/23/china-claims-it-will-be-carbon-neutral-by-the-year-2060.html>.

34 Yulia Yamineva, "Reducing China's Black Carbon Emissions: An Arctic Dimension," *The Arctic Institute*, April 14, 2020, <https://www.thearcticinstitute.org/reducing-china-black-carbon-emissions-arctic-dimension/>; Zhang, Wan, and Fu, "Toward Sustainable Arctic Shipping," 8; Giuseppe Amatulli, "The Role of China in the Arctic: Challenges and Opportunities for a Sustainable Development of the Region," *Jindal Global Law Review* 8, no. 1 (2017): 103-110.

35 Irina Makarova, Vadim Mavrin, Kiril Magdin and Aleksandr Barinov, "Reducing Black Carbon Emissions in the Arctic Territories," *Transportation Research Procedia* 57 (2021): 356-362, 357.

36 Osipova and Comer, "Be Truly 'Fit for 55' by Adding Black Carbon Emissions from Ships."

37 Jüris Frank, "Sino-Russian Scientific Cooperation in the Arctic: From Deep Sea to Deep Space," in *Russia-China Relations: Emerging Alliance or Eternal Rivals?* eds. Sarah Kirchberger, Svenja Sinjen, and Nils Wörmer (Cham: Springer, 2022), 190.

war in Ukraine seem to fuel mistrust, undermining the EU-Russia relations overall. In this regard, it is likely that any EU advantageous initiatives that seem to go against Russia's Arctic ambitions may be impeded by Moscow's veto in the Arctic Council. Considering the current Sino-Russo partnership in the Arctic, China may be more inclined to support and align with Russia's Arctic interests than the EU's. Another challenge is the rising demand for raw materials, like rare-earth elements (REEs), to facilitate the EU's effort to encourage the energy transition towards clean energy and to achieve a low-carbon Arctic future. Although the global supply of REEs remains scarce, REEs are critical for powering all green technologies such as solar panels, wind turbines, or the permanent magnets used in electric vehicles (EVs).³⁸ Being the global largest producer of REEs and the biggest source of EU's REEs import,³⁹ China could continue to facilitate the supply of REEs to the EU over the next few years. However, this hinges primarily on the relations between China and the EU.

All things considered, economic and environmental sustainability, along with the Arctic connectivity, have been factored into both China's and the EU's Arctic engagement. Despite certain challenges, these areas turn into spaces for future EU-China collaboration in the Arctic region.

Conclusion

The Arctic region is playing a prominent role in EU-China relations, posing both opportunities and challenges. Russia's invasion of Ukraine this year has arguably undermined overall EU-China relations. However, this article has positively argued

that both China and the EU may collaborate on various areas in the region. Reiterating its role as a "near-Arctic State," China will continue to increase its engagement in the Arctic for years to come. Similarly, the EU is consistently engaging with the Arctic, particularly the Euro-Arctic States, to pursue its values and interests in the (sub) region. Analysing the 2018 China's Arctic Policy white paper, the 2016 and the 2021 EU's Joint Communication, this article has demonstrated that both China and the EU share certain interests in the region, for instance, building the Arctic connectivity to connect the Asian and European markets, protecting the Arctic environment, promoting scientific research to explore untapped Arctic resources and mitigate climate change, and encouraging the sustainable development in the Arctic region. This provides both parties with potential areas for future collaboration. Not only would the collaboration between them contribute to the development of Arctic governance, but it also may further reinforce their relations for years to come. Although this article does not consider other factors like the emerging great powers' rivalry and growing Russia's role in the region, it still contributes to a more fruitful discussion on the EU-China cooperation in the Arctic, hoping to bridge the relations between them in the far future.

38 Sophia Kalantzakos, "The Race for Critical Minerals in an Era of Geopolitical Realignment," *The International Spectator* 55, no. 3 (2020): 1-16.

39 David Matthews, "Researchers Scramble to Cut European Dependence on Chinese Rare Earth Magnets," *Science Business*, June 30, 2022, <https://sciencebusiness.net/news/researchers-scramble-cut-european-dependence-chinese-rare-earth-magnets>.



Introduction

In the 14th Century, Moroccan explorer Ibn Battuta travelled from the Mediterranean to Mombasa, to Malacca, and finally to Yuan dynasty China.¹ Little could he have known that seven hundred years later, Europe and China would be competing for influence in many of the cities he visited along the way. Part of Battuta's journey took place along a complex road network in Central Asia, commonly known today as the Silk Road. In a 2013 speech at Nazarbayev University in Kazakhstan, Chinese President Xi Jinping harked back to this element of his country's mercantile past, launching the twin projects of the Silk Road Economic Belt, and the 21st Century Maritime Silk Road.² Today, the project is more commonly known as the Belt and Road Initiative (BRI).

The BRI is a global infrastructure development strategy creating economic corridors and new trade routes to connect China to the global economy. While it has stimulated economic growth in many developing countries, the BRI has also been heavily criticised as a means of ensuring developing countries' loyalty to Beijing

through its use of debt-trap diplomacy.³ Nine years later, the European Union (EU) would respond with a similar initiative: the Global Gateway.⁴ This article analyses both China's BRI and the EU's Global Gateway connectivity strategies, adopting a comparative approach between the two. Particular focus will be given to one of the most striking differentiating factors between the two, the conditionality, or lack thereof, in the two strategies, and the resilience of the Global Gateway in responding to the BRI will be assessed with this in mind.

One Belt, One Road, One-sided Partnership?

Since 2013, China has invested a gargantuan \$1.4 trillion into the BRI through its four state-owned banks and international financial institutions such as the Asia Infrastructure Investment Bank.⁵ As of 2022, over 140 countries had joined the BRI by signing a Memorandum of Understanding with China, approximately 60 of which have a BRI trade route passing through their territory.⁶ The BRI has even extended into EU Member State territory.

1 Ross E. Dunn, *The adventures of Ibn Battuta: a Muslim traveler of the 14th century*, 3rd ed. (Berkeley, University of California Press, 2012), 241.

2 Michael Clarke, "The Belt and Road Initiative: China's New Grand Strategy?," *Asia Policy* 24, (2017), 71-79.

3 Pádraig Carmody, Ian Taylor and Tim Zajontz, "China's spatial fix and 'debt diplomacy' in Africa: constraining belt or road to economic transformation?," *Canadian Journal of African Studies* 56, no. 1 (2022) 57-77.

4 European Commission and High Representative of the Union for Foreign Affairs and Security Policy, "The Global Gateway," JOIN(2021) 30 final, Brussels, 1 December 2021: 1-13.

5 Wade Sheppard, "The Real Role Of The AIIB In China's New Silk Road," *Forbes*, 15 July 2017, <https://www.forbes.com/sites/wadesheppard/2017/07/15/the-real-role-of-the-aiib-in-chinas-new-silk-road/?sh=1dc1d9d17472>.

6 "Countries of the Belt and Road Initiative," *Green Finance and Development Centre*, accessed 26 November 2022, <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/?cookie-state-change=1651263282459>.

In 2016, Greece sold the Piraeus Port in Athens to the Chinese shipping firm Cosco.⁷ Greece then formally entered the BRI in 2018.⁸ The expansion of the BRI into Europe in particular poses problems for the EU. For example, in 2018, Greece blocked a common EU statement criticising Chinese human rights violations, with many believing that the major investment into the Greek port was a significant factor in silencing Greek criticism of China.⁹

While the BRI has brought some advantages to emerging markets in Asia and Africa, it has come at a significant cost to these countries. Despite President Xi's rhetoric of a 'Green Silk Road', lax environmental standards have contributed to environmental degradation in many BRI countries.¹⁰ For example, in Indonesia, the BRI has been used to fund the construction of a dam in the Sumatran rainforest, which could lead to habitat loss for numerous endangered species.¹¹ Another potent risk is that of corruption and elite capture. For example, in Hungary, there are multiple examples of projects in the country where the tender was granted to government officials or their close allies.¹² For example, the tender for the Budapest-Belgrade railway was awarded to a close political

ally of Hungarian Prime Minister Victor Orbán.¹³

Furthermore, many of China's partner countries have succumbed to unsustainable levels of debt due to BRI infrastructure projects.¹⁴ Critics of the BRI claim this is intentional: by ensuring partner countries are dependent on Chinese loans, Beijing can wield its political and economic influence in the region more easily.¹⁵ A cogent example of this 'debt-trap diplomacy' occurred in Montenegro. In 2014, the Montenegrin government accepted a Chinese loan through the BRI which covered 85% of the costs of constructing the first-ever motorway in Montenegro.¹⁶ Unable to repay this significant amount of debt, Montenegro found itself in a very weak position compared to its creditors in the Export Bank of China. The Montenegrin case study poses a number of problems for the EU. As a candidate country, such a large distortion in its debt-to-GDP ratio affects Montenegrin prospects for EU accession. Similarly, as in Montenegro, the EU may be asked to pay the bill when BRI projects go awry.¹⁷ Cases like this could lead to unnecessary tensions developing between the EU and its partners.

7 Kerin Hope, "Greece sells controlling stake in Piraeus port," *Financial Times*, 8 April 2016, <https://www.ft.com/content/895aac42-fd98-11e5-b5f5-070dca6d0a0d>.

8 Yu Jie and John Wallace, "What is China's Belt and Road Initiative (BRI)?," *Chatham House*, 13 September 2021, <https://www.chathamhouse.org/2021/09/what-chinas-belt-and-road-initiative-bri>.

9 Robin Emmott and Angeliki Koutantou, "Greece blocks EU statement on China human rights at U.N.," *Reuters*, June 2018, <https://www.reuters.com/article/us-eu-un-rights-idUSKBN1990FP>.

10 John Vidal, "Will China's plan for a 'green silk road' live up to environmental promises?," *Guardian*, 20 September 2022, <https://www.theguardian.com/world/2022/sep/20/china-plan-green-silk-road-environmental-promises>.

11 Alice Politi, "How Green is China's Belt and Road Initiative?," *Istituto Affari Internazionali*, 12 April 2021, <https://www.iai.it/en/pubblicazioni/how-green-chinas-belt-and-road-initiative>.

12 Erik Brattberg, Philippe Le Corre, Paul Stronski and Thomas de Waal, "China's Influence in Southeastern, Central, and Eastern Europe: Vulnerabilities and Resilience in Four Countries," *Carnegie Endowment for International Peace*, 13 October 2021, <https://carnegieendowment.org/2021/10/13/china-s-influence-in-southeastern-central-and-eastern-europe-vulnerabilities-and-resilience-in-four-countries-pub-85415>.

13 *Ibid.*

14 Dylan Gerstel, "It's a (Debt) Trap! Managing China-IMF Cooperation Across the Belt and Road," *Center for Strategic and International Studies*, 17 October 2018, <https://www.csis.org/npfp/its-debt-trap-managing-china-imf-cooperation-across-belt-and-road>.

15 *Ibid.*

16 Hans von der Brelie, "The billion-dollar motorway leading Montenegro to nowhere," *Euronews*, 28 May 2021, <https://www.euronews.com/my-europe/2021/05/07/the-billion-dollar-motorway-leading-montenegro-to-nowhere>.

17 Hans von der Burchard, "EU rebuffs Montenegro plea to help repay \$1B Chinese highway loan," *Politico*, 12 April 2021, <https://www.politico.eu/article/eu-montenegro-billion-dollar-china-unfinished-highway-loan/>.

Other BRI participants such as Sri Lanka, Pakistan, and Djibouti have also found themselves facing issues relating to Chinese debt, and as Chinese pressure to repay loans increases, these countries are liable to fall into a Chinese sphere of influence as a result.¹⁸ Recognising growing Chinese influence in Africa, Asia, and Europe, the EU launched its counter-offer to these countries in 2021.

The Global Gateway: Normative Power Europe?

On December 1, 2021, President of the European Commission Ursula von der Leyen and High Representative for Foreign Affairs and Security Policy Josep Borrell launched the EU's first global connectivity strategy, entitled the Global Gateway.¹⁹ The strategy aims to mobilise €300 billion in external investments between 2021 and 2027 for sustainable transport, energy, and digital projects. Of this €300 billion, half is reserved for projects in Africa. This funding comes from a constellation of Member States' development funds, the European Investment Bank, the Neighbourhood, Development, and International Cooperation Instrument (through the European Fund for Sustainable Development+) as well as the support of private capital.²⁰ While the strategy was a new development from von der Leyen's *"Geopolitical Commission"*, it built on the foundations of prior regional

connectivity strategies.²¹ In particular, the 2018 EU-Asia Connectivity Strategy can be viewed as a precursor to the Global Gateway. In many ways, the Global Gateway has come to be seen as the EU's response to the BRI.²² In her speech launching the strategy, President von der Leyen emphasised that it would present a *"positive powerful investment impulse to the world to show our partners in the developing world that they have a choice."*²³ In other words, through its Global Gateway, the EU would provide a normative alternative to the BRI.

In order to understand the differences between the BRI and Global Gateway, one must first understand the concept of *"Normative Power Europe"*. First proposed by the academic Ian Manners in 2002, Normative Power Europe refers to the EU's ability to influence the behaviour of others by exporting its values, such as -but not limited to- human rights, democracy, and the rule of law.²⁴ This inherent normativity is one of the major differentiating features of the Global Gateway when compared to the BRI. This can be seen through the emphasis it places on human rights, sustainability, and democratic values. Indeed, the first lines of the Communication state that *"Democracies –and the values that underpin them– must demonstrate their ability to deliver on today's global challenges."*²⁵ In this context, the Global Gateway can be considered a normative alternative to the Chinese BRI.

18 *Ibid.*

19 European Commission and High Representative of the Union for Foreign Affairs and Security Policy, "The Global Gateway."

20 *Ibid.*

21 European Commission, "Geopolitical Commission builds on International Partnerships," accessed 29 November 2022, https://international-partnerships.ec.europa.eu/news-and-events/stories/geopolitical-commission-builds-international-partnerships_en.

22 Yunus Erbas, "The EU's Alternative to China's BRI: Global Gateway Project," *Beyond the Horizon*, 24 February 2022, <https://behorizon.org/the-eus-alternative-to-chinas-bri-global-gateway-project/>.

23 European Commission, "President von der Leyen participates in the G7 Summit," 26 June 2022, https://ec.europa.eu/commission/presscorner/detail/en/AC_22_4123.

24 Ian Manners, "Normative Power Europe: A Contradiction in Terms?," *Journal of Common Market Studies* 40, no. 2 (2002), 235-258.

25 European Commission and High Representative of the Union for Foreign Affairs and Security Policy, "The Global Gateway."

In a clear contrast with the BRI, the Global Gateway places a strong emphasis on ensuring equal partnerships with other countries. The strategy seeks to avoid creating “unsustainable debt or unwanted dependencies” by offering fair terms in consultation with local stakeholders.²⁶

A Multilateral Approach?

The Global Gateway should also be considered in a wider global context. Other actors such as the United States (US) have also developed complementary infrastructure development schemes which can help reduce the influence of the BRI. The first attempt at a connectivity strategy to rival the BRI was the Blue Dot Network (BDN) established by the US, Japan, and Australia in 2019, which sought to encourage the private sector to invest their capital in “quality infrastructure” that met high standards in transparency, sustainability, and developmental impact.²⁷ This reliance on private investment and lack of ambition to directly fund new projects proved fatal to the BDN, which was too limited in scope to offer a valid alternative to the BRI.²⁸ Building on this, the Biden administration launched the international version of its own domestic infrastructure development scheme to the world, through the Build Back Better World (B3W) programme.²⁹ B3W and the Global Gateway mirror one another in many ways. As such, a cooperative approach made sense. At the G7 summit in June 2022, this multilateral approach was formalised with the adoption of the Partnership for Global

Infrastructure, which combined the Global Gateway’s €300 billion, B3W’s US\$200 billion into a coordinated approach, with an additional US\$100 billion provided by other G7 members such as Canada and Japan.³⁰ By ensuring a complementary approach, both the EU and US can focus on countering Chinese influence and providing a credible alternative to the BRI.

Through the Gate or Down the Road?

While the EU, US, and others may seem like more viable partners for third countries in terms of the higher standards offered, there are also significant drawbacks to the Global Gateway and related schemes. First of all, the G7’s total investment between 2021 and 2027 is expected to amount to roughly €600 billion. This is a large contrast compared to China providing €1.4 trillion worth of capital in less than a decade, on its own. With such figures in mind, the West will not be able to match the scale of Chinese investment in the short to medium term. Additionally, while higher environmental and labour standards may appeal to some countries due to the level of trust they bring from private investors, it is not as appealing to others. The high degree of conditionality present in the Global Gateway may have a normative and transformative effect on the standards and regulations in third countries, but a lack of conditions through the BRI may result in finance reaching the partner country at a faster rate.³¹ Finally, some have argued that there was a lack of consultation with some of the African governments

²⁶ *Ibid.*

²⁷ Matthew Goodman, Jonathan Hillman and Daniel Runde, “Connecting the Blue Dots,” *Center for Strategic and International Studies*, 26 February 2020, <https://www.csis.org/analysis/connecting-blue-dots>.

²⁸ The Economist, “The G7 at last presents an alternative to China’s Belt and Road Initiative,” *The Economist*, 7 July 2022, <https://www.economist.com/china/2022/07/07/the-g7-at-last-presents-an-alternative-to-chinas-belt-and-road-initiative>.

²⁹ The White House, “President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership,” *The White House*, 12 June 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>.

³⁰ Jonathan Lemire and Karl Mathiesen, “G7 unveils \$600B plan to combat China’s Belt and Road,” *Politico*, 26 June 2022, <https://www.politico.eu/article/g7-unveils-600b-plan-to-combat-chinas-belt-and-road/>.

³¹ Chloe Teevan, Sanoussi Bilal, Ennatu Domingo and Alfonso Medinilla, “The Global Gateway: A recipe for EU geopolitical relevance?,” *European Centre for Development Policy Management*, June 2022.

before launching the Global Gateway, which would contradict the spirit of the strategy.³² In the future, consultations and negotiations to understand what partner countries need would be a positive step in trust-building.

Conclusion

From Indonesia, to Ethiopia, to Montenegro, the BRI has caused significant damage to the political and economic resilience of countries around the world. While its benefits in stimulating economic growth are not insignificant, its drawbacks for the environment, for transparency, and for labour standards are highly concerning. In particular, the use of debt-trap diplomacy is concerning given the political and economic influence it allows an authoritarian state like China to have in regions around the world. However, the Global Gateway has shown that the EU is willing to develop its actorness and use economic diplomacy to counter Chinese influence in partner countries. The strategy demonstrates that the EU is a normative actor, and that a fairer, more equal partnership is possible for countries wishing to step away from the BRI.

³² Chloé Farand, "As EU seeks to rival China's infrastructure offer, Africans are sceptical," *Euractiv*, 20 December 2021, <https://www.euractiv.com/section/energy-environment/news/as-eu-seeks-to-rival-chinas-infrastructure-offer-africans-are-sceptical/>.



Introduction

In recent years, much scholarly attention has been devoted to the Western Balkans as a “chessboard” for the geopolitical interference of foreign actors.¹ The presence of two superpowers, in particular, seems to worry observers the most: Russia and China. While both countries have similar reasons to emerge as key players in the Balkan region – inter alia, to gain leverage *vis-à-vis* the European Union (EU)– they employ very different strategies and tools of influence. Moreover, while Russian activities have been studied more extensively due to their blatant nature based on coercion and co-optation, the Chinese presence has gone under the radar for much longer by virtue of its subtler nature, grounded on an economy-driven approach. Therefore, this article focuses on Chinese engagement in the Western Balkans and tries to give an overview of the younger literature on the matter. The article first reviews Beijing’s objectives, next its *modus operandi*, and then its tools of influence. A subsequent section reframes the topic in light of the objective primacy of the EU in the region and sets forth some general recommendations for action. The final part draws conclusions.

Principles and Objectives

Overall, the Chinese approach to the Western Balkans is generally described as mainly economy-driven. Indeed, the region’s value for Beijing resides in its proximity to the EU market, and thus, it is primarily seen and used as a major transport corridor linking the Mediterranean and Eurasia to Central Europe. The Chinese involvement in the infrastructure sectors of the region aims at fulfilling the goals of the Belt and Road Initiative (BRI), first and foremost projecting Beijing’s political and economic powers worldwide.² In particular, the Land-Sea Express Route – a crucial component of the BRI– represents the main project to connect the Chinese-run port Piraeus with Central Europe, thus making the Balkans a crucial pivot to the heart of Europe.³

Nonetheless, under the *façade* of the Chinese-funded infrastructure development of the region hides a clear geostrategic scheme aimed at acquiring political leverage and a major role as a regional player. In other words, Beijing plans to generate economic dependence among the Balkan states to convert this dependence into a source of political influence. This approach owes

1 Euractiv, “EU ministers: Balkans becoming ‘chessboard’ for big powers,” March 7, 2017, <https://www.euractiv.com/section/global-europe/news/eu-ministers-balkans-becoming-chessboard-for-big-powers/>.

2 Astrid Pepermans, “China’s 16+1 and Belt and Road Initiative in Central and Eastern Europe: Economic and Political Influence at a Cheap Price,” *Journal of Contemporary Central and Eastern Europe* 26, no. 2-3 (2018): 181-203.

3 Xue Li, “China-Europe Land-Sea Express Route with the Belt and Road Initiative,” in *Routledge Handbook of the Belt and Road*, eds. Cai Fang and Peter Nolan (London: Routledge, 2019), 453-456.

its success to unconditional economic support, which the Western Balkans favour to accommodate their need for economic development in order to fulfil the conditions for EU membership. By providing loans with no conditionality attached, China is *de facto* exploiting the EU enlargement process and is thus taking every opportunity to remind the region of the high cost of EU accession.⁴

Modus Operandi

The Chinese strategy in the Western Balkans has been designed to contrast and circumvent the EU's approach to the region. While the Union has favoured an approach based on legal harmonisation and reaching benchmarks, Beijing has focused on practical cooperation both at institutional and personal levels.⁵ Similarly, China has privileged a government-to-government approach without conditionality to its economic projects – in clear contrast with the well-known system of sticks and carrots implemented by the EU.⁶ Consequently, the underbidding of high-quality EU rules has allowed the Chinese government not only to pursue its economic interests but also to expose the high costs linked with the EU enlargement process.⁷

Similar to Russia, the Chinese economic strategy in the Western Balkans is not aimed at competing with the EU – given the much smaller presence in the region–

but is rather focused on investments in key strategic areas. As such, Chinese investments have been directed first and foremost to the infrastructure sector with Chinese companies being involved in the construction of highways, railways, and bridges.⁸ Of course, Beijing's interest in enhancing the connectivity of the region is a direct consequence of the Chinese view of the Balkans as the main gateway to Europe.

At the same time, Chinese influence in the Western Balkans is not only based on its economic statecraft but also heavily relies on its cultivated soft power.⁹ Beijing's strength does not reside in its coercive voice but rather in its ability to attract and persuade partners. Key tools of this strategy are the constant reference to a "win-win cooperation" rhetoric and the numerous networks of foreign policy influence. In this regard, China has developed a multi-layered approach based on an "*ecosystem of shared interests*."¹⁰ Contacts between Beijing and the Balkan countries are taking place through a multitude of institutional partnerships and state structures while, in parallel, a fluid network of private actors with interests in mutual engagement between the two parts is increasingly taking hold. Lastly, Chinese media and cultural institutes – such as the Confucius Institute– play key roles in expanding Beijing's propaganda and soft power throughout the region.¹¹

4 Vladimir Shopov, "Decade of patience: How China became a power in the Western Balkans," *European Council on Foreign Relations*, February 2, 2021, <https://ecfr.eu/publication/decade-of-patience-how-china-became-a-power-in-the-western-balkans/>.

5 Dragan Pavličević, "Structural Power and the China-EU-Western Balkans Triangular Relations," *Asia Europe Journal* 17, no. 4 (2019): 453-468.

6 Fang Wan, "How 'unconditional' is China's foreign aid?," *Deutsche Welle*, May 15, 2018, <https://www.dw.com/en/how-unconditional-is-chinas-foreign-aid/a-43499703>.

7 Shopov, "Decade of patience".

8 Wouter Zweers, Vladimir Shopov, Frans-Paul van der Putten, Mirela Petkova and Maarten Lemstra, "China and the EU in the Western Balkans: A zero-sum game?," *Clingendael*, August 31, 2020, <https://www.clingendael.org/sites/default/files/2020-08/china-and-the-eu-in-the-western-balkans.pdf>.

9 Nina Marković-Khaze and Xiwen Wang, "Is China's rising influence in the Western Balkans a threat to European integration?," *Journal of Contemporary European Studies* 29, no. 2 (2021): 234-250.

10 Shopov, "Decade of patience," 14.

11 Shopov, "Decade of patience".

Instruments of Influence

The primary Chinese tool in its approach to the region is the so-called “14+1 initiative”, a cooperation format between Beijing and fourteen countries in Central and South-East Europe, including all Western Balkan states –with the exclusion of Kosovo which is not recognised by Beijing.¹² This framework has been the perfect institutional setting to promote bilateral ties and engage Balkan political elites. Moreover, since the announcement of the BRI in 2013, the two projects have been closely linked together, allowing China to increase its power even further in the region.¹³

Consequently, several infrastructure projects have been promoted in this framework to expand the region's connectivity. In this regard, Serbia stands out as China's key partner receiving over €1 billion to complete several projects.¹⁴ Among these is the Pupin bridge in Belgrade –a high-visibility and symbolic construction– and the Budapest-Belgrade railway.¹⁵ The latter represents the first stage of the BRI hallmark project of the Land-Sea Express Route, aiming to connect Athens with Central Europe. In the case of Montenegro, China has been actively involved in the construction of the Bar-Boljare motorway aiming to connect Belgrade with the Adriatic Sea. However, the project became the subject of controversy due to the unrealistic terms of the agreement, which raised the Montenegrin foreign debt to a historic high of 22% and

even stipulated that, should Podgorica be unable to pay off its loan, some of its territories would be seized by China.¹⁶ In North Macedonia as well, the Chinese government is funding the construction of two highways, while in Albania –a crucial partner due to its strategic position on the Adriatic coast– a Beijing-funded motorway is under construction whilst the Tirana international airport has been acquired by two Chinese companies.¹⁷

Moreover, in recent years the Western Balkans have witnessed a growing Chinese investment portfolio in sectors such as energy and manufacturing. In Serbia, the Smederevo steel plant and the Kostolac power plant have been acquired by Chinese companies, while the construction of two thermal power plants in Bosnia has been directly funded by Beijing.¹⁸ Furthermore, what is interesting to note is that in the frameworks of the BRI and 14+1, the fully state-owned Exim Bank of China stands out as the only financial vehicle.¹⁹

Due to its relative economic importance, Serbia represents the key partner for China in the region, seen as a potential Trojan horse to the EU. At the same time, Belgrade is exploiting this privileged partnership to gain leverage *vis-à-vis* the Union. The clear proof of this double strategy can be found at the outbreak of the Covid-19 pandemic when Serbian President Vučić publicly thanked China for the aid provided while harshly criticising the EU for its delay.²⁰ Moreover, recent years have witnessed an increasing level of military cooperation

12 China-CEEC Cooperation, “Cooperation between China and Central and Eastern European Countries,” Accessed November 22, 2022, <http://www.china-ceec.org/eng/>.

13 Pepermans, “China's 16+1 and BRI”.

14 Zweers et al., “China and the EU”.

15 *Ibid.*

16 Shopov, “Decade of patience”.

17 Zweers et al., “China and the EU”.

18 *Ibid.*

19 Pepermans, “China's 16+1 and BRI”.

20 Giorgio Fruscione, “How China's Influence in the Balkans is Growing,” *Italian Institute for International Political Studies*, February 5, 2021, <https://www.ispionline.it/en/pubblicazione/how-chinas-influence-balkans-growing-29148>.

between the two sides, with Serbia testing Chinese combat drones in the first-ever deployment in European skies.²¹

Policy Recommendations for a Pragmatic EU Approach

Despite increasing concerns over the Chinese presence in the Western Balkans, it is indisputable that the EU remains the uncontested primary partner of the region. In economic terms, the EU's economic presence accounts for around 70% of the region's total trade and is by far the largest source of foreign direct investments (FDIs), while from a political stance, EU membership represents the main goal of all Balkan countries.²² Moreover, while much attention has been given to Beijing within EU circles, little has been said about the growing EU engagement in the Balkans specifically tailored to contrast Chinese presence. Brussels has not only reasserted its commitment in the major areas of Chinese influence – diplomacy, infrastructure, and economic development– but has also established the rules of engagement shaping the relations between the region and Beijing.²³ Indeed, the EU has introduced several regulatory provisions aiming to bring the practices related to government procurement, state aid, market access, and competition in line with those in the EU and hence effectively outlawing the government-to-government model put in place by China in the region.²⁴

Furthermore, Chinese investments are not an issue *per se* since they actively

contribute to the development of the region's connectivity and integration.²⁵ However, they turn out to be problematic when they exacerbate existing problems such as corruption, democratic backsliding, rising national debts, the slow progress of EU reforms, and environmental concerns. Regarding the latter point, the numerous environmental protests in front of the Chinese-funded power plants of Smederevo and Tuzla show that Beijing's activities have also brought about a great deal of public discontent.²⁶ Similarly, Balkans citizens are getting increasingly aware of the false Chinese win-win rhetoric since, for now, only Beijing is benefitting in economic terms from this partnership.²⁷

Consequently, the EU's approach to the Chinese presence in the region should be pragmatic. First, the EU should systematically expose the “win-win cooperation” for what it really is: an economy-driven geopolitical project by China for China. This strategy goes hand in hand with close monitoring of Beijing's activities in the Balkans and the harsh condemnation of unlawful and corrupt practices, revealing the legal and political traps attached to Chinese investments.

Second, the Union should actively address the development gap of the region with an enlarged package of funds and aid instruments. To this aim, existing funding mechanisms such as the Instrument for Pre-accession Assistance should be enlarged in scope and volume.²⁸ Moreover, the new Global Gateway strategy could represent a

21 Marković-Khaze and Wang, “China's rising influence”.

22 *Ibid.*

23 Pavličević, “Structural Power”.

24 *Ibid.*

25 Matteo Bonomi and Milica Uvalic, “The Economic Development of the Western Balkans: The Importance of non-EU Actors,” in *The Western Balkans in the World: Linkages and Relations with non-Western Countries*, eds. Florian Bieber and Nikolaos Tzifakis (London: Routledge, 2019), 36-58.

26 Tena Prelec, “Eco-monsters & eco-fighters: China's investments in Serbia's heavy manufacturing industry as seen through an environmental lens,” *Prague Security Studies Institute*, January 26, 2021, https://www.pssi.cz/download/docs/8468_china-s-investments-in-serbia-s-heavy-manufacturing-industry-as-seen-through-an-environmental-lens.pdf.

27 Marković-Khaze and Wang, “China's rising influence”.

28 European Commission, “Overview - Instrument for Pre-accession Assistance,” Accessed on November 22, 2022, <https://>

real breakthrough in counteracting China's BRI: by mobilising up to €300 billion in key sectors such as infrastructure and transport, the plan aims to make the EU a strong competitor able to offset Beijing's vision of the Balkan region as its gateway to Europe.²⁹ These reforms should have as their final goal the empowerment of Balkan actors and economies so that they would not need to resort to Chinese loans in order to comply with EU standards.

Third, the EU should enhance its structural power in the region by further establishing the rules of engagement. This approach should be twofold: on the one hand, the Union should prompt Beijing to make adjustments in order to ensure the compliance of its projects, while, on the other, it should improve its own rules to be able to compete with China.

Last, the EU should enhance its popularity among the Balkan citizens by giving higher visibility to its funded projects and better promoting its extensive contribution to regional welfare. Furthermore, condemning unlawful Chinese practices –especially the ones generating public discontent, such as the construction of highly polluting power plants– while providing positive alternatives will also result in the EU gaining public support in the region.

Conclusion

Overall, this article has put China's presence in the region into perspective and has argued for a stronger EU engagement. It is clear that Beijing is primarily interested in the Western Balkans as a pivot to Europe. Its activities have been tailored to contrast the EU primacy in the region by underbidding its costly conditionality mechanism and by investing in strategic sectors –infrastructure and connectivity. To this end, the main Chinese instruments have been the 14+1 initiative and the BRI, and in particular, their close interlinkage.³⁰ It follows that in addressing the Chinese challenge, the EU approach should be pragmatic, exposing Beijing's corrupt practices and setting the rules of engagement.

In conclusion, in the context of the Russian invasion of Ukraine, the interference of external actors in the EU's backyard appears more salient today than ever before. Indeed, this issue was central during the EU-Western Balkans summit held in Tirana on December 6, 2022, where the growing Chinese influence in the region was highlighted.³¹ Furthermore, EU leaders also stressed the importance of Balkan countries actively contributing to the resilience against foreign interference. If they wish to exit the status of the geopolitical chessboard, the time has come for these countries "*to decide which side [they] are on*", as Commission President Von der Leyen put it.³²

neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance_en.

29 Stuart Lau and Hanne Cokelaere, "EU launches 'Global Gateway' to counter China's Belt and Road," *Politico Europe*, September 15, 2021,

<https://www.politico.eu/article/eu-launches-global-gateway-to-counter-chinas-belt-and-road/>.

30 Pepermans, "China's 16+1 and BRI".

31 European Council, "EU-Western Balkans summit in Tirana, 6 December 2022," *Consilium.europa.eu*, December 6, 2022, <https://www.consilium.europa.eu/en/meetings/international-summit/2022/12/06/>.

32 Samuel Petrequin and Llazar Semini, "EU, Western Balkans boost partnership amid Ukraine war," *Associated Press*, December 6, 2022, <https://apnews.com/article/europe-business-albania-tirana-serbia-f14d6d7168ab5a3f28ef2c626bbf9197>.



Introduction

DURING Donald Trump's Presidency of the United States (US), the European Union (EU) and China experienced a so-called honeymoon period due to the unpredictable and inward-looking foreign policy of the US. In the absence of a strong US presence on the international scene, the EU and China have worked together on WTO reform, advanced climate cooperation, and concluded negotiations on the bilateral investment agreement (i.e., Comprehensive Agreement on Investment). However, as David Shambaugh argues, *"...like all marriages, the more the two interacted, the more differences and frictions inevitably surfaced."*¹

The EU's attitude towards China gradually shifted in light of China's ambitions to become a leading global power. In the EU-China strategic outlook of 2019, China was described as not only *"a cooperation partner"* but also *"an economic competitor"* and *"a systemic rival."*² In addition, with the return of the US to the international scene under Biden's Presidency, the EU and US realised the importance of working together on issues related to China, which opened deeper rifts in the relations between the Union and China. The latest

factsheet on EU-China relations published by the European External Action Service in 2022 even concluded that *"over the past year, EU-China bilateral relations have deteriorated."*³

On the eve of China's 20th Party Congress in October 2022, rumours spread about EU ministers being advised to take a tougher stance on China and to view the country as an all-out competitor. With the official announcement of President Xi Jinping's unsurprising third term, a new chapter in EU-China relations is expected to open, with climate action becoming one of the very few remaining areas of bilateral cooperation. Even so, there remains the possibility that promising climate cooperation could be halted in the face of deteriorating bilateral relations. In an era characterised by volatility, this article takes a closer look at the potential threats behind the positive achievements of EU-China climate cooperation. Firstly, the developments in EU-China climate cooperation will be reviewed, followed by the surrounding international political context. Moreover, the paper will discuss the divergences between the two actors regarding the introduction of the EU Carbon Border Adjustment Mechanism and contributions to the "loss and damage" fund.

1 David Shambaugh, *China's Future* (Cambridge, UK: Polity, 2016), 130.

2 High Representative of the Union for Foreign Affairs and Security Policy, "EU-China Strategic Outlook," *European Commission*, 2019, <https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf>.

3 European External Action Service, "EU-China Relations Factsheet," April 1, 2022, <https://www.eeas.europa.eu/eeas/eu-china-relations-factsheet>.

An Overview of EU-China Climate Cooperation

Official bilateral climate cooperation started in 2005 when the EU-China Partnership on Climate Change was launched.⁴ This joint effort is not only driven by the reality of climate change but also reflects the fundamental interests shared by both sides.⁵ The establishment of the Partnership made climate change a substantial part of bilateral cooperation with a multi-field and multi-layered framework, including the raising of public awareness, capability and technology building, and experience and knowledge sharing.⁶ Since the conclusion of the Partnership in 2005, climate cooperation remained an important priority in EU-China relations and featured as the main topic at subsequent EU-China summits.⁷

In recent years, with the growing impact of climate change, EU-China climate cooperation has received increasing attention from leaders. In 2019, Wang Yi, the Foreign Minister of China, pointed out that climate cooperation is a bright spot in China-EU cooperation and called for strengthening coordination and enhancing mutual understanding.⁸ China's wish to maintain cooperation on climate change, one of today's few opportunities for bilateral exchange, is clear. Particularly after the EU's shift towards a more cautious stance *vis-à-vis* China in 2019, climate cooperation started to become the first and sometimes the only example of bilateral cooperation cited by Chinese diplomatic

officials.⁹ On the EU side, climate action plays an important role in the context of post-pandemic recovery and the pressures of the energy transition arising from the Russia-Ukraine war. To accommodate the EU's ambitious climate agenda, European leaders have often urged China to step up its actions, and European stakeholders consider climate cooperation with China to be indispensable.¹⁰

Indeed, against the backdrop of deteriorating bilateral relations, climate cooperation is still showing breakthroughs. For many years, joint EU-China climate action has been discussed mainly through high-level dialogues as a sub-topic, but at the high-level meeting in September 2020, the leaders agreed to establish a High-Level Environment and Climate Dialogue (HECD) to strengthen the green partnership between the two actors. Since the first meeting in February 2021, the HECD has been held three times, showing the willingness to deepen communication and cooperation from both sides.

The Political Complexities Surrounding EU-China Climate Cooperation

However, these developments do not automatically imply that EU-China climate cooperation will progress smoothly. Bilateral relations continue to deteriorate against the backdrop of these green efforts, and China is subsequently starting to prudently reconsider its climate cooperation with the EU. At the 8th Europe Forum in September 2022,

4 European Commission, "EU and China Partnership on Climate Change," September 2, 2005, https://ec.europa.eu/commission/presscorner/detail/en/MEMO_05_298.

5 Zhang Min and Gong Jialuo, "European Green Deal and the Prospects of EU-China Climate Change Cooperation," *Global Economic Observer* 8, no. 2 (2020): 82–93.

6 Ling Jin, "Ten-Year Sino-EU Partnership on Climate Change: Leads to Comprehensive and Pragmatic Cooperation," *China Institute of International Studies*, November 23, 2015, https://www.ciis.org.cn/english/COMMENTARIES/202007/t20200715_2730.html.

7 *Ibid.*

8 Ministry of Foreign Affairs of the People's Republic of China, "Wang Yi: Climate cooperation is a bright spot of Sino-EU cooperation," December 17, 2019, https://www.mfa.gov.cn/web/wjzbhd/201912/t20191217_360178.shtml.

9 Ministry of Foreign Affairs of the People's Republic of China, "Wang Yi: China and Europe Should Strengthen Cooperation to Provide More Stability to the World," August 31, 2020, https://www.mfa.gov.cn/web/wjzbhd/202008/t20200831_361398.shtml.

10 Filipe Ataíde Lampe, Stefan Šipka and Thijs Vandenbussche, "From Brussels to Beijing: The Key Issues and Tools for Climate Collaboration," in *EU-China Relations at a Crossroads: Looking for a New Modus Vivendi*, vol. 1, 2021, 29–34.

Wang Hongjian, the Minister at the Mission of the People's Republic of China to the European Union, presented five suggestions for strengthening China-EU green cooperation, three of which explicitly indicate China's concerns about the joint efforts. Firstly, China expects the EU to be consistent with its climate policy and to avoid any form of protectionism. Secondly, China insists that green cooperation relies on mutual political trust, and it is impossible to demand unconditional cooperation while engaging in geopolitical confrontation. Thirdly, China recognises that divergences are inevitable and suggests policy communication and rule harmonisation to avoid unilateral action.¹¹

Despite numerous achievements, the argument that climate cooperation cannot be built in a political vacuum is increasingly gaining ground.¹² In August, China suspended all cooperation with the US, including US-China climate talks after Nancy Pelosi visited Taiwan; while in November, China's climate envoys released positive signals of China-US climate cooperation at COP27 and the time when President Xi and President Biden had a candid conversation at the G20 in Bali. These nuanced moves imply that climate cooperation is becoming a diplomatic tool of choice, a card that would be used to react if its red lines are crossed.

On the other hand, in terms of economic cooperation, the promising EU-China Comprehensive Agreement on Investment was frozen by the European Parliament

in response to Chinese sanctions on European individuals and entities.¹³ The former indicates that from a Chinese perspective, climate cooperation is connected with politics, whereas the latter shows that the EU also does not shy away from coupling trade relations to foreign policy.¹⁴ These actions show that the option of shutting down bilateral climate cooperation in light of political friction remains a possibility.

Current Divergences between the EU and China

The EU is considered an ambitious actor in tackling climate change, and it is urging others, particularly China, to undertake more progressive actions.¹⁵ Nonetheless, China has not embraced every nudge from the EU. As the world's largest developing country, China adheres to the principle of Common But Differentiated Responsibilities (CBDR), whereas the EU does not consider China a developing country anymore and insists that the country needs to share the primary responsibility for the costs of climate change. China's strong opposition to the EU Carbon Border Adjustment Mechanism (CBAM) and its contribution to the recently announced "loss and damage" fund at COP27 are tangible reflections of the divergences between the actors.¹⁶

From China's perspective, CBAM is a unilateral measure that may undermine the enthusiasm and capacity of other Parties to address climate change and contradicts

11 Boqun Tian, "The Chinese side says China and Europe share the same vision for green transformation and proposes five points for green cooperation," *ChinaNews*, September 8, 2022, <https://www.chinanews.com.cn/gn/2022/09-08/9847397.shtml>.

12 John Kampfner, "Climate Politics: Why the Old Diplomacy No Longer Works," *Chatham House – International Affairs Think Tank*, October 13, 2021, <https://www.chathamhouse.org/2021/10/climate-politics-why-old-diplomacy-no-longer-works>.

13 European Parliament, "MEPs Refuse Any Agreement with China Whilst Sanctions Are in Place," May 20, 2021, <https://www.europarl.europa.eu/news/en/press-room/20210517IPR04123/meps-refuse-any-agreement-with-china-while-sanctions-are-in-place>.

14 Weinian HU and Jacques Pelkmans, "EU-China Cooperation on 'Green' and 'social' Values," *Centre for European Policy Studies*, June 2, 2022, <https://www.ceps.eu/ceps-publications/eu-china-cooperation-on-green-and-social-values/>.

15 Min and Jialuo, "European Green Deal and the Prospects of EU-China Climate Change Cooperation."

16 Chloé Farand, "EU Opens the Door to a Loss and Damage Facility – If China Contributes," *Euractiv*, November 17, 2022, <https://www.euractiv.com/section/climate-environment/news/eu-opens-the-door-to-a-loss-and-damage-facility-if-china-contributes/>.

multilateralism and the CBDR principle.¹⁷ CBAM is too radical for China, considering its current ability of carbon accounting and a hampered national emission trading system. Greater political concerns for China are its lack of competitiveness in international carbon tariff rulemaking and its weak negotiating power on this issue in the future.¹⁸ Moreover, China is unwilling to recognise the EU's leading role in setting international standards, particularly when it might affect its trade volume.¹⁹

Additionally, the country was reluctant to accept the EU's call at COP27 for China to contribute to the "loss and damage" fund because of its status as a developing country. Xie Zhenhua, China's climate envoy, reaffirmed that the payment should be shared by developed countries based on the CBDR principle.²⁰ However, under the factual pressure of its total emissions and financial capacity, China has compromised with a willingness to contribute through other mechanisms, such as South-South cooperation.²¹ China has long considered itself a leading player among other developing countries, and a contribution to the "loss and damage" fund would be a substantial acceptance of its responsibility on a par with that of developed countries; thereafter, liabilities and development constraints would follow.

Conclusion

The cooperation between China, the world's largest emitter and economic giant, and the EU, the pioneer of climate action, is indispensable for global climate governance in the decades ahead.²² In recent years, bilateral climate action has made fruitful progress, not only through essential knowledge sharing and technology transfers but also through high-level commitments. However, as the lessons learned from US-China climate cooperation show, enormous political resources are required to drive bilateral climate cooperation forward.²³ The EU-China relationship has continued to deteriorate over recent years, with political red lines rising on both sides, which creates a more unstable environment for bilateral climate cooperation. Current divergences on the implementation of CBAM and contributions to the "loss and damage" fund unveil different economic and political interests of both sides. As climate governance is seen as an increasingly important source of soft power in international relations,²⁴ EU-China climate cooperation is facing growing external challenges. In order to ensure effective and concrete global climate action, avoiding the crossing of political red lines and ensuring stable support for high-level engagement is crucial to the progress of bilateral cooperation.

17 Boqun Tian, "China's response to 'carbon tariffs': neither against WTO rules nor in line with the principles and requirements of the Paris Agreement," *ChinaNews*, July 26, 2021, <https://www.chinanews.com.cn/cj/2021/07-26/9528890.shtml>.

18 Qingxin Lan (Ministry of Commerce of the People's Republic of China), "Carbon Tariffs and New Forms of Trade Protectionism," *Guangming Daily*, August 23, 2021, <http://chinawto.mofcom.gov.cn/article/br/bs/202108/20210803190654.shtml>.

19 Jonathan Holslag, "China's Scepticism of Clean Energy Champion Europe," *The International Spectator* 45, no. 1 (2010): 115–30.

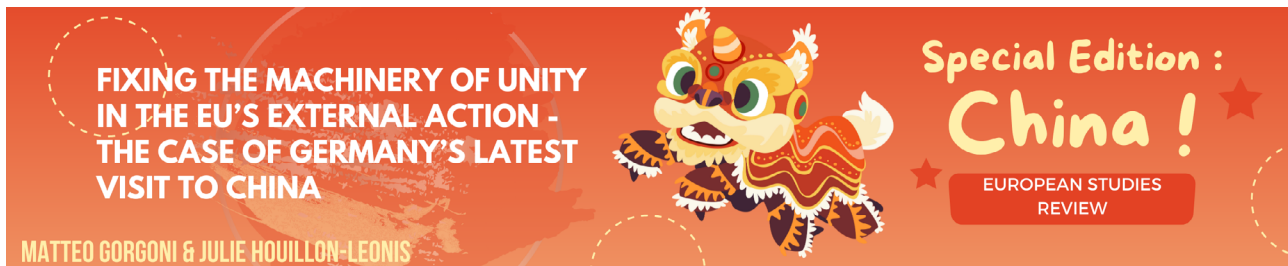
20 Jingbo Sun, "Xie Zhenhua: China is very supportive of the 'loss and damage' claims made by developing countries and vulnerable countries," *ChinaNews*, 11 November 2022, [Accessed November 26, 2022], <https://www.chinanews.com.cn/gj/2022/11-11/9891848.shtml>.

21 *Ibid.*

22 Lei Liu, Tong Wu and Ziqianhong Wan, "The EU-China Relationship in a New Era of Global Climate Governance," *Asia Europe Journal* 17, no. 2 (2019): 243–54.

23 Li Shuo and Maeve McLynn, "EU and China Can Outflank Trump on Climate Change," *China Dialogue* (blog), 17 February 2017, <https://chinadialogue.net/en/climate/9614-eu-and-china-can-outflank-trump-on-climate-change/>.

24 Holslag, "China's Scepticism of Clean Energy Champion Europe."



Introduction: From Controversy to Legal and Institutional Engineering

In early November 2022, German Chancellor Olaf Scholz went on a unilateral official visit to Beijing, raising staunch criticisms from European partners, which viewed this initiative as a violation of the spirit of unity, coherence, and solidarity. Controversies erupted at critical times for the European Union's (EU) relations with China shortly after the Council initiated a rebooting of its strategic approach towards Beijing on a seemingly more confrontational line.¹ Bringing the debate back on more objective grounds, this paper provides a legal assessment of this event in light of the treaty-based principle of sincere cooperation in EU external action and foreign policy. It then elaborates on a set of legal, policy, and institutional recommendations, arguing that these would substantially contribute to fixing the machinery of unity in the short, medium, and long-term perspectives. Building on this case

study, this article suggests that policy efforts towards a more geopolitically assertive EU need to be complemented by a renewed reflection on the legal, political, and institutional parameters of internal unity in external action. To facilitate the coherent implementation of its strategic policies on China, the EU will need to rethink the conditions ensuring unity among its institutions and Member States. This paper ultimately calls on EU actors, experts, and policy-makers to complement ongoing strategic reflections on EU-China with system-wide reform efforts towards greater internal unity in external action.

Germany's Special Relations with China and the End of EU's Naivety

With the end of the Cold War and the successful reunification of Germany in 1990, national priorities shifted from an inward-looking focus on security and the rehabilitation agenda to the more pressing needs of the country's precarious economy.² As the costs of reunification

¹ Alexandra Brzozowski, "EU leaders wary of dependencies created with China, but far from united," *Euractiv*, October 21, 2022, <https://www.euractiv.com/section/eu-china/news/eu-leaders-wary-of-dependencies-created-with-china-but-far-from-united/>.

² Relations between Berlin and Beijing have followed a decades-long history of improvements. Since the end of World War II, during which both countries were formally at war against each other, the so-called Hallstein doctrine prevented West Germany from cooperating with China due to the predominantly anti-communist line of the country's foreign policy. However, the government of West Germany eventually dropped such ideologically-driven reluctance and opened up to China hoping for the latter to offer political support towards German reunification. While diplomatic ties were only formally established in 1972, both countries had already forged significant trade relations in the previous years, leading West Germany towards becoming the most important European trade partner for Beijing. On the other side of the iron curtain, the Federal Republic of Germany maintained privileged relations with communist China, which significantly improved since 1982 as a consequence of the Sino-Soviet rapprochement.

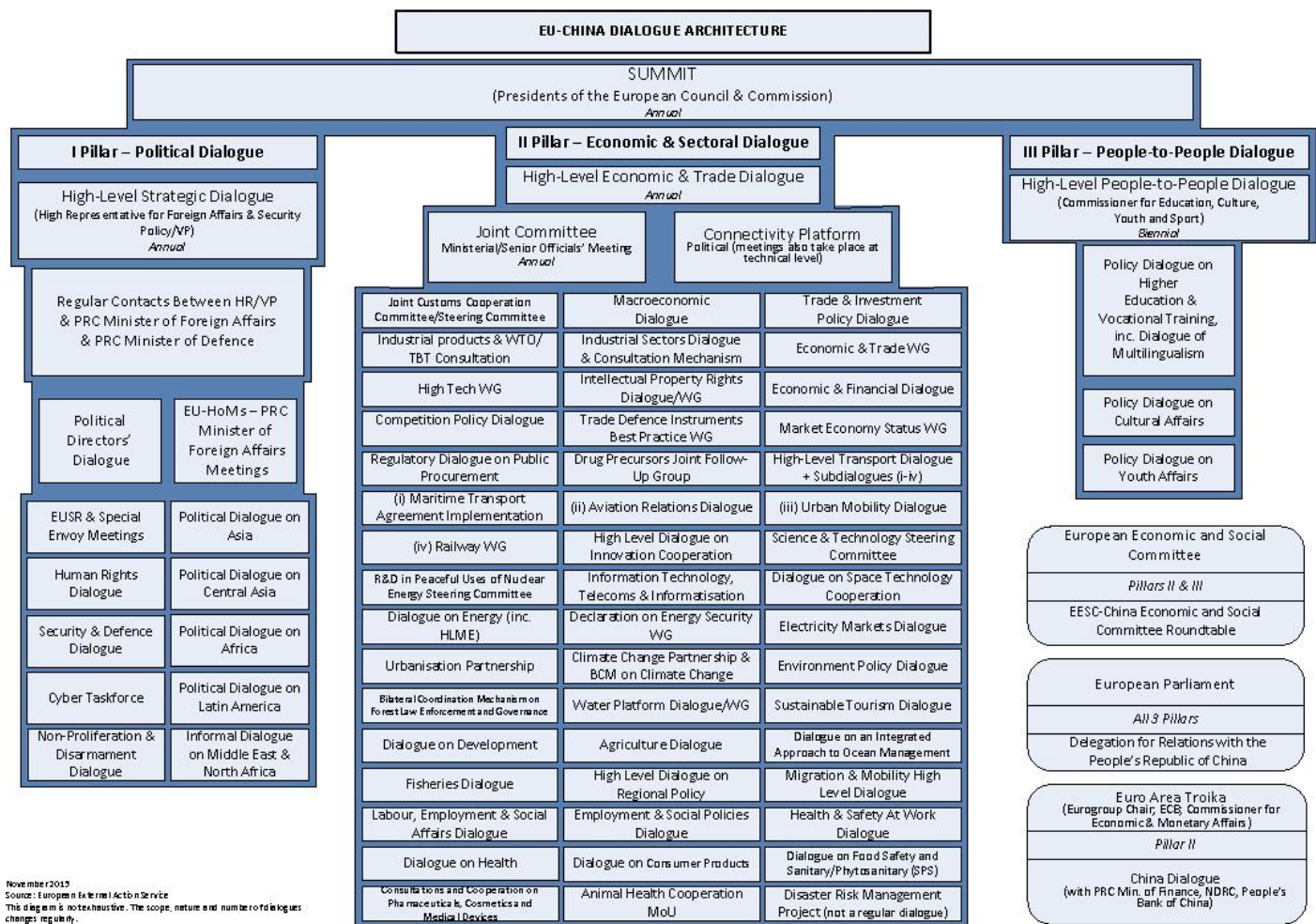
were slowing down Germany's full recovery, the combination of globalisation processes and of resumed sovereign control on foreign and external policies allowed Berlin to deepen its international trade relations with third Asian countries, such as Vietnam, India, Hong Kong, and of course China. In the 1990s, while already structurally reliant on exchanges within the European Single Market, Germany also became growingly dependent on exports to Asian countries, first in line with China.³ Relations between both countries further improved during the 2000s, based on a growing codependence from China on imported German technologies and from Germany on broad trade access to the developing Chinese market.

Following quite similar patterns, the European Community (EC) and China established formal relations in 1975, which are today based on the EU-China Trade and Cooperation Agreement adopted ten years later.⁴ The EC's interests in Sino-European relations were motivated by European hopes of shaping reforms efforts led by vice-Premier and member of Chinese Politburo Deng Xiaoping. Following the repression of the Tiananmen Square protests, relations worsened, resulting in the adoption by the EC of an arms embargo still in place since

its adoption in June 1989. Relations soon normalised, and in 1995 the Commission released a communication on a long-term policy for China-Europe relations,⁵ notably supporting China's access to the World Trade Organization (WTO) in exchange for industrial and economic reforms and Beijing's adherence to a level playing field in global trade relations.⁶ Exchanges between Chinese and European markets rapidly increased, resulting in China and the EU becoming main trade partners.

Expecting it to play a greater role in development and security processes within the broader Asian region, the EU offered China a strategic partnership in 2003. Ten years later, diplomatic ties with Beijing were further deepened through the adoption of the EU-China 2020 Strategic Agenda for Cooperation, broadening the scope of interaction to include peace and security, prosperity, sustainable development, and people-to-people exchanges.⁷ Contacts grew exponentially both through EU-China formats and bilateral engagements of Member States. As a consequence, sectoral and political dialogues substantially developed and have since been meticulously institutionalised as a seemingly well-established strategic partnership, as illustrated by the table below:

- 3 Christoph Schnellbach and Joyce Man, "Germany and China: Embracing a Different Kind of Partnership?," *CAP Working Papers*, September 2015, 2, https://www.cap-lmu.de/download/2015/CAP-WP_German-China-Policy-Sep2015.pdf.
- 4 European Communities, *Agreement on Trade and Economic Cooperation between the European Economic Community and the People's Republic of China*, Official Journal of the European Communities, No L 250/2, Brussels, September 19, 1985, [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:21985A0919\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:21985A0919(01)&from=EN).
- 5 European Commission, *Communication from the Commission - A Long Term Policy for China-Europe Relations*, COM(95) 279 final, Brussels, July 5, 1995, https://eeas.europa.eu/archives/docs/china/docs/com95_279_en.pdf.
- 6 European Parliament, *EU-China Relations in Challenging Times*, Briefing, European Parliament Research Service (EPRS), Brussels, October 2021, 2, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698751/EPRS_BRI\(2021\)698751_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698751/EPRS_BRI(2021)698751_EN.pdf).
- 7 European External Action Service, *EU-China 2020 Strategic Agenda for Cooperation*, Brussels, November 23, 2013, <https://www.eeas.europa.eu/sites/default/files/20131123.pdf>.

Table 1. EU-China dialogue architecture⁸

However, the EU's discourse on China has also progressively shifted towards the acknowledgement of Beijing's systematic violations of human rights, lack of fairness in trade relations, and for its increasingly articulated attempt to reshape the existing global order to its own advantage and based on its own views and interests.⁹ Talks were initiated in 2007 on a new Partnership and Cooperation agreement but failed to reach a consensus due to mounting tensions on such issues. In 2019, the EU adopted its first significantly revised strategic approach to its relations with China, defining the latter

as a "cooperation partner", a "negotiating partner", and an "economic competitor".¹⁰ More recently, amidst growing tensions, in which also Chinese military threats against Taiwan play a role, EU Member States and institutions are set to agree on a rebooted approach towards Beijing, aiming at pushing back against its growing assertiveness.

Germany has modulated its foreign policy and external action towards Beijing in a similar way. While acknowledging risky over-dependencies in key economic

⁸ European External Action Service, "EU-China Dialogue Architecture", EEAS Website, January 13, 2017, https://www.eeas.europa.eu/sites/default/files/2015_november_eu-china_dialogue_architecture.jpg.

⁹ Richard Youngs, *The European Union and Global Politics* (Red Globe Press, London, 2021), 45.

¹⁰ European Commission, *Joint Communication to the European Parliament, the European Council and the Council, EU-China, a Strategic Outlook*, JOIN(2019) 5 final, Strasbourg, March 12, 2019, 1, <https://ec.europa.eu/info/sites/default/files/communication-eu-china-a-strategic-outlook.pdf>.

sectors, Berlin has become noticeably more vocal, including in denouncing China's violations of international human rights law, military threats against Taiwan, and ambiguity over the country's relations with Russia amidst the latter's invasion of Ukraine. Nevertheless, criticism arose as German Chancellor Olaf Scholz visited Beijing in early November 2022, the first visit of this kind since the outbreak of the COVID pandemic and of Xi Jinping's power consolidation over the Chinese political system. While raising doubts over EU Member States' capacity to display unity in their respective relations with Beijing, this event raises questions about the wider legal and institutional functioning of the EU. In the next section, a legal analysis of this official visit is conveyed, relying on the treaty-based principle of sincere cooperation. Policy recommendations will then be provided, ensuring a more unified European response to China.

The Respect of the Principle of Sincere Cooperation by Germany as a Possible Crux of Intra-EU Unity

As bilateral relations with China become increasingly intense, the EU and its Member States are called upon to question the key EU principle of sincere cooperation.¹¹ This principle, which was originally enshrined in article 4(3) of the European Union Treaty, has also been referred to as the "duty

of genuine cooperation",¹² "obligation to cooperate in good faith",¹³ and "principle of the duty to cooperate in good faith".¹⁴ It was originally developed for the conclusion of mixed EU agreements and now outlines the scope of action individual Member States can take on the international stage on a wide array of matters, such as commercial or security policies.¹⁵

The principle entails a twofold obligation for Member States. First, the literature argues that, as a whole, the Member States' positive duty to "ensure fulfillment of the obligations arising out of the Treaties or resulting from the acts of the institutions of the Union" translates to an obligation to act as "trustees of the Union interest"¹⁶ and to actively ensure coherence with the EU's external policy by "building synergies."¹⁷ On the flip side lies a negative obligation for the Member States to refrain from actions that "call in question the EU's capacity for independent action in its external relations."¹⁸ Qualified by some as a "duty to remain silent", insofar as the expression of the States' individual stances could jeopardise the unity of the EU's representation,¹⁹ this obligation is relevantly rendered binding in relation to the EU's CFSP by articles 28(2), 29, and 24(3) TEU, the latter prohibiting Member States from "any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations."²⁰ Overall,

11 European Court of Justice, C-68/88, *Commission of the European Communities v Hellenic Republic (Greek Maize)*, 21 September 1989, ECLI:EU:C:1989:339, paras 1-4.

12 European Court of Justice, C-433/03, *Commission v Germany*, 14 July 2005, ECLI:EU:C:2005:462, para. 64.

13 European Court of Justice, C-246/07, *Commission v Sweden*, 20 April 2010, ECLI:EU:C:2010:203, para. 77.

14 European Court of Justice, C-355/04, *Segi and Others v Council*, 27 February 2007, ECLI:EU:C:2007:116, para. 52.

15 Peter Van Elsuwege, *The Duty of Sincere Cooperation and Its Implications for Autonomous Member State Action in the Field of External Relations in Between Compliance and Particularism* ed. Marton Varju (Springer, Cham, 2019), https://doi.org/10.1007/978-3-030-05782-4_13.

16 Marise Cremona, *Member States as trustees of the Union interest: Participating in international agreements on behalf of the European Union*, in *Constitutional order of states. Essays in EU law in honour of Alan Dashwood*, eds. Anthony Arnall, Catherine Barnard, Michael Dougan and Eleanor Spaventa (Oxford: Hart Publishing, 2011), 435-457; Robert Schütze, *Foreign affairs and the EU constitution*, Selected essays, (Cambridge: Cambridge University Press, 2014).

17 Peter Van Elsuwege and Hans Merket, "The Role of the Court of Justice in Ensuring the Unity of the EU's External Representation," *CLEER Working Paper*, edited by Steven Blockmans and Ramses A Wessel, no. 5, Asser Institute, 2012, 37-58.

18 European Court of Justice, AG Mengozzi Opinion of 29 January 2015, *Commission v Council*, C-28/12, EU:C:2015:43, para. 63.

19 Andrés Delgado Castelleiro and Joris Larik, "The duty to remain silent: Limitless loyalty in EU external relations?," *European Law Review*, 2011, 36, 524-541.

20 See also Ramses Wessel, *General Principles in EU Common Foreign and Security Policy*, Revised draft paper, presented at the

those provisions aim to secure strategic consistency by avoiding any contradiction between individual and Union strategies.

In light of these key tenets, Germany's talks with China, to be read in conjunction with the ruling coalition's approval of Chinese investment in the Port of Hamburg, could prove difficult to justify and to absolve from any suspicion of infringement.²¹

The European Court of Justice case law establishes that *"from the moment a 'common strategy' has been adopted at the EU level, the Member States must abstain from acting individually on that matter."*²² Despite the lack of legally binding character of both Council conclusions and European Parliament resolutions, compliance with this burden is not contingent upon the formalisation of said strategy into a legally binding act.²³ Consequently, the strengthened (and arguably harsher) stance adopted by the Council on October 20-21, 2022, and the overall weariness of the EU towards Chinese investments, although nonbinding in nature, should have had the effect of precluding Germany from shaping a (potentially rogue) strategy of its own.²⁴ Reports detailing the Council conclusions argued that emphasis should be put on the rivalry between the EU and China.²⁵ The reported lack of compliance

with that emphasised requirement could be viewed, at the very least, as a divergence and, at worst, as a blatant disagreement with the EU's strategy.

However, such a transgression of the principle of sincere cooperation could hardly be enforced against Germany in this situation. First, the strengthening of the EU's posture towards China has now rendered the standard to which Germany's international stance and discourse is held unclear and imprecise. The European Council, during its meeting on October 20-21, 2022, discussed the matter and reiterated its previously well-defined strategic position²⁶ in the form of a *"partner-competitor-systemic rival"* triptych.²⁷ Additionally, preparatory documents advised that ministers of the bloc should recalibrate their line towards a significant emphasis on the competition and rivalry elements of that approach. Similar to the very sparse information provided by EU officials pursuant to this meeting, the Brussels press has so far been able to report little detail as to what the concrete implications of such recalibration could be. An accurate example of this is the indefinite level of commercial decoupling *vis-à-vis* China by the Member States that is expected by the EU from now on.²⁸ Given the very low level

workshop General Principles of EU Law, University of, Leicester, 29-30 June 2022, 8, <https://www.utwente.nl/en/bms/pa/research/wessel/wesselconf18.pdf>.

21 Andreas Rinke and Jan Schwartz, "German go-ahead for China's Cosco stake in Hamburg port unleashes protest," *Reuters*, 26 October 2022, <https://www.reuters.com/markets/deals/german-cabinet-approves-investment-by-chinas-cosco-hamburg-port-terminal-sources-2022-10-26/>.

22 European Court of Justice, C-246/07, *Commission v Sweden*, 20 April 2010, ECLI:EU:C:2010:203, para. 77; Peter Van Elsuwege, *The Duty of Sincere Cooperation and Its Implications for Autonomous Member State Action in the Field of External Relations in Between Compliance and Particularism* ed. Varju, M. (Springer, Cham, 2019), https://doi.org/10.1007/978-3-030-05782-4_13.

23 *Ibid.* See also Ramses Wessel, *General Principles in EU Common Foreign and Security Policy*, Revised draft paper, presented at the workshop General Principles of EU Law, University of, Leicester, 29-30 June 2022, 9 and 11, <https://www.utwente.nl/en/bms/pa/research/wessel/wesselconf18.pdf>.

24 Andreas Rinke and Jan Schwartz, "German go-ahead for China's Cosco stake in Hamburg port unleashes protest," *Reuters*, 26 October 2022, <https://www.reuters.com/markets/deals/german-cabinet-approves-investment-by-chinas-cosco-hamburg-port-terminal-sources-2022-10-26/>.

25 Alexandra Brzozowski, "EU expected to take a tougher stance on China," *EURACTIV.com*, 17 October 2022, <https://www.euractiv.com/section/eu-china/news/eu-expected-to-take-a-tougher-stance-on-china/>.

26 European Council, meeting (20 and 21 October 2022) – Conclusions, Brussels, 21 October 2022, CO EUR 27 CONCL 6, § 22 s, <https://www.consilium.europa.eu/media/59728/2022-10-2021-euco-conclusions-en.pdf>.

27 Alexandra Brzozowski, "EU expected to take a tougher stance on China," *EURACTIV.com*, 17 October 2022, <https://www.euractiv.com/section/eu-china/news/eu-expected-to-take-a-tougher-stance-on-china/>.

28 Henry Foy, "EU ministers advised to take tougher line on China," *Financial Times*, 17 October 2022, <https://www.ft.com/content/>

of detail provided to clarify that seemingly new plan, Germany could very difficultly be held down to a single and clear line of action.

Similarly, the polymorphic nature of the duty of sincere cooperation (and, in turn, of consistency) implies a very singular and specific application of the latter to each field of EU external policy.²⁹ The content of said duty accordingly depends on the strategic area targeted in each case before the European Court of Justice. Although the Lisbon Treaty enables the Court to adjudicate on those matters³⁰ and despite the frequent “*struggles between the EU and its Member States on representation issues*”,³¹ very few have been the cases tackling considerations neighbouring this peculiar set of circumstances and hence providing sufficient indications as to how Member States can comply with the principle of sincere cooperation when maintaining non-binding dialogues with third countries.³² The specific substance of Germany’s duty, both as a result of the blurry nature of the legal principle it is bound by, but also of the targeted external strategy, would, in turn, most likely be qualifiable as insufficiently specific and prescriptive for any violation to be identified.

Secondly, Schölz’s summary of the bilateral meeting seems to have put strategic emphasis on ticking the proper safeguard boxes earlier selected by the European

Parliament, which notably called on the Member States to foster dialogue and initiatives surrounding “*peace and security in the whole Asia-Pacific region*” following the Taiwan crisis.³³ On the face of it, and in light of the rather improbable chances of obtaining more insight from a confidential meeting, Schölz’s declaration that he “*put forward clear messages condemning Russia’s invasion of Ukraine as well as China’s human rights violations, escalation in the Taiwan Strait, unfair economic practices, and economic coercion of other states, including fellow EU member Lithuania*”³⁴ provides the reassurance of a compliant and united front held by Germany and very little substance for a potential action for breach of the principle of sincere cooperation.

Legal and Policy Recommendations to Ensure Sincere Cooperation in EU Member States Relations with China

The controversial German visit to China reflects two major dynamics with the potential to severely undermine unity in EU Member States’ relations with Beijing. On the one hand, with a surge in the tension between the EU and China, the latter has noticeably turned to a long-established tactic of fueling division between Member States. As a consequence, Beijing has incrementally engaged with EU Members bilaterally while showcasing a diminishing interest in direct contact with EU institutions, thus attempting to exacerbate divisive spirals

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29 Peter Van Elsuwege, *The Duty of Sincere Cooperation and Its Implications for Autonomous Member State Action in the Field of External Relations in Between Compliance and Particularism* ed. Marton Varju (Springer, Cham, 2019), https://doi.org/10.1007/978-3-030-05782-4_13.

30 Consolidated version of the Treaty on the Functioning of the European Union, Article 258, Official Journal L115, 09/05/2008 P. 0160 - 0160.

31 Ramses Wessel, *General Principles in EU Common Foreign and Security Policy*, Revised draft paper, presented at the workshop General Principles of EU Law, University of Leicester, 29-30 June 2022, 13, <https://www.utwente.nl/en/bms/pa/research/wessel/wesselconf18.pdf>.

32 The case law of the Court mainly focuses on accession to international organisations, signing of treaties and formal negotiation. See Case law aforementioned.

33 European Parliament, Motion for a resolution on the situation in the Strait of Taiwan, 12 September 2022, (2022/2822(RSP)), L1, https://www.europarl.europa.eu/doceo/document/B-9-2022-0398_EN.html.

34 Fergus Hunter, “Olaf Scholz Is Undermining Western Unity on China,” *Foreign Policy*, 23 November 2022, <https://foreignpolicy.com/2022/11/23/germany-china-eu-scholz-xi-meeting-economy-trade-g-20/>.

among European national interests.³⁵ At the same time, a latent lack of coherence and the still fragmented strategic culture among EU Member States and institutions prevent the European bloc from following a single concerted strategy towards China.

On legal grounds, the principle of sincere cooperation, embodied by the standards of coherence and consistency acting as two sides of the same coin, aims to ensure the unity of external action in the EU.³⁶ As observed by Robert Schütze, a broad interpretation of said duty "*better protects the unity of external representation of the Union and its Member States [but] there is a danger for the autonomous exercise of the latter's international powers*".³⁷ Strategically, it has equally been highlighted that united and concerted action was the only truly promising way forward.³⁸ In that regard, although one must recognize that in spirit, Schütze's proposal to adopt an extensive interpretation of the principle of sincere cooperation is enticing, its shortcoming is that it relies on the aforementioned rather limited interpretational input from the Court of Justice of the European Union. As a guiding principle of the EU, it is equally unlikely that the judges will be in favour of providing substantially more specifications as to how to implement it in practice. Similarly, the efficacy and long-term usefulness of infringement proceedings, possibly brought before the Court under articles 258 to 260 TFEU have

been repeatedly questioned.³⁹

While advocating in favour of a maximalist interpretation of the principle of sincere cooperation as a long-term legal guarantee of unity in the EU's external relations with third powers, EU institutions and Member States should today emphasise what is in their control: the EU's external strategy. A more fruitful proposal aiming at better enforceability and efficiency of the EU's external policy by its Member States would therefore lie in the EU consistently and thoroughly defining an implementable and homogeneous approach, which Member States will, in turn, more easily abide by. Significant European dependencies on China call for immediate policy coordination between Member States and EU institutions on jointly identified short-term risks. It is our view that strategic ambiguity shall be at the core of the EU's rebooted approach to China, signalling interest in multisectoral and political cooperation with Beijing while, at the same time, undertaking a progressive decoupling from China on sensitive sectoral domains or as a consequence of China's unwillingness to agree on a level playing field with the EU and its Member States.

Complementary to this first proposal, one must advocate for the reinforcement of existing EU alert mechanisms, consultative practices, and overall transparency. As

35 Stuart Lau, "As Xi reemerges, Europe again falls prey to China's divide-and-rule tactics," *Politico*, November 16, 2022, <https://www.politico.eu/article/as-xi-reemerges-europe-again-falls-prey-to-chinas-divide-and-rule-tactics/>.

36 See Peter Van Elsuwege, *The Duty of Sincere Cooperation and Its Implications for Autonomous Member State Action in the Field of External Relations in Between Compliance and Particularism* ed. Marton Varju (Springer, Cham, 2019), https://doi.org/10.1007/978-3-030-05782-4_13; Opinion 2/91, ILO [1993] ECR I-1061, para. 36; Opinion 1/94, WTO [1994] ECR I-5267, para. 106; Opinion 2/00, Cartagena Protocol on Biosafety [2001] ECR I-9713, para. 18; Christophe Hillion, "Mixity and Coherence in EU External Relations: the Significance of the Duty of Cooperation," CLEER Working Paper 2009/2, https://www.asser.nl/upload/documents/9212009_14629cleer09-2full.pdf.

37 Robert Schütze, *Foreign affairs and the EU constitution*, Selected essays (Cambridge: Cambridge University Press, 2014), 339.

38 See "I think with China it's the same as with Russia. It is in their interest that we are divided. It's in our interest that we are united," Estonian Prime Minister Kaja Kallas told reporters in Brussels. AND Latvian Prime Minister Krišjānis Kariņš said "China is best dealt with when we are 27, not when we are one on one vis-à-vis China," *op.cit.* Brzozowski, 21 oct. 2022

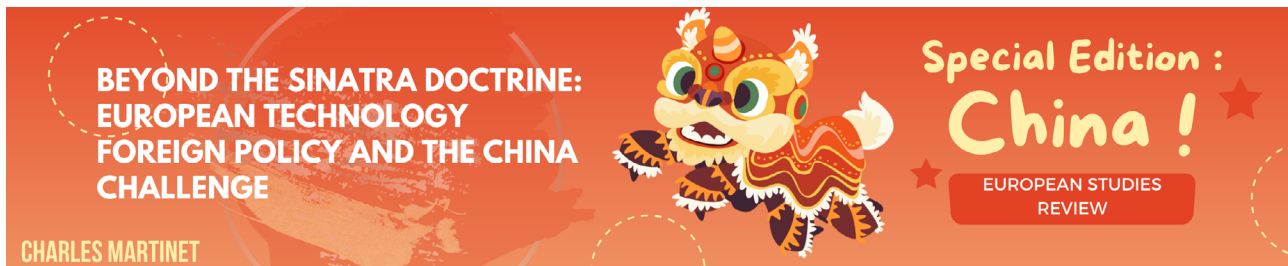
39 P. Bogdanowicz, M. Schmidt, "The infringement procedure in the rule of law crisis: How to make effective use of Article 258 TFEU", *Common Market Law Review*, Volume 55, Issue 4 (2018) pp. 1061 – 1100; D. Blanc, Ombres et lumières portées sur la procédure du recours « en manquement sur manquement » : la Commission entre Tribunal et Cour de justice, *RTDeur. Revue trimestrielle de droit européen*, 2015, n°2, pp.285-299.

delineated by Article 24(3) TEU, *"the Council and the High Representative shall ensure compliance"* with the aforementioned principles of cooperation and consistency. Compliance of Member States with the principle of sincere cooperation is further monitored by the Commission and the European Parliament (EP) through the Council. Hence, acknowledging the growing policy role played by both the Commission and the EP in external action and Common Foreign Security Policy (CFSP), there seems to be room for a more articulated, integrated, and system-wide institutionalisation of monitoring practices on EU-China relations. Theoretically, the literature posits that *"so as to preventively avoid any inconsistencies between EU and national initiatives, [the aforementioned principles constrain] the Member States to inform the EU institutions of their initiative idea so that a concerted Union strategy can be contemplated."*⁴⁰ However, unlike the conclusion of mixed agreements, there does not currently seem to exist a set of fully institutionalised processes of consultation or at least of information-sharing among Member States and EU institutions as regards intentions to conduct bilateral meetings and to foster deeper relations with third countries. While acknowledging the financial and bureaucratic costs which such institutional practices would entail, we argue that security risks related to the pervasive action of China in Europe justify the institutionalisation of an *ad-hoc* operational system of consultation and information-sharing mechanisms on issues pertaining to EU-China relations.

Conclusion: Resilience in Times of Looming Threats

To conclude, the principle of sincere cooperation in all its specifications is arguably an impressively flexible legal compass for Member States' action on the international stage, and its implications can range from a "best efforts clause" to a fully-fledged obligation to refrain. In light of the main (arguably faint) features of what can be understood as a new EU strategy towards China, Scholz's visit is unlikely to be characterised as a breach of the principle of sincere cooperation. Indisputably though, such an initiative affixes major cracks to the EU's unity in the face of third countries and crucially questions its ability to maintain a cohesive relationship between its institutions and Member States. As the EU seeks to reaffirm its actorness on the international stage towards China, Charles Michel's visit to Xi Jinping further emphasises the conundrum it is facing. Acting mostly as a symbolic token of the EU's will, this visit has failed to offer any key to understanding the Union's definite line of action and strategy to reinforce its overall unity. To secure such a goal, as well as the full efficacy of the EU's external action, it is, however, mandatory that it builds on its existing legal or strategic mechanisms. The aforementioned proposals reflect meaningful ideas aiming at taking stock of the Union's priority, as well as its established functioning, and should be further investigated at every level of decision-making in view of a swift and successful shift in how the EU addresses not only China but also other third countries.

⁴⁰ Peter Van Elsuwege, *The Duty of Sincere Cooperation and Its Implications for Autonomous Member State Action in the Field of External Relations in Between Compliance and Particularism* ed. Marton Varju (Springer, Cham, 2019), https://doi.org/10.1007/978-3-030-05782-4_13.



Introduction

In recent years, the strategic competition between the United States (US) and China has intensified. Technological innovation is a core driver of this power, markets, and status competition.¹ It is also its key battleground: both countries are doing everything they can to gain a competitive edge and develop the technologies they see as critical² for their prosperity, security, and way of life.

In response to being caught between two competing technological giants, the European Union has strived to maintain its economic interdependence with China while deepening cooperation with the US, notably to tackle the challenges posed by China's technological ambitions. This is the so-called 'Sinatra Doctrine', according to which the EU should "[continue] the cooperation with Beijing" while "strengthening the EU's strategic sovereignty by protecting technological sectors".³ Or,

as Sinatra would say, the EU wants to do it its way. The doctrine is related to the trifecta laid out in the 2019 Strategic Outlook on China,⁴ where China is defined as a negotiating partner, an economic competitor, and a systemic rival at the same time.

By recognising the complex and multifaceted nature of EU-China relations, European policymakers diverge from the United States' now zero-sum perception of strategic competition. They want to keep the EU's options open so as to be able to shift between cooperative and competitive dynamics. A fundamental tenet of this drive for relevance in an increasingly contested and unstable world is the emphasis on technological sovereignty; the ability of the EU to "provide the technologies it deems critical for its welfare, competitiveness, and ability to act, and to be able to develop these or source them from other economic areas without one-sided structural dependency".⁵ China, for its part, not only wants to reach

¹ Technology has always been at the centre of national power. Military capabilities and long-term growth both depend on a country's ability to innovate. When exported, technological capabilities can also create dependencies. Nowadays, a variety of emerging technologies either enable new forms of extraterritorial power or are considered dual-use, general purpose, or enabling technologies. As industrial revolutions have historically had substantial consequences for the international distribution of power, the emergence of a strategic competition for advanced technologies should not surprise us.

² For a discussion of what types of technologies and assets policymakers should see as strategic, see Jeffrey Ding and Allan Dafoe, "The Logic of Strategic Assets: From Oil to AI," *Security Studies* 30, no. 2 (2021): 182-212.

³ Josep Borrell, "The Sinatra Doctrine. How the EU Should Deal With the US-China Competition," *European External Action Service*, August 27, 2020, www.eeas.europa.eu/eeas/sinatra-doctrine-how-eu-should-deal-us%E2%80%93china-competition_en.

⁴ European Commission and HR/VP, "EU-China – a Strategic Outlook," *European Commission*, March 12, 2019, 16, https://commission.europa.eu/publications/eu-china-strategic-outlook-commission-and-hrvp-contribution-european-council-21-22-march-2019_en.

⁵ Fraunhofer Institute for Systems and Innovation Research ISI, "Technology Sovereignty: From Demand to Concept," *Fraunhofer ISI*, July, 2020, 32, www.isi.fraunhofer.de/content/dam/isi/dokumente/publikationen/technology_sovereignty.pdf. For other definitions, see for instance Francesco Crespi, Serenella Caravella, Mirko Menghini and Chiara Salvatori, "European Technological Sovereignty: An Emerging Framework for Policy Strategy," *Intereconomics: Review of European Economic Policy* 56, no. 6 (2021): 348-354, 348.

a high level of technological sovereignty;⁶ the country also plans to become the world's technological leader.⁷ One of its top foreign policy intellectuals sees "*technological superiority*" as "*the core of strategic competition between the two superpowers*".⁸

China and the United States: Dedicated to Technological Supremacy

Reflecting their distinctive economic and political systems, and current stage of technological development, the strategies of China and the United States rest on different tools. According to researchers Andrew B. Kennedy and Darren J. Lim, China supports domestic companies in developing new technologies (*making*), buys technology from or invests in foreign tech companies (*transacting*), and legally or illegally takes technology from foreign companies or countries without purchasing it (*taking*). As it seeks to retain its technological leadership and protect its industrial base, the United States,

like China, advances its goals by *making*. However, it also protects its domestic companies from being the victim of "*taking*" and "*transacting*" strategies from China (*shielding*), and prevents China from "*making*", that is, from developing its own technological capabilities (*stifling*).⁹ According to US National Security Advisor Jake Sullivan, the United States "*must maintain as large of a lead as possible*" vis-à-vis China in certain technologies.¹⁰

For its part, the EU is not a real player in the strategic competition.¹¹ As it lacks a technological leadership to protect, like the US, or the means and aspiration to become a great power, like China, it is focused on a few key challenges enabled by and linked to China's rise in the technological pecking order,¹² not its rise altogether. We identified these challenges, listed below, through a literature review of official policy documents¹³ and of research published by European think tanks focused on the geopolitics of technology.¹⁴

6 Xi Jinping announced in 2018 his desire to see China "achieve world-leading levels", especially in artificial intelligence, and to reduce its "external dependence for key technologies" (Technology and National Security Program, "Understanding China's AI Strategy: Clues to Chinese Strategic Thinking on Artificial Intelligence and National Security," *Center for a New American Security*, February 06, 2019, 32, <https://www.cnas.org/publications/reports/understanding-chinas-ai-strategy>.) This goal is also reflected in several Chinese strategic plans, especially Made in China 2025, discussed by *ibid*.

7 Joint Research Centre (European Commission), "China: Challenges and Prospects from an Industrial and Innovation Powerhouse," *Publications Office of the European Union*, February, 2019, 128; Europe's Political Economy Programme, "China's Grand Industrial Strategy and What It Means for Europe," *European Policy Centre*, April 21, 2021, 4, https://www.epc.eu/content/PDF/2021/EU-China_PB.pdf.

8 Yan Xuetong, "Bipolar Rivalry in the Early Digital Age," *The Chinese Journal of International Politics* 13, no. 3 (2020): 313–41.

9 Andrew B. Kennedy and Darren J. Lim, "The Innovation Imperative: Technology and US–China Rivalry in the Twenty-first Century," *International Affairs* 94, no. 3 (2018): 553–572. The terminology italicised and/or used in parentheses is their own.

10 Jake Sullivan, "Remarks by National Security Advisor Jake Sullivan at the Special Competitive Studies Project Global Emerging Technologies Summit," *The White House*, September 16, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/09/16/remarks-by-national-security-advisor-jake-sullivan-at-the-special-competitive-studies-project-global-emerging-technologies-summit/>.

11 See figure 1.

12 As well as more or less deep grievances with the United States, for example on subsidies, data transfers, export controls, and more broadly the EU's "digital sovereignty" agenda and the US' "decoupling" agenda.

13 The EU's China policy is described in several documents, of which the most important are the 2019 EU-China Strategic Outlook and the 2016 Strategy on China. Another important document for Europe's technology foreign policy, though not focused on China, is the Digital Diplomacy Strategy (see footnote 31).

14 Including but not limited to Alice Pannier, "Geopolitics of Technology," *French Institute of International Relations*, [Accessed December 9, 2022] <https://www.ifri.org/en/recherche/thematiques-transversales/geopolitique-technologies>; Tyson Barker, "Technology and Global Affairs Program," *German Council on Foreign Relations*, [Accessed December 9, 2022] <https://dgap.org/en/research/programs/technology-and-global-affairs-program>; Maaike Okano-Heijmans, "Geopolitics of Technology and Digitalisation," *Clingendael–Netherlands Institute of International Relations*, [Accessed December 9, 2022] <https://www.clingendael.org/research-program/geopolitics-technology-and-digitalisation>.

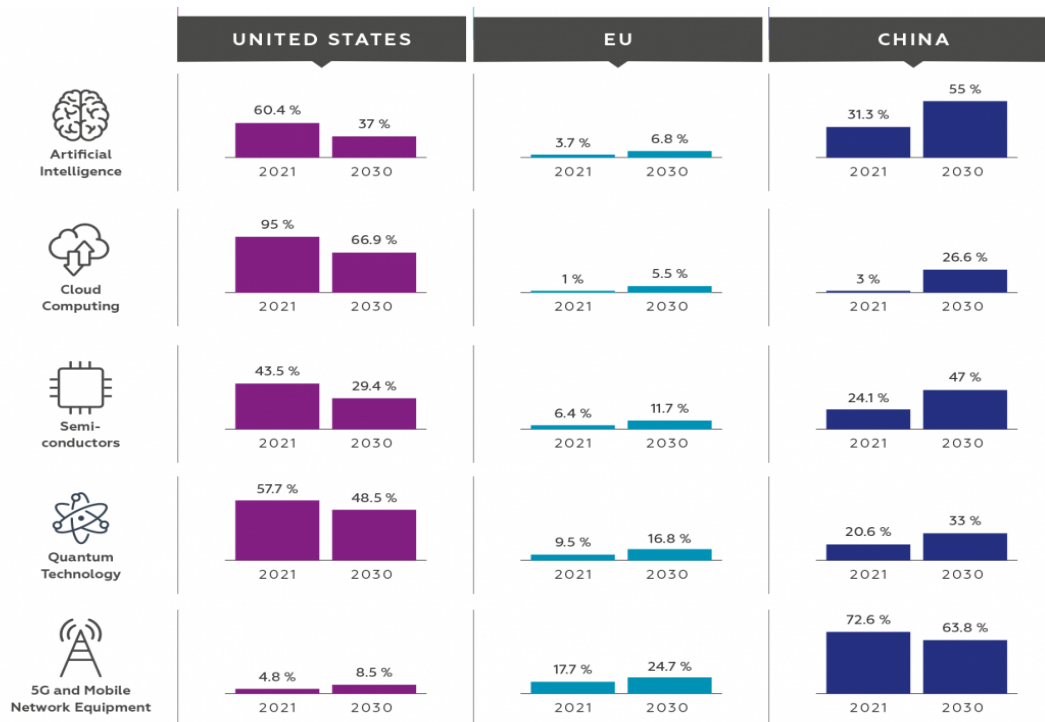


Figure 1: Expert Assessment of Europe's Leadership in Key Technologies, 2021 vs 2030¹⁵

Challenges Posed by China

The EU's efforts to define a China tech policy come amidst a broader transformation designed to make the EU a geopolitical entity capable of speaking the language of power.¹⁶ The following concerns raise the question of whether the current EU strategy is adapted to the lofty goals it is setting for itself *vis-à-vis* China: that of being strategically autonomous.

(i) China is *using technology without respect for human rights and democratic principles*, for instance, by monitoring and controlling Chinese citizens through the use of sophisticated surveillance technologies.

This has led to widespread concerns about the erosion of privacy, freedom of expression, and other fundamental rights. This is threatening the credibility of the EU maintaining a close relationship with China. There are also concerns that China's model of digital authoritarianism is becoming a model for autocracies around the world¹⁷ and that it is ramping up its foreign interference activities.¹⁸

(ii) *Illegitimate technology transfers*¹⁹ refer to the transfer of technology and knowledge from European to Chinese firms, whether through joint ventures, investments in key European firms, or other means. There is fear that European companies

¹⁵ Dr. David Hageböling and Tyson Barker, "A German Digital Grand Strategy: Integrating Digital Technology, Economic Competitiveness, and National Security in Times of Geopolitical Change," *German Council on Foreign Relations*, November 11, 2022, <https://dgap.org/en/research/publications/german-digital-grand-strategy>.

¹⁶ Zaki Laidi, "Can Europe Learn to Play Power Politics?," *Centre for European Reform*, November 28, 2019, www.cer.eu/publications/archive/essay/2019/can-europe-learn-play-power-politics.

¹⁷ Bulelani Jili, "China's Surveillance Ecosystem and the Global Spread of Its Tools," *Atlantic Council*, October 17, 2022, www.atlanticcouncil.org/in-depth-research-reports/issue-brief/chinese-surveillance-ecosystem-and-the-global-spread-of-its-tools.

¹⁸ Special Committee on Foreign Interference in all Democratic Processes in the European Union, "Hearing on 'China's Interference and Disinformation Activities in Africa,'" *European Parliament*, November 17, 2022, www.europarl.europa.eu/committees/en/hearing-on-china-s-interference-and-disi/product-details/20221114CHE10944.

¹⁹ William C. Hannas and Didi Kirsten Tatlow, *China's Quest for Foreign Technology. Beyond Espionage* (New York: Routledge, 2021).

might lose their intellectual property and valuable technology to Chinese firms, which can then use this knowledge to gain a competitive advantage, in doing so harming European businesses and increasing dependence on China.

(iii) Another major grievance is the *lack of a level playing field* and trade practices deemed unfair. This includes China subsidising its domestic industries and engaging in nonreciprocal market access for European firms.

(iv) China's *military-civil fusion strategy* refers to the Chinese government's strategy to leverage its civilian technological capabilities for military purposes. This has led to concerns that exports of dual-use technologies could be used by China to gain a military advantage over other countries.

(v) Global interconnectedness and dependence on technology make the *security of critical infrastructure* vulnerable to malicious actors who want to compromise it. The US spent several years convincing and coercing²⁰ European countries to reduce reliance on Chinese telecommunications company Huawei for fears that it could disrupt critical digital infrastructure or transfer data to Beijing.²¹

(vi) European *over-dependence on China for key resources*, including critical raw materials, is a key driver of the EU's desire for strategic autonomy. As China has emerged as a global economic power, it has become a major supplier, market, and innovator. This has led to concerns about the risks and vulnerabilities associated with this dependence,²² including supply chain disruptions or the potential for economic coercion.²³

(vii) The *digital component of China's Belt and Road Initiative (BRI)* involves the development of digital infrastructures, such as telecommunications networks and data centres outside of China, as well as the promotion of digital technologies and services in global markets. EU concerns relate to the impacts of the digital BRI on China's influence and connectivity. A related, although distinct, concern is China's push to spread its technical standards around the globe.²⁴

Leveraging Europe's Strengths

Though its capacity to act in the global tech race is lacking,²⁵ the following levers allow the EU to influence its own and China's tech capabilities, China's behaviour on the international stage, and global standards and norms.

20 Mathilde Velliet, "Convince and Coerce: U.S. Interference in Technology Exchanges Between Its Allies and China," *French Institute of International Relations*, February, 2022, www.ifri.org/en/publications/etudes-de-lifri/convince-and-coerce-us-interference-technology-exchanges-between-its.

21 Henry Farrell and Abraham Newman, "Weaponized Globalization: Huawei and the Emerging Battle Over 5G Networks," *Global Asia*, September, 2019, www.globalasia.org/v14no3/cover/weaponized-globalization-huawei-and-the-emerging-battle-over-5g-networks_henry-farrellabraham-newman.

22 Including because Xi Jinping wants China to "*tighten international production chains' dependence on China, forming a powerful countermeasure and deterrent capability*" (Xi Jinping, "Certain Major Issues for Our National Medium- to Long-Term Economic and Social Development Strategy," Translated by the *Center for Security and Emerging Technology*, November 10, 2020, https://cset.georgetown.edu/wp-content/uploads/t0235_Qiushi_Xi_economy_EN-1.pdf).

23 Mathieu Duchâtel, "Effective Deterrence? The Coming European Anti-Coercion Instrument," *Institut Montaigne*, October 14, 2022, www.institutmontaigne.org/en/analysis/effective-deterrence-coming-european-anti-coercion-instrument.

24 Tim Rühlig, "China, Europe and the New Power Competition Over Technical Standards," *Swedish Institute of International Affairs*, January 2021, www.ui.se/globalassets/ui.se-eng/publications/ui-publications/2021/ui-brief-no.-1-2021.pdf.

25 Tyson Barker and Kaan Sahin, "Europe's Capacity to Act in the Global Tech Race," *German Council on Foreign Relations*, April 22, 2021, <https://dgap.org/en/research/publications/europes-capacity-act-global-tech-race>.

Technology foreign policy starts at home. A country's economic policy, domestic regulations, and talent base are its crucial foundations.²⁶ The EU is increasingly using *industrial²⁷ and innovation policies* to shape the development of strategic technologies within its borders. This includes investing in research and development and providing various incentives for companies to innovate; in short, developing the EU's capacity to *make* new technologies.²⁸

The EU is also *leveraging the single market to deepen its global regulatory power and spread its technical standards*. The EU's regulatory capacity, stringent rules, and large single market create a "Brussels effect",²⁹ through which EU regulations inspire foreign policymakers to adopt similar rules (*de jure* effect) and lead companies to respect EU rules to keep access to its single market (*de facto* effect). The EU's economic leadership also allows it to wield influence in global standardisation organisations and embed its standards in digital trade agreements.

The EU also uses *bilateral, multilateral, and public diplomacy* to defend its interests. The EU is creating technology-focused alliances,³⁰ whether to support

R&D, democratic values, or regulatory convergence. Currently, the EU has set up "*over 20 digital and cyber dialogues with partners from all over the world*",³¹ including most notably the EU-US Trade and Technology Council. By offering a way to manage perceptions and expectations from China and the United States, public diplomacy and official strategic positioning are also crucial.

The US-China strategic competition is largely geo-economic. It supposes the use of *economic statecraft*, external economic policies used to pursue geopolitical goals. The EU has also been developing these tools, increasing its ability to limit exports of sensitive technologies,³² screen foreign investments that target critical infrastructure or the transfer of valuable technologies,³³ and resist economic coercion.³⁴

Finally, encompassing all the levers mentioned above, European countries are increasingly *coordinating and cooperating at the European level* to increase the impact of their actions. Several policy areas that were the remit of member states, such as national security, are now the subject of EU-wide conversations.³⁵ This trend of

26 For artificial intelligence systems specifically, some would add data, algorithms, and computing power as key resources (Ben Buchanan, "The AI Triad and What It Means for National Security Strategy," *Center for Security and Emerging Technology*, August, 2020, <https://cset.georgetown.edu/publication/the-ai-triad-and-what-it-means-for-national-security-strategy/>).

27 Niclas Poitiers and Pauline Weil, "Opaque and Ill-defined: The Problems With Europe's IPCEI Subsidy Framework," *Bruegel*, October 17, 2022, www.bruegel.org/blog-post/opaque-and-ill-defined-problems-europes-ipcei-subsidy-framework.

28 See Andrew B. Kennedy and Darren J. Lim, "The Innovation Imperative: Technology and US-China Rivalry in the Twenty-first Century," *International Affairs* 94, no. 3 (2018): 553–572.

29 Markus Anderljung and Charlotte Siegmann, "The Brussels Effect and Artificial Intelligence," *Centre for the Governance of AI*, August 16, 2022, <https://www.governance.ai/research-paper/brussels-effect-ai>.

30 Andrew Imbrie, Ryan Fedasiuk, Catherine Aiken, Tarun Chhabra and Husanjot Chahal, "Agile Alliances: How the United States and Its Allies Can Deliver a Democratic Way of AI," *Center for Security and Emerging Technology*, February 2020, cset.georgetown.edu/publication/agile-alliances.

31 European External Action Service, "Digital Diplomacy," *European External Action Service*, September 13, 2022, https://www.eeas.europa.eu/eeas/digital-diplomacy_en.

32 Kolja Brockmann and Dr. Mark Bromley, "Implementing the 2021 Recast of the EU Dual-Use Regulation: Challenges and Opportunities," *Stockholm International Peace Research Institute*, September 2021, <https://www.sipri.org/publications/2021/eu-non-proliferation-and-disarmament-papers/implementing-2021-recast-eu-dual-use-regulation-challenges-and-opportunities>.

33 Wolf Zwartkruis and Bas de Jong, "The EU regulation on screening of foreign direct investment: a game changer?," *European Business Law Review* 31, no. 3 (2020): 447 – 474.

34 Jonathan Hackenbroich and Pawel Zerka, "Measured response: How to design a European instrument against economic coercion," *European Council on Foreign Relations*, June 2021, <https://ecfr.eu/publication/measured-response-how-to-design-a-european-instrument-against-economic-coercion/>.

35 As exemplified by coordination on export controls and FDI screening in the context of the Trade & Technology Council.

supranationalisation should help the EU leverage these strengths to specifically address the challenges posed by China.

From China Policy to China Strategy

Linking together means³⁶ and goals³⁷ is the essence of strategy. A strategy should also describe how to navigate difficult tradeoffs, an endeavour to which we will now turn. Problematically, the Sinatra doctrine and the accompanying partner/competitor/rival trifecta do not do either of those things. As a result, the EU is poorly equipped to deal with the multifaceted challenges posed by China and US-China competition.

Openness versus Protection

The technology industry, with its often-monopolistic structure, is particularly well suited to economic coercion. The market for semiconductors, for instance, is concentrated in the hands of a few predominant actors. This makes diversification of supply chains very difficult; this market is also the target of non-economic considerations since semiconductors now constitute assets of significant strategic importance. In a clear sign that it is more inclined to protect than to remain economically open, the United

States now restricts exports of advanced semiconductors to Chinese firms.³⁸

This highlights an important question: are openness and interdependence better suited for success in the global competition for technology, especially *vis-à-vis* China, than protection and independence? The establishment of distinct spheres of technological influence could reduce the EU's connectedness to the global networks of finance, trade, talent, and technology it has so benefitted from. However, whether staying fully connected to these networks brings countries closer or farther away from reaching their strategic technology objectives remains unclear.³⁹ On the one hand, by striving for more autonomous technological capabilities, the EU risks sacrificing its role as a central node of global economic networks and, thus, the competitiveness of its technology industry. On the other hand, remaining open leaves the Union exposed to policies of weaponised interdependence⁴⁰ and potentially harmful competitive pressures.

Becoming less open to the outside world, in economic and political terms, also has subtler effects. Like China,⁴¹ the United States is increasingly securitising artificial intelligence and other strategic technologies, as exemplified by the

36 The levers presented in the section "Leveraging Europe's Strengths".

37 Tackling the challenges posed by China (as presented above), as well as other broader goals like resilience, competitiveness, security, defending human rights, etc. A European China strategy should lay out how, using the levers presented in the previous section, these challenges are tackled.

38 Kevin Wolf and Jordan Schneider, "New Chip Export Controls and the Sullivan Tech Doctrine with Kevin Wolf," *ChinaTalk*, October 11, 2022, <https://www.chinatalk.media/p/new-chip-export-controls-explained>. As a side note, once tools like export controls are used, third countries can adapt to the situation and position themselves to provide the targeted country with the restricted exports (Tim Hwang and Emily S. Weinstein, "Decoupling in Strategic Technologies: From Satellites to Artificial Intelligence," July, 2022, 32, <https://cset.georgetown.edu/publication/decoupling-in-strategic-technologies/>). The effectiveness and utility of such tools (as well as other economic statecraft policies) is also an important aspect of the openness versus protection tradeoff.

39 Andrew B. Kennedy and Darren J. Lim, "The Innovation Imperative: Technology and US-China Rivalry in the Twenty-first Century," *International Affairs* 94, no. 3 (2018): 553–572.

40 Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44, no. 1 (2019): 42–79. As a side note, the strategic technology competition further calls into question the separation of relationships with China between competition and rivalry. The growing importance of economic prosperity and competitiveness for national security is blurring the line between the areas where China and the EU are rivals and the ones when they are only competitors.

41 Jinghan Zeng, "Securitization of Artificial Intelligence in China," *The Chinese Journal of International Politics* 14, no. 3 (2021): 417–45.

latest US National Security Strategy's emphasis on technology.⁴² By making those technologies a matter of national security, the US and China are mobilising their companies and the general public to accept the efforts needed to prevail in the strategic competition.⁴³ A Chinese analyst warning its government about the implications of securitization describes how it could "[affect] the flow of foreign [...] labour and capital", leading to a prioritisation of self-reliance over "economic efficiency", and even "increasing the likelihood of war".⁴⁴

The EU should pay attention to how it resolves this tradeoff.⁴⁵ Creating unequivocal criteria to deal with the security implications of interdependence, in line with the 5G toolbox,⁴⁶ could help the EU better signal its preferences to China and the United States. Helping foster open-source ecosystems and alternatives to US- or Chinese-made hardware and software⁴⁷ will also help reduce over-dependence on their technological solutions. To avoid the pitfalls of the Chinese and American approaches, the

EU might also be able to implement "*networked techno-nationalism*".⁴⁸ This approach was used by China and India in the context of biomedical technology innovation.⁴⁹ In essence, both countries shaped their external economic structure to use global flows of talent, capital, and intellectual property for the development of their national innovation capacities.⁵⁰

Regulation versus Innovation

The existence of a tradeoff between regulation⁵¹ and innovation has long been contested by EU officials. Still, there is no doubt that it exists significantly enough.⁵² There have been reports, for instance, that the EU's data privacy framework decreased innovation in the mobile app industry, leading to "*the exit of about a third of available apps*" from the Google Play Store.⁵³ Without hurting ethical standards, the EU should systematically assess the impact of its regulations on innovation.

One promising way to go beyond this tradeoff is to bolster the ability of democracies to thrive in the technological

42 Stephenie Gosnell Handler and Roscoe Jones Jr, "Biden's National Security Strategy Reinforces Tech Decoupling and Increased Regulatory Focus," *The Hill*, November 2, 2022, <https://thehill.com/opinion/national-security/3716204-bidens-national-security-strategy-reinforces-tech-decoupling-and-increased-regulatory-focus/>.

43 It is also demonstrating US national superiority, as demonstration of technological advancement is seen as an important part of national pride and status.

44 Jinghan Zeng, "Securitization of Artificial Intelligence in China," *The Chinese Journal of International Politics* 14, no. 3 (2021): 417–45.

45 Which is, in many ways, a tradeoff about autonomy versus competitiveness.

46 Network and Information Systems Cooperation Group, "Cybersecurity of 5G Networks EU Toolbox of Risk Mitigating Measures," *European Commission*, January 29, 2020, <https://digital-strategy.ec.europa.eu/en/library/cybersecurity-5g-networks-eu-toolbox-risk-mitigating-measures>.

47 Caroline Meinhardt, "Open source of trouble: China's efforts to decouple from foreign IT technologies," *MERICS*, March 18, 2020, <https://merics.org/en/analysis/open-source-trouble-chinas-efforts-decouple-foreign-it-technologies>.

48 Kathryn C. Ibatá-Arens, *Beyond Technonationalism. Biomedical Innovation and Entrepreneurship in Asia* (Stanford: Stanford University Press, 2016). Some also talk about "*neo-techno nationalism, in which technological development that supports national economic and security interests is pursued by leveraging the opportunities presented through globalization to gain national advantages*" (Yongwoon Shim and Dong-Hee Shin, "Neo-techno nationalism: The case of China's handset industry," *Telecommunications Policy* 40, no. 2–3 (2016): 197–209.).

49 Aside from this approach, the EU should stay away from other trade approaches that are part of what can be considered "unfair", "beggar-thy-neighbour" trade practices, such as import substitution industrialization.

50 For a deep analysis of the causes of national innovative capacity, see Mark Zachary Taylor, *The Politics of Innovation: Why Some Countries Are Better Than Others at Science and Technology* (Oxford: Oxford Academic Press, 2016).

51 Specifically regulation that prioritises the protection of fundamental rights over other goals.

52 Jacques Pelkmans and Andrea Renda, "How Can EU Legislation Enable and/or Disable Innovation," *European Commission*, July, 2014, 78, https://ec.europa.eu/futurium/en/system/files/ged/39-how_can_eu_legislation_enable_and-or_disable_innovation.pdf.

53 Rebecca Janßen, Reinhold Kesler, Michael E. Kummer and Joel Waldfogel, "GDPR and the Lost Generation of Innovative Apps," *National Bureau of Economic Research* 30028, 2022, https://www.nber.org/system/files/working_papers/w30028/w30028.pdf.

competition.⁵⁴ Indeed, some characteristics of authoritarian regimes make it easier for them to develop and adopt certain technologies. Because autocracies prioritise national wealth and digital development over individual liberties, they have more leeway than democracies to collect and centralise companies' and people's data. This is what Tim Hwang calls a "*data advantage*":⁵⁵ it is *easier* for them to access *more* data than democracies. In the absence of a free press and combative NGOs able to criticise and even prevent the adoption of emerging technologies, the latter will also be more easily deployed and commercialised. Thus, autocracies also gain from what may be termed a 'deployment advantage': they face fewer constraints than democracies in deciding which technologies get rolled out and for what purpose, as they do not need the consent of citizens to do so.

By encouraging the development of techniques that reduce the importance of data in creating Machine Learning systems,⁵⁶ democracies can offset their authoritarian rivals' data advantage in the field of AI and, thus, avoid having to compromise their values to compete with them. The EU should also incentivise work on the ethical fault lines of emerging technologies and increase citizen

involvement in their governance. It will be able to sustain its competitiveness only if it succeeds in ensuring sufficient trust. Such initiatives may help the EU erode the autocratic edge in the global competition for technological leadership and prevent the current power shift away from democracies.

Keeping Europe's Options Open versus Aligning with the United States on China and Technology

US policy analysts sometimes see the EU's strategic autonomy agenda as a sign that the block wants to move away from the United States.⁵⁷ But strategic autonomy is the basis upon which European member states can deepen their ability to cooperate, notably by fostering common European positions.⁵⁸ Still, non-alignment with the United States on the China-tech nexus is seen by some European leaders as a *sine qua non* of strategic autonomy.

If the EU aligns with the United States, it may lose out on the economic benefits of engagement with China, a fact that has led the EU and its member states to try resisting American calls to embark on their campaign to limit China's technological rise.⁵⁹ The US and the EU are competitors in technology, which makes cooperation

54 Some even suggest creating trade incentives for autocracies to adopt democratic values to govern their digital ecosystem (Robert K. Knake, "Weaponizing Digital Trade: Creating a Digital Trade Zone to Promote Online Freedom and Cybersecurity," *Council on Foreign Relations*, September 2020, https://cdn.cfr.org/sites/default/files/report_pdf/weaponizing-digital-trade_csr_combined_final.pdf).

55 Tim Hwang, "Shaping the Terrain of AI Competition," *Center for Security and Emerging Technology*, June 2020, <https://cset.georgetown.edu/publication/shaping-the-terrain-of-ai-competition/>.

56 Thus, enabling broader data sharing while mitigating threats to user privacy. This can be done using "privacy-enhancing technologies" such as homomorphic encryption (Andrew Imbrie, Daniel Baer, Andrew Trask, Anna Puglisi, Erik Brattberg and Helen Toner, "Privacy Is Power," *Foreign Affairs*, February 16, 2022, <https://www.foreignaffairs.com/articles/world/2022-01-19/privacy-power>).

57 The title of an op-ed published by the president of the Information Technology and Innovation Foundation, an influential US technology policy think-tank, read "How to Improve Transatlantic Relations Without Caving to Europe on Technology and Trade" (Robert Atkinson, "How to Improve Transatlantic Relations without Caving to Europe on Technology and Trade," *The Hill*, September 17, 2021, <https://thehill.com/opinion/technology/572707-how-to-improve-transatlantic-relations-without-caving-to-europe-on/>).

58 Giovanni Grevi, "Strategic Autonomy for European Choices: The Key to Europe's Shaping Power," *European Policy Centre*, July 19, 2019, <https://www.epc.eu/en/publications/Strategic-autonomy-for-European-choices-The-key-to-Europes-shaping-p-213400>.

59 Mathilde Velliet, "Convince and Coerce: U.S. Interference in Technology Exchanges Between Its Allies and China," *French Institute of International Relations*, February, 2022, www.ifri.org/en/publications/etudes-de-lifri/convince-and-coerce-us-interference-technology-exchanges-between-its.

even harder.⁶⁰ Joining the US would also entrench rivalry for years to come, with all the associated risks. Importantly, seeing China as a strategic technological rival would help the EU unravel the sentiments that have helped countries like South Korea and Japan be propelled into technology leader status.⁶¹ However, there is a risk of bolstering nationalism and intensifying strategic competition, again with potentially very significant risks.⁶²

Despite their divergences, and because of the values, rules,⁶³ and even worldviews they share, the US and the EU are natural partners; their political, economic, and societal futures are inextricably linked. The EU has an interest in transatlantic cooperation, as it is a condition for the effectiveness of several of the levers presented above. European threat perceptions on the challenges posed by China's tech rise are also moving closer to the American outlook.

Thus, the EU's approach approximates what international relations scholars call "*hedging*",⁶⁴ "*efforts to mitigate risk in uncertain strategic conditions [rather than*

taking clear sides]".⁶⁵ This approach helps the EU maintain access to both US and Chinese markets and technologies.⁶⁶ It will likely continue pursuing this strategy⁶⁷ in the near future; although the hedging dynamic is tilted in favour of the US, a full-on transatlantic technology alliance beyond *ad hoc* cooperation seems unlikely.⁶⁸ Instead, transatlantic relations will follow former French foreign minister Hubert Védrine's words: "*We are friends and allies, but not aligned*".⁶⁹ In this context, diversifying the EU's partnerships with countries that also find themselves between China and the US is a promising opportunity.

Conclusion

As we have seen, the technological sphere can be quite conflictual. European policymakers' perceptions of and reactions to the challenges posed by China are leading to a toughening of the EU's approach towards Beijing. Still, rules of the road will need to be established, if not at least to govern how China and the EU trade high-technology goods and services.

⁶⁰ See footnote 16.

⁶¹ Hee-Je Bak, "The Politics of Technoscience in Korea: From State Policy to Social Movement," *East Asian Science, Technology and Society: An International Journal* 8, no. 2 (2020): 159–174.

⁶² Stephen Cave and Seán S. ÓhÉigeartaigh, "An AI Race for Strategic Advantage: Rhetoric and Risks," *Proceedings of the 2018 AAAI/ACM Conference on AI, Ethics, and Society* (2018).

⁶³ Fears that regulatory differences could dampen the prospects for cooperation are often overblown: "While there are differences in how the EU and US assess risk in specific cases, overall risk regulation has been characterized more by similarity than difference" Jonathan B. Wiener, Arthur C. Petersen, Christina Benighaus, John D. Graham, Kenneth A. Oye, Ortwin Renn and Marie-Valentine Florin, "Transatlantic Patterns of Risk Regulation: Implications for International Trade and Cooperation," *EPFL International Risk Governance Center* (2017), <https://infoscience.epfl.ch/record/228197?ln=en>.

⁶⁴ Zora Siebert, "Digital Sovereignty - The EU in a Contest for Influence and Leadership," *Heinrich-Böll-Stiftung*, February 15, 2021, <https://eu.boell.org/en/2021/02/15/digital-sovereignty-eu-contest-influence-and-leadership>.

⁶⁵ John D. Ciorciari and Jürgen Haacke, "Hedging in International Relations: An Introduction," *International Relations of the Asia-Pacific* 19, no. 3 (2019): 367–374, 368.

⁶⁶ Importantly, it also keeps the EU's most important security partner somewhat satisfied.

⁶⁷ Current EU policies also include supply chain diversification and may lead to "friend-shoring" efforts in the future.

⁶⁸ The desirability of such an alliance is controversial among experts in the tech/geopolitics nexus: "*When asked about how the EU should position itself amid a US-China tech confrontation, stakeholders are almost evenly split. A slim majority (54 percent) believe the EU should chart an independent path between the two, while 46 percent believe the EU should move closer to the US.*" (Tyson Barker and Kaan Sahin, "Europe's Capacity to Act in the Global Tech Race," *German Council on Foreign Relations*, April 22, 2021, <https://dgap.org/en/research/publications/europes-capacity-act-global-tech-race>).

⁶⁹ Hubert Védrine, "Entretien de M. Hubert Védrine, Ministre Des Affaires Étrangères, Sur La Politique Étrangère de l'Allemagne, Les Relations Entre l'Union Européenne et Les Etats-Unis et Celles de La France Avec Les Etats-Unis [Interview with Mr. Hubert Védrine, Minister of Foreign Affairs, on Germany's Foreign Policy, Relations between the European Union and the United States and Those of France with the United States]," *Vie Publique*, March 13, 2001, <https://www.vie-publique.fr/discours/175709-entretien-de-m-hubert-vedrine-ministre-des-affaires-etrangeres-avec-l>.

This analysis was the first step in expanding and operationalising the EU's China strategy in the technological sphere. Future work will need to reflect on a potential tech cooperation agenda with China in the few policy fields that remain impervious to the competitive dynamics of the relationship. It will also need to define the contours of a common transatlantic response to China's tech rise.

The emergence of strategic technology competition as a defining feature of the current international system raises the importance of European integration and of having structures to deal with the nexus between technology, security, and economics. Barring significant efforts, the EU will surely not be both open and protected; its markets will not be both closely regulated and innovative; its relationships with China and the US will not both go on as they did in the past. Europe's attempt to reach a certain level of strategic autonomy in key technologies is laudable; seeing the range of challenges posed by China and the difficult tradeoffs it is facing, however, its success in this endeavour is for now uncertain.

The EU should develop its own capacity for *making* and *transacting*, and in some cases, *stifling* and *shielding* new technologies, favouring multilateral approaches whenever possible. The Union should find the right balance between, on the one hand, hedging, which reduces reliance on any single course of action and implies avoiding grand strategic gambles, and on the other hand, having an ambitious and strategic vision, providing a clear path to achieving its goals using specified means. At stake is a unique opportunity for the EU to assert its geopolitical emergence and cement its role as a provider of security and prosperity.



Introduction

SCANT attention has been paid thus far to a potentially critical decision from the European Court of Human Rights (ECtHR). The case of *Liu v Poland* concerns the extradition of a Taiwanese national to China.¹ In particular, the ECtHR ruled that the extradition of an individual to China from Europe would violate Article 3 of the European Convention on Human Rights (ECHR): the prohibition of torture. This decision could have far-reaching ramifications, and is therefore worthy of further study. While the judgement is yet to be finalised, there is no reason to believe that the decision will change, given the lack of dissent and the Court's careful reasoning.² Extradition to mainland China was the catalyst for the Hong Kong protests in 2019 and 2020, and remains a contentious issue within and outside of China. This article will examine the case in detail, and notably the likely ramifications and potential next steps for China. It will begin with a background of the case, including the jurisdiction of the ECtHR. The article will then turn to the decision itself, the reasoning, and its implications across the Council of Europe (CoE), and by extension, the European Union (EU).

Finally, the implications of this case for China and Europe-China relations will be explored.

Background

Liu v Poland was heard by a seven-judge panel at the ECtHR, whose jurisdiction encompasses the Council of Europe (CoE). The CoE includes 46 Members, including all EU Member States, and last year it made headlines after Russia was expelled from the organisation.³ The ECtHR hears cases brought by citizens against state authorities for violating their rights, which are enshrined in the ECHR, which is binding on all CoE members. Such rights include both positive and negative rights, such as the right to life, the right to the freedom of assembly and the freedom of association, and, most relevant for this article, the right not to be tortured.⁴

Facts of the Case

Mr Hung Tao Liu took advantage of Poland's membership of the CoE to bring his case before the ECtHR. Mr Liu was caught up in the wide-scale telecom fraud perpetrated by Chinese and

¹ ECtHR, Case of *Liu v. Poland*, Application no. 37610/18, October 6, 2022.

² Vivianne Yen-Ching Weng and Yu-Jie Chen, "Liu v. Poland: A Game Changer for the Extradition Agendas of Autocracies (like China)?" *Blog of the European Journal of International Law*, November 17, 2022, <https://www.ejiltalk.org/liu-v-poland-a-game-changer-for-the-extradition-agendas-of-autocracies-like-china/>.

³ Council of Europe, "The Russian Federation is excluded from the Council of Europe," *Council of Europe*, March 16, 2022, <https://www.coe.int/en/web/portal/-/the-russian-federation-is-excluded-from-the-council-of-europe>.

⁴ European Court of Human Rights, "European Convention on Human Rights," 1950.

Taiwanese nationals; these scams were so widespread that there was significant bilateral cooperation between China and Taiwan on the issue, as evidenced by the 2009 agreement on "*cross-strait joint crime-fighting and mutual judicial assistance*."⁵ The story is complicated by two related elements. The first concerns allegations that many Taiwanese nationals caught up in these frauds are actually victims of human trafficking.⁶ The second regards the deteriorating cooperation between China and Taiwan. The latter wants its nationals repatriated so it can ascertain the details of their involvement in these scams, whereas China wants to place these individuals on trial regardless of circumstance. Mr Liu, it is of note, is said to be a ringleader of these frauds.⁷

Judgment

One of the most interesting elements of the case is that the judgement did not rely on Mr Liu's membership to a particular class -either as a Taiwanese national, or any other protected group, such as a political group or the LGBTQ+ community. Mr Liu relied on the fact that there was a real risk of ill-treatment in detention, something that domestic authorities in Poland failed to sufficiently examine, according to the court. This significantly expands the impact of the decision beyond the current confines that require an applicant to prove their membership to a persecuted group in China, in order to be able to rely on the precedent set by this decision. As for the pillars upon which this determination of real risk rests, there are several of note. United Nations documents, including

the Convention Against Torture (CAT), US State Department Reports, Amnesty International Reports, Human Rights Watch Reports, and Reports of Freedom House were consulted as evidence of the situation in China. While China is a party to CAT, it has not submitted reports to the monitoring mechanisms, which could confirm the situation inside its detention facilities. The last investigation into China's practices was by the United Nations Special Rapporteur on Torture in 2005, which found that "*though on the decline, particularly in urban areas, the Special Rapporteur believes that torture remains widespread in China*."⁸ Since then, China has been far more apprehensive about letting outside investigators in, and as such, there is no evidence from independent sources to suggest the situation has changed for the better in the last 17 years. According to the Court's reasoning, all of these sources create the possibility that Mr Liu would be subject to ill-treatment, or, that at the very least, there would be a real risk: as a result, the Court concluded in its judgement that Liu's extradition to China would violate Article 3 of the ECHR. Additionally, this means that if China submits its reports to the monitoring mechanisms, and proves that there is no generalisable risk of ill-treatment, then the circumstances underlying the *Liu* decision will be fundamentally altered.

Precedent

As discussed in the European Journal of International Law's blog, this is not the first case to deal with the issue of extradition to China. *A.D. and Others v. Türkiye* and *M.A.*

5 Mainland Affairs Council of the Republic of China (Taiwan), "Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement," *Mainland Affairs Council of the Republic of China (Taiwan)*, May 22, 2009, <https://www.mac.gov.tw/en/cp.aspx?n=FD37619195CF6DA5&s=CED288DC9B1EC576>.

6 Weng and Chen, "Liu v. Poland."

7 Christian Shepherd and Emily Rauhala, "Europe nears a reckoning in its ties to China's security operations," *The Washington Post*, November 4, 2022, <https://www.washingtonpost.com/world/2022/11/04/china-europe-overseas-police-extradition/>.

8 United Nations Human Rights Office of the High Commissioner, "Special Rapporteur on Torture Highlights Challenges at End of Visit to China," *United Nations Human Rights Office of the High Commissioner*, December 2, 2005, <https://www.ohchr.org/en/press-releases/2009/10/special-rapporteur-torture-highlights-challenges-end-visit-china>.

and Others v. Bulgaria developed some of the jurisprudence in this area, but those decisions were confined to the particularity of the circumstances that Uyghur Muslims face in China.⁹ *Liu v Poland* deals with a much broader situation concerning China at large, and, thus, has more far-reaching implications; similarly, its ramifications are not limited geographically.

Europe-China Relations Broadly

It is worth noting that it would be remiss to read too much into this judgement as a barometer for the state of Europe-China relations. China has not responded publicly to this decision, and it has not received noteworthy coverage in the Chinese press or on social media. Moreover, the decision was made by the judicial arm of the CoE, which is specifically concerned with human rights abuses. Political dealings with China have continued even after the 2005 Special Rapporteur Report on Torture, and there is no reason to suspect that the *Liu* decision will impact the political landscape of Europe-China relations. As a result, it is unlikely that China will change its practices regarding ill-treatment as a result of this decision. However, this judgement is, according to some commentators, part of a broader hawkishness from Europe towards China in recent years.¹⁰ As the Washington Post reports, human rights abuses in Xinjiang and Hong Kong over the last five years

have heralded condemnations from the European Union, with certain European Parliament members being particularly critical of cooperation with China.¹¹ At the same time, there is hesitation towards picking sides between the US and China, as declared by Josep Borrell, the EU High Representative for Foreign Affairs.¹²

Consequences of the Ruling

Still, the decision has very practical consequences. As long as China does not submit to monitoring protocols under CAT, or any other monitoring mechanisms, and fails to show substantial improvement such that an individual is not at risk of torture, then no CoE country can legally extradite someone to China. The Court's reasoning arguably goes beyond this, urging national courts to relieve individuals of their responsibility to define their specific estimation of risk, creating an assumption that extradition to China violates Article 3, passing the burden of proof onto the CoE State party to demonstrate that this is not the case. This may lead to a reconsideration among European countries over judicial cooperation with China.¹³ Future operations akin to the 2019 round-up and extradition of 94 individuals in Spain, who were also involved in the same fraud as Mr Liu, will also be impacted.¹⁴ These operations are linked to the wider Sky Net and Fox Hunt operations being carried out by Chinese police forces.¹⁵

9 Weng and Chen, "Liu v. Poland."

10 Shepherd and Rauhala, "Europe nears a reckoning in its ties to China's security operations."

11 *Ibid.*

12 Finbarr Bermingham, "EU will not follow US' China policy, top diplomat says in fiery debate with lawmakers," *South China Morning Post*, November 23, 2022, <https://www.scmp.com/news/china/article/3200632/eu-will-not-follow-us-china-policy-top-diplomat-says-fiery-debate-lawmakers>.

13 Weng and Chen, "Liu v. Poland."

14 John Ruwitch and Yimou Lee, "Spain deports 94 Taiwanese to Beijing for telecom fraud," *Reuters*, June 7, 2019, <https://www.reuters.com/article/us-china-taiwan-spain/spain-deports-94-taiwanese-to-beijing-for-telecom-fraud-idUSKCN1T80IP>.

15 Safeguard Defenders, "230,000 Chinese 'persuaded to return' from abroad, China to establish Extraterritoriality," *Safeguard Defenders*, September 12, 2022, <https://safeguarddefenders.com/en/blog/230000-policing-expands>.

Why China Likely Will Not Care

While China may face a much greater challenge in securing the cooperation of European States in the extraditions of its nationals, whether it will actually inhibit their ability to repatriate nationals remains to be seen. This episode has only added to the scrutiny and concerns among countries that have expressed concern over a *"purported network of unsanctioned and illegal Chinese 'police stations' around the world, used to exert pressure on exiles and expatriates."*¹⁶ These alleged "diplomatic centres" have been used as a tool by the Chinese government as a way to surveil and silence overseas dissidents. According to the NGO Safeguard Defenders, there are at least 54 *"overseas police service centres"* operating across five continents, with some being *"implicated in collaborating with Chinese police in carrying out policing operations on foreign soil."*¹⁷ These extrajudicial policing operations on foreign soil have utilised *"persuasion to return"* methods, which range from harassment and threats to family members back home, including denying children the right to education, to direct physical and online attacks against the target abroad. Safeguard Defenders reports that through such tactics, 23,000 Chinese have been *"persuaded to return"*, crucially outside of the normal extradition processes, and so outside the remit of the *Liu* decision. There is no reason to assume that the *Liu* decision will change anything for China in this regard, and, if anything, may push China to abandon the more legitimate legal processes altogether.

Conclusion

In conclusion, *Liu v Poland* is a remarkable decision that sees the ECtHR effectively prohibiting any extradition to China from any CoE state. At the same time, its impact should not be overstated. China has often used different means of repatriation, legal or otherwise, as evidenced by the report from Safeguard Defenders, and there is no reason to think that this will wane in the coming months and years. The judicial branch of the CoE also does not speak for Europe or the EU at large, and the scant attention this case has received in comparison to debates in the European Parliament is a reminder of this. When the decision is finalised, it will be interesting to observe reactions if the case does end up becoming mainstream knowledge. For now, European China watchers may be taking note of the *Liu* decision, but the understated reaction at large reflects general feelings and attitudes towards the importance of the decision.

¹⁶ Leyland Cecco, "A brazen intrusion: China's foreign police stations raise hackles in Canada," *The Guardian*, November 7, 2022, <https://www.theguardian.com/world/2022/nov/07/chinese-police-stations-toronto-canada>.

¹⁷ Safeguard Defenders, "230,000 Chinese 'persuaded to return' from abroad."



Introduction

THE launch of Russia's invasion of Ukraine in February 2022 came as an abrupt end to a decades-long period of peace in the European continent. In an unforeseen move by a Union long argued to be struggling with a deep-rooted existential crisis stemming from inherent systemic flaws, the European Union promptly provided vital military aid to Ukraine. The resolution was unexpected not only because it had no precedent in the Union's history, but also because it overcame, against all odds, a seemingly insurmountable lack of strategic autonomy and cohesion *vis-à-vis* foreign policy and collective defence. However, as Russia seems to begin the retreat of its troops from some of the occupied territories, a greater danger looms on the horizon.

Recent events have made world governments contemplate the prospect of a Chinese invasion of Taiwan, and those that have thus far limited their strategic approach to China to mere "hedging" have now started considering that they may need to take sides if that scenario were to come true. The European Union, which has long tried to become a strategically autonomous actor, has attempted to devise a common foreign policy toward China that surrenders neither to the traditional transatlantic alliance nor the pull of the fast-growing Chinese market. Yet, embodying the much-longed-for "third way" has proven far more challenging

than expected for the Union, as different Member States maintain strongly diverging stances on China. Whatever the outcome, the stake that the Union has in the island is sky-high.

This paper seeks to describe the challenges that the European Union would face in the case of an invasion of Taiwan by China, and how these differ from, and outweigh, those arising from Russia's attack on Ukraine. After presenting the recent tensions that have emerged between the U.S. and China over the maintenance of the *status quo* in Taiwan, the paper outlines the ongoing intra-European debate around the achievement of strategic autonomy and how this would differ substantially from current widespread "hedging" activity. The paper then studies the significant differences between the policies on China adopted by different Member States and analyses their implications on the future of the European Union in light of a potential invasion of Taiwan. The paper concludes that the EU could be "doomed" to a limbo of inaction that could threaten the Union's survival in the international system -as a largely normative actor- due to its lack of strategic autonomy and common foreign policy on China.

Background

On November 19, 2022, Tuan Tuan, a panda offered to Taiwan by China in 2008 as a symbol of then-warmer relations, died after being put under deep anaesthesia for

CT scans indicating that its condition was “irreversible.”¹ Shortly after, on November 26, Taiwan’s President Tsai Ing-wen resigned as the leader of the governing Democratic Progressive Party following unfavourable results in local elections, whilst opposing Kuomintang (KMT), by far more pro-China, won multiple major races.² Only four days later, former CCP leader and the main designer of China’s 1990s-2000s foreign policy approach eventually labelled “peaceful rise”, Jiang Zemin, died aged 96.³

These recent inauspicious, yet rather symbolic events are merely the cherry on top of a cake made up of increasingly open hostilities from both of the world’s superpowers. If China, a traditionally land-based military power, has now expanded the People’s Liberation Army Navy (PLAN) to the point of making it the largest in the world -as the U.S. Department of Defense has recently acknowledged- then the United States cannot be far behind.⁴ U.S. House Speaker Nancy Pelosi’s controversial visit to Taiwan on August 2, 2022 came as a thunderbolt in an already cloudy sky. The visit further exacerbated

already tense US-China relations, which had already gone sour following President Biden’s repeated statements asserting Washington’s unwavering commitment to protecting Taiwan in case of Chinese invasion. The American President equally reiterated the firmness of U.S. commitment on November 14 at his first-ever in-person meeting as President with Chinese leader Xi Jinping at the G20 Summit in Bali.⁵

The declarations, however, have seemingly had a limited impact on Xi Jinping’s threatening rhetoric and what some have argued to be the leader’s “*deliberate timeline*” to resolve the issue.⁶ Only one day after Pelosi’s visit, China launched missiles and deployed scores of planes in its biggest military drills in the Taiwan Strait.⁷ This episode is, nonetheless, merely one of the numerous instances in which Beijing’s new assertive diplomatic style under Xi Jinping’s leadership, dubbed “Wolf Warrior Diplomacy”, has manifested itself.⁸ Thus, notwithstanding President Biden’s and President Xi’s consensus that a new Cold War would be undesirable for both countries, existing tensions around Taiwan will likely not ease in the

1 Agence France-Presse in Taipei, “Beloved giant panda given to Taiwan by China dies aged 18 after seizures,” *The Guardian*, November 19, 2022, <https://www.theguardian.com/world/2022/nov/19/beloved-giant-panda-given-to-taiwan-by-china-dies-aged-18-after-seizures-tuan-tuan>; Jeremy Gahagan, “Giant panda gifted to Taiwan by China dies,” *BBC News*, November 19, 2022, <https://www.bbc.co.uk/news/world-asia-63688385>.

2 Nathan Williams, “Taiwan’s President Tsai Ing-wen quits as party chair after local elections,” *BBC News*, November 27, 2022, <https://www.bbc.co.uk/news/world-asia-63768538>.

3 Avery Goldstein, “China’s Grand Strategy under Xi Jinping: Reassurance, Reform, and Resistance,” *International Security* 45, no. 1 (2020): 164-201, 175; Denny Roy, “Jiang Zemin’s Foreign Policy Legacy Has Died With Him,” *The Diplomat*, December 1, 2022, <https://thediplomat.com/2022/12/jiang-zemins-foreign-policy-legacy-has-died-with-him/>; Emma Graham-Harrison, “Former Chinese president Jiang Zemin dies at 96,” *The Guardian*, November 30, 2022, <https://www.theguardian.com/world/2022/nov/30/jiang-zemin-former-chinese-president-dies-at-96>.

4 J. C. Sharman, “Power and Profit at Sea, The Rise of the West in the Making of the International System,” *International Security* 43, no. 4 (2019): 163-196, 170-179; U.S. Congressional Research Service, Ronal O’Rourke, “China Naval Modernization: Implications for U.S. Navy Capabilities – Background and Issues for Congress,” (RL33153, United States, May 29, 2009, Updated November 10, 2022), 2-6, <https://sgp.fas.org/crs/row/RL33153.pdf>.

5 Kevin Liptak, “Biden’s past promises for US to defend Taiwan under microscope in meeting with China’s Xi,” *CNN*, November 14, 2022, <https://edition.cnn.com/2022/11/13/politics/joe-biden-taiwan/index.html>; Nandita Bose and Stanley Widiyanto, “Biden and Xi clash over Taiwan Bali but Cold War fears cool,” *Reuters*, November 15, 2022, <https://www.reuters.com/world/ahead-tense-g20-summit-biden-xi-meet-talks-2022-11-14/>.

6 John Grady, “Xi Jinping Has ‘Deliberate Timeline’ to Resolve Taiwan Issue, Says Security Expert,” *U.S. Naval Institute News*, November 21, 2022, <https://news.usni.org/2022/11/21/xi-jinping-has-deliberate-timeline-to-resolve-taiwan-issue-says-security-expert>; Verna Yu, “Xi Jinping’s cordial tone at G20 does not herald softer foreign policy,” *The Guardian*, November 16, 2022, <https://www.theguardian.com/world/2022/nov/16/xi-jinpings-cordial-tone-at-g20-does-not-herald-softer-foreign-policy>.

7 Yimou Lee and Sarah Wu, “Furious China fires missiles near Taiwan in drills after Pelosi visit,” *Reuters*, August 5, 2022, <https://www.reuters.com/world/asia-pacific/suspected-drones-over-taiwan-cyber-attacks-after-pelosi-visit-2022-08-04/>.

8 Jimmy Quinn, “Chinese Diplomat Cornered and Berated Congressional Aide at Other Embassies’ Events,” *National Review*, November 2, 2022, <https://www.nationalreview.com/2022/11/chinese-diplomat-cornered-and-berated-congressional-aide-at-other-embassies-events/>.

foreseeable future and surely do not lack reasons to escalate at any time.⁹ As recent events make the prospect of a Chinese invasion of Taiwan seem less far-fetched and the international system's return to its state of bipolarity appears more ominously looming, it may not be too long before countries start facing pressure to take sides and halt their hedging strategies.¹⁰

Achieving the Unachievable: The EU's Endless Quest for Strategic Autonomy

As a normative and economic superpower, it certainly comes naturally to wonder what concrete measures the European Union would adopt if such a bleak prospect were to materialise, especially since China has dethroned the U.S., becoming the Union's largest trading partner in 2016.¹¹ The question appears even more relevant when looking at the ambiguous behaviour that some of its Member States have displayed in recent times, which some scholars have defined as no less than a hedging strategy.¹² This has been implicitly advocated for over recent years by several EU leaders, as they endorsed the much-debated notion of a European strategic autonomy, as opposed to NATO-reliant bandwagoning that the Union has hitherto embraced by inertia.¹³

In this regard, major EU countries like France and Germany have been increasingly supportive of the idea that strategic autonomy, if optimally implemented, would undoubtedly be desirable.¹⁴ This view is not only driven by the hazardous risk of "entrapment" in conflicts in which the Union has little or no security stake, but also by the Union's geopolitical potential that strategic autonomy could unlock in key geostrategic areas of interest like the Indo-Pacific macro-region.¹⁵ This view has been staunchly opposed mainly by Eastern European Member States, on the grounds that it dangerously risks undermining NATO, driving a wedge between Europe and the United States.¹⁶ The latter argument has become predominant particularly since the launch of Russia's invasion of Ukraine in February 2022, which arguably rescued NATO from the fate of oblivion, making the EU once again reliant on its power of deterrence.¹⁷

Fortunately for the Member States opposing strategic autonomy - something they argued would be detrimental strategic detachment- the Union is far from achieving this type of autonomy.¹⁸ Although the strategic autonomy that France and Germany have ardently been longing for has often been envisaged as a "third way" between Washington and

9 Tessa Wong, "Xi Biden meeting: US leader promises 'no new Cold War' with China," *BBC News*, November 14, 2022, <https://www.bbc.co.uk/news/world-asia-63628454>.

10 Cheng-Chwee Kuik, "Getting hedging right: a small-state perspective," *China International Strategy Review* 3, no. 2 (2021): 301-313.

11 Eurostat, "China-EU - international trade in good statistics," March 31, 2022, Data extracted in February 2022, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU_-_international_trade_in_goods_statistics.

12 London School of Economics, Richard Higgott and Simon Reich, "Hedging by Default: The Limits of EU 'Strategic Autonomy' in a Binary World Order," *London School of Economics*, 2021, <https://www.lse.ac.uk/ideas/Assets/Documents/reports/LSE-IDEAS-Hedging-by-Default.pdf>; Kuik, "Getting hedging right," 309.

13 London School of Economics, Higgott and Reich, "Hedging by Default"; Jean-Yves Haine, "A new Gaullist moment? European bandwagoning and international polarity," *International Affairs (Royal Institute of International Affairs 1944-)* 91, no. 5 (2015): 991-993.

14 London School of Economics, Higgott and Reich, "Hedging by Default."

15 Eva Pejsova, "The EU's Indo-Pacific Strategy in 10 Points," *The Diplomat*, April 20, 2021, <https://thediplomat.com/2021/04/the-eu-indo-pacific-strategy-in-10-points/>; J. Haine, "A new Gaullist moment?," 998-999.

16 Luigi Scazzieri, "Beyond European strategic autonomy?," *CER Bulletin* 145, no. 1 (2022), 1-2, https://www.cer.eu/sites/default/files/bulletin_145_article2_LS.pdf.

17 Bart M. J. Szcwzyk, "Scholz and Macron Have a Perilous Ambition for Europe," *Foreign Policy*, September 8, 2022, <https://foreignpolicy.com/2022/09/08/european-strategic-autonomy-eu-security-macron-scholz-ukraine-defense-nato/>; Veronica Anghel and Eric Jones, "Is Europe really forged through crisis? Pandemic EU and the Russia - Ukraine war," *Journal of European Public Policy* (2022), 7.

18 Scazzieri, "Beyond European strategic autonomy?," 1-2.

Beijing, the reality has arguably been substantially different.¹⁹ Whilst these countries have indeed pursued ambivalent policies in recent times, these have rather been claimed to be the expression of implicitly adopted hedging strategies, far different from the fully-fledged actorness that the EU could draw from strategic autonomy.²⁰

For instance, although the Indo-Pacific strategies unveiled by policy documents released by Germany, France, and the Netherlands were all characterised by a significantly increased focus on Asia, they did not converge neatly with strategies adopted by the United States and other Quad members.²¹ Another example, if not the apotheosis, of this ambivalence is the EU-China investment deal signed in December 2020 by then-German Chancellor Angela Merkel and French President Emmanuel Macron.²² Unsurprisingly, the deal elicited polarised reactions. While it was welcomed and hailed as a "*milestone for China's globalisation*" -as some Chinese scholars have argued- it was widely perceived in Washington foreign policy circles as a sign of supercilious reluctance to coordinately devise a tougher transatlantic approach to cope with China.²³ More recently, during a seemingly defiant six-month-long mission of the German Bayern frigate to the South China Sea in August 2021, Germany attempted to dock the warship at Shanghai, which contrastingly signalled a benign intent.²⁴

One China or many Chinas? The European Pipe Dream of a Common China Policy

The foregoing actions, all taken by the same limited circle of EU Member States, point to a deep-rooted systemic lack of cohesion that translates into chaotic hedging, rather than an actively coordinated approach to tackling threats. Although it has been argued that the immediate response that the Russia-Ukraine war necessitated from the EU, alongside NATO, ultimately strengthened the Union's actorness, solidarity, and resilience, the EU has hardly any reason to believe the analogy between Ukraine and Taiwan would necessarily hold water.²⁵ In the case of Ukraine, the ideological divide between Western and Eastern Europe *vis-à-vis* the EU's collective arms shipments to Ukraine and the imposition of sanctions on Russia was bridged by Eastern Member States' innate propensity to contain Russia, thus making it easier to reach support agreements.²⁶ The measures have been acclaimed as a "watershed moment" in the Union's history, ever since the first resolution providing €500M in military aid was approved only six days after the launch of the invasion. At this moment, the "*taboo*" -in EU High Representative for Foreign Affairs and Security Policy Josep Borrell's words- that the EU's lack of cohesion would prevent it from providing arms in a war "*fell*."²⁷ In the case of Taiwan, however, the EU's unparalleled economic dependence on China, the absence of a collective historical trauma toward it (like

19 Nicola Casarini, "A European strategic 'third way?' The European Union between the traditional transatlantic alliance and the pull of the Chinese market," *China International Strategy Review* 4, no. 1 (2022): 91-107, 91-92.

20 See Lúcia Simão, "Unpacking the EU's International Actorness: Debates, Theories and Concepts," in *EU Global Actorness in a World of Contested Leadership*, ed. Maria Raquel Freire, Paula Duarte Lopes, Daniela Nascimento, and Lúcia Simão (Cham, Switzerland: Palgrave Macmillan, 2022), 13-32.

21 Kuik, "Getting hedging right," 309.

22 London School of Economics, Higgott and Reich, "Hedging by Default."

23 *Ibid*; Kuik, "Getting hedging right," 309.

24 *Ibid*.

25 Anghel, "Is Europe really forged through crisis?," 3-15; Jonas Parellø-Plesner, "Europe can stop Taiwan from becoming the next Ukraine," *Politico*, July 28, 2022, <https://www.politico.eu/article/europe-stop-taiwan-becoming-next-ukraine/>.

26 Milosz J. Cordes, "Colonialism and trauma in Central and Eastern Europe," *New Eastern Europe*, July 1, 2022, <https://neweasterneurope.eu/2022/07/01/colonialism-and-trauma-in-central-and-eastern-europe/>.

27 Maïa de La Baume and Jacopo Barigazzi, "EU agrees to give €500M in arms, aid to Ukrainian military in 'watershed' move," *Politico*, February 27, 2022, <https://www.politico.eu/article/eu-ukraine-russia-funding-weapons-budget-military-aid/>.

the one shared by former Soviet satellite States toward Russia), and the significant distance between the ongoing war in Ukraine and the potential conflict between China and Taiwan make the prospect of a similar response from Europe far from obvious.²⁸

Most importantly, the EU's stance on China is clear as mud. Despite the Union's attempt to define its China policy through the publication of the 'EU-China Strategic Outlook' in 2019 -positing that China is regarded by the Union as a cooperation and negotiation partner, an economic competitor, and a systemic rival- strongly diverging stances on China not only within the Union, but also within its Member States exist de facto.²⁹ These stances create an extremely wide-ranging spectrum of coexisting relations with China. On one end is Hungary, which has, since the outset of its illiberal shift marked by PM Viktor Orbán's election in 2010, greatly enhanced its economic and political relations with China, to the point of having been referred to as China's potential "*Trojan horse*" in Europe.³⁰ Hungary has previously earned its reputation as "*the most China-friendly country in the EU*" by taking an array of actions ranging from vetoing a joint EU statement criticising China's reabsorption of Hong Kong in 2021, to donating €2.2M to the Shanghai-based Fudan University to open a Budapest campus.³¹ On the other end is

Lithuania, which went as far as to violate the One China Policy by allowing Taiwan to open a de-facto embassy in Vilnius in late 2021, thus exacerbating already sour diplomatic relations.³² Contrary to what some have argued, the spectrum is not expected to narrow in the foreseeable future, as Orbán was re-elected for a fourth consecutive term as Prime Minister by a wide margin earlier this year, and the Lithuanian government's hard stance on China was not scratched in the least by Beijing's retaliatory sanctions.³³ One further example is provided by Germany, arguably the epitome of the EU's lack of a common stance on China, as the country's commercial and diplomatic relationship with Beijing has been claimed to vary depending on which minister is speaking for the government.³⁴

Fighting against Fate: EU Stakes in Taiwan

In the case of an invasion of Taiwan by China to take back control of the island, the European Union could therefore be "doomed" to a limbo of inaction, being incapable of passing resolutions aimed at supporting Taiwan (e.g. arms shipment, economic sanctions) as it did for Ukraine, due to the de-facto coexistence of multiple contrasting stances on China and deep-rooted disagreements not only between its Member States, but also within them and their governments. The hardship that

28 Tiejun Zhang, "China Is Not Russia; Taiwan Is Not Ukraine," *The Diplomat*, July 25, 2022, <https://thediplomat.com/2022/07/china-is-not-russia-taiwan-is-not-ukraine/>.

29 European Commission and HR/VP, *EU-China – A Strategic Outlook*. Strasbourg, 2019.

30 Szabolcs Panyi, "Hungary Could Turn Into China's Trojan Horse in Europe," *Balkan insight*, April 9, 2021, <https://balkaninsight.com/2021/04/09/hungary-could-turn-into-chinas-trojan-horse-in-europe/>.

31 John Chalmers and Robin Emmott, "Hungary blocks EU statement criticising China over Hong Kong diplomats say," *Reuters*, April 16, 2021, <https://www.reuters.com/world/asia-pacific/hungary-blocks-eu-statement-criticising-china-over-hong-kong-diplomats-say-2021-04-16/>; Richard Q. Turcsanyi and Matej Šimalčík, "Hungarian Policy Toward China Might Be Facing a Seismic Shift," *The Diplomat*, June 9, 2021, <https://thediplomat.com/2021/06/hungarian-policy-toward-china-might-be-facing-a-seismic-shift/>; Valerie Hopkins, "Chinese university to open Budapest campus as Orban tilts to Beijing," *Financial Times*, January 19, 2021, <https://www.ft.com/content/55565169-98f3-4391-8df8-5adf30d814f9>.

32 IFRI Center for Asian Studies, Konstantinas Andrijauskas, "The Sino-Lithuanian Crisis, Going Beyond the Taiwanese Representative Office Issue," *Institut Français des Relations Internationales*, 2022, https://www.ifri.org/sites/default/files/atoms/files/andrijauskas_sino_lithuanian_crisis_2022.pdf.

33 *Ibid*; Turcsanyi and Šimalčík, "Hungarian Policy Toward China Might Be Facing a Seismic Shift"; Robert Tait and Flora Garamvolgyi, "Viktor Orbán wins fourth consecutive term as Hungary's prime minister," *The Guardian*, April 3, 2022, <https://www.theguardian.com/world/2022/apr/03/viktor-orban-expected-to-win-big-majority-in-hungarian-general-election>.

34 Hal Brands, "If China Invaded Taiwan, What Would Europe Do?" *Bloomberg*, November 17, 2022, <https://www.bloomberg.com/opinion/features/2022-11-17/if-china-invaded-taiwan-what-would-europe-do#xj4y7vzkg>.

Russia has unexpectedly been facing in the war it waged against Ukraine, as well as Taiwan's far stronger economic and military power compared to Ukraine's, may temporarily discourage Beijing from undertaking a similar line of action toward Taiwan.³⁵ Yet, even despite China's self-inflicted economic slowdown through "zero-Covid" policies, and the ensuing civil unrest, the country's economic growth is rapid, and U.S. and EU commitment may even be regarded by Beijing as an opportunity to reclaim control of Taiwan while the two actors remain distracted by Russia.³⁶ If that scenario were to turn into reality, the stakes for the EU would be so high that the repercussions it would face would be disastrous both for the pursuit of its interests, and for its credibility as a normative union, threatening its survival in the international system.³⁷

Conclusion

To conclude, the challenges that the European Union would face in the case of an invasion of Taiwan by China would be several and far-reaching. Differently from the timely measures that the Union has thus far adopted to counter Russia and defend Ukraine, the EU would struggle to devise a cohesive response to defend Taiwan due to multiple factors. These include the EU's unparalleled economic dependence on

China, the absence of a collective historical trauma toward China (as opposed to Russia), and the significant geographical distance between the ongoing war in Ukraine and the potential conflict between China and Taiwan. Yet, the principal factor that would bring to a standstill the Union's newly acquired prominence in tackling aggressions perpetrated by authoritarian actors is its lack of both strategic autonomy and a common foreign policy toward China. Whilst the EU could come together to a collective stance on Russia, the ambiguous hedging strategy *vis-à-vis* Beijing that it has hitherto stuck to, as well as the profound, polarised differences in its Member States' foreign policies on China, make a coordinated response to a potential invasion of Taiwan unlikely. Under the current *status quo*, the EU could be "doomed" to a limbo of inaction that could threaten the Union's survival in the international system.

35 Zhang, "China Is Not Russia; Taiwan Is Not Ukraine"; Vincent Ni, "Ukraine crisis poses dilemma for China but also opportunity," *The Guardian*, February 22, 2022, <https://www.theguardian.com/world/2022/feb/22/ukraine-crisis-poses-dilemma-for-china-but-also-opportunity>.

36 Luna Sun, "How China's zero-Covid policy has pushed people, economy to the brink," *The Guardian*, December 4, 2022, <https://www.scmp.com/economy/china-economy/article/3201886/how-chinas-zero-covid-policy-has-pushed-people-economy-brink>; Ni, "Ukraine crisis poses dilemma for China but also opportunity."

37 Philip Anstrén, "Why Europe's future is on the line in the Taiwan Strait," *Atlantic Council*, March 24, 2021, <https://www.atlanticcouncil.org/blogs/new-atlanticist/why-europes-future-is-on-the-line-in-the-taiwan-strait/>.



Introduction

In June 2017, the EU failed to make a statement in the UN for the first time in its history. The statement, a series of criticism directed at China for its crackdown on activists and dissidents, was blocked by Greece from being submitted to the UN's human rights council in Geneva.¹ Athens defended its decision by claiming that criticism targeted against a specific country is counterproductive to the promotion of human rights.² The year before its controversial stance, Greece had received millions in Chinese Foreign Direct Investment (FDI), especially in the Port of Piraeus, Beijing's flagship infrastructure project in the country.³ In the same vein, in June 2021, a proposed condemnation by the EU of Beijing's repressive policies towards Hong Kong was vetoed by Hungary.⁴ Similarly to Greece, close economic ties with China could have

provided an impetus for Budapest's pro-Beijing stance.⁵ It would appear that by providing a range of economic carrots, Beijing managed to incentivise certain member states to accommodate its interests within the EU institutions.

However, what complicates this narrative of Beijing "buying out" member states is that, in absolute terms, China has invested more in countries that have been the most vocal critics of its policies, such as the Netherlands, France, and Germany.⁶ These countries have not shied away from condemning Beijing's human rights record, with France and the Netherlands going so far as to label Beijing's oppression of Uyghur Muslims as a "*genocide*".⁷ On the other hand, Hungary and Greece only received €2.9 billion (1.67% of GDP) and €4.5 billion (2.19% of GDP), respectively, between 2000-2021.⁸ It can be argued

1 Astrid Pepermans, "China's 16+1 and Belt and Road Initiative in Central and Eastern Europe: Economic and Political Influence at a Cheap Price," *Journal of Contemporary Central and Eastern Europe* 26, no. 2-3 (September 2, 2018): 181-203.

2 Thorsten Benner, Jan Gaspers, Mareike Ohlberg, Lucrezia Poggetti and Kristin Shi-Kupfer, "Authoritarian advance: responding to China's growing political influence in Europe," *Global Public Policy Institute*, Report, February 2018, https://merics.org/sites/default/files/2020-04/GPPI_MERICS_Authoritarian_Advance_2018_1.pdf.

3 John Seaman, Mikko Huotari and Miguel Otero-Iglesias, "Chinese investment in Europe. A country-level approach," *European Think-tank Network on China*, December 2017, https://merics.org/sites/default/files/2020-04/171216_ETNC%20Report%202017_0.pdf.

4 EURACTIV, "EU Can't Work like This, German Official Says after Hungary Blocks China Statement," *Www.Euractiv.Com*, June 4, 2021, <https://www.euractiv.com/section/china/news/eu-cant-work-like-this-german-official-says-after-hungary-blocks-china-statement/>.

5 Hungary received 5 billion dollars in Chinese FDI in 2020; Jo Harper, "Eastern Europe Wises up to Chinese Investment," *Deutsche Welle*, August 16, 2021, <https://www.dw.com/en/has-eastern-europe-wised-up-to-chinese-investment/a-58835005#:~:text=Total%20Chinese%20foreign%20investment%20in,million%20and%20imports%20%241.7%20billion.>

6 Combined these countries received €60 billion between 2000-2021; Agatha Kratz, Max J. Zenglein, Gregor Sebastian and Mark Witzke, "Chinese FDI in Europe 2021 Update," The Mercator Institute for China Studies & Rhodium Group, *MERICs*, April 27, 2022, <https://merics.org/sites/default/files/2022-04/MERICs-Rhodium-Group-COFDI-Update-2022-2.pdf>.

7 News Wires, "French Lawmakers Officially Recognise China's Treatment of Uyghurs as 'Genocide,'" *France 24*, January 20, 2022, <https://www.france24.com/en/europe/20220120-french-lawmakers-officially-recognise-china-s-treatment-of-uyghurs-as-genocide>.

8 Kratz et al., "Chinese FDI in Europe 2021 Update."

that given the smaller size of the Greek and Hungarian economies, Chinese investments and trade would carry more weight and influence. However, countries with similar-sized economies having received more Chinese FDI within the same period, such as Portugal (€6.8 billion or 2.86% of GDP) and Finland (€13 billion or 4.59% of GDP),⁹ have never openly defied the EU consensus on Beijing.

It would seem that narrowing the debate down to simple economics is not enough to understand what determines a successful transition from China's economic presence to political influence. Taking into account the broader context of the period, the rise of Chinese influence in Europe coincided with the rise of another important political phenomenon on the continent: *populism*. Mass discontent post-2008 fuelled a populist wave that swept aside traditional parties. Hungary, under the rule of populist Viktor Orban since 2010, launched its "Eastern Opening" strategy after Orban's accession to power to court Chinese investments and strengthen bilateral ties.¹⁰ In Greece, left-wing populist Aléxis Tsípras's administration was the one responsible for vetoing the EU's condemnation of China in the UN.

But why would populist ideology drive governments towards closer cooperation with Beijing? In the European context,

populists regularly claim that their country's national sovereignty needs to be "reclaimed" from a supranational, technocratic elite (i.e. the EU) that ignores the will of their electorate.¹¹ This claim is then used to justify foreign policy revisionism, as a rupture is needed with the previous "unjust" order to create a new one that better represents popular sovereignty.¹² More importantly, this revisionism can be expressed in a preference for attracting new partners over traditional allies.¹³ This is aimed at offsetting traditional dependencies, as well as demonstrating an ability to reclaim a perceived "lost sovereignty" by striking an "independent" path on the world stage.¹⁴ In theory, this would suggest that the higher likelihood of populist governments pursuing non-traditional partnerships, such as with China, renders them more susceptible to Beijing's political influence. In the interest of being able to compare populist and non-populist periods, the case study of Greece under the rules of SYRIZA (2015-2019) and New Democracy (2019-2023) will be compared to gauge the degree to which populist ideology renders a government more susceptible to Beijing's sway. With its anti-establishment rhetoric and claims to incarnate the will of the Greek people,¹⁵ SYRIZA typifies radical left-wing populism.¹⁶ Whereas its liberal-conservative successor, New Democracy, is one of Greece's establishment parties

9 *Ibid.*

10 Péter Visnovitz and Erin Kristin Jenne, "Populist Argumentation in Foreign Policy: The Case of Hungary under Viktor Orbán, 2010–2020," *Comparative European Politics* 19, no. 6 (September 14, 2021): 683–702.

11 *Ibid.*

12 *Ibid.*; Fabrizio Coticchia and Valerio Vignoli, "Populist Parties and Foreign Policy: The Case of Italy's Five Star Movement," *The British Journal of Politics and International Relations* 22, no. 3 (May 25, 2020): 523–41.

13 Sandra Destradi, David Cadier and Johannes Plagemann, "Populism and Foreign Policy: A Research Agenda (Introduction)," *Comparative European Politics* 19, no. 6 (September 14, 2021): 663–82; David Cadier, "Populist Politics of Representation and Foreign Policy: Evidence from Poland," *Comparative European Politics* 19, no. 6 (September 14, 2021): 703–21; Visnovitz and Jenne, "Populism, nationalism and revisionist foreign policy"; Fabrizio Coticchia, "A Sovereignist Revolution? Italy's Foreign Policy under the 'Yellow-Green' Government," *Comparative European Politics* 19, no. 6 (October 21, 2021): 739–59.

14 Destradi et al., "Populism and Foreign Policy: A Research Agenda (Introduction)."

15 Nikos Konstandaras, "SYRIZA and the People," *Kathimerini.Gr*, March 15, 2019, <https://www.ekathimerini.com/opinion/238584/syriza-and-the-people/>.

16 Pippa Norris, "Measuring Populism Worldwide," *Party Politics* 26, no. 6 (July 2, 2020): 697–717; Andreas Johansson Heinö, "Timbro authoritarian populism index." *Timbro*, February, 2019, <https://populismindex.com/wp-content/uploads/2019/02/TAP2019C.pdf>.

that has existed since the collapse of Greece's military dictatorship in 1974.¹⁷

Greece Becomes the Dragon's Head

In the face of a crushing debt crisis and economic recession post-2008, Athens was forced by its creditors to adopt two bailout packages in 2010 and 2012 that introduced austerity measures. This caused the Greek economy to lose a fourth of its value and unemployment to skyrocket.¹⁸ Radical left-wing party SYRIZA, led by a charismatic young leader, Alexis Tsipras, championed an anti-austerity populism that framed the Greek economic crisis as the result of mismanagement by international banks, EU bureaucrats, and Greek establishment parties.¹⁹ When SYRIZA took power together with ANEL in January 2015, they embarked on a direct collision course with the Troika (i.e. the European Central Bank, the European Commission, and the International Monetary Fund) over negotiations for Greece's third bailout package.²⁰

It was in the midst of the tug-of-war between Athens and the Troika that Tsipras' administration began accommodating Beijing's interests. Previous to their election victory, members of SYRIZA vehemently opposed China Ocean Shipping Company's

(COSCO) proposal to expand its share in the Greek port of Piraeus, Europe's largest passenger terminal, to a controlling stake.²¹ However, after assuming office, the party did a complete vault face on the issue. Foreign Minister Kotzias travelled to China in March, where he received an invitation for Tsipras to visit Beijing.²² At the same time, the decision to block further privatisation of Piraeus was reversed,²³ allowing COSCO to proceed with its acquisition.²⁴ In July of that year, Greece, along with Croatia, Slovenia, and Hungary, watered down an EU statement so that it merely acknowledged the dismissal by the Permanent Court of Arbitration of Chinese claims in the South China Sea.²⁵ No direct mention was made of Beijing nor its need to respect the UN Convention of the Law of the Seas.²⁶ Athens's stance was extremely uncharacteristic, as it had been a strong advocate for the UNCLOS framework in the context of its maritime disputes with Turkey.²⁷ In May 2017, Tsipras attended the first BRI forum held in Beijing, one of only 5 EU leaders to do so, where he gave a speech during its plenary session.²⁸ A month after his China visit, Athens made its controversial decision of vetoing the EU's criticism of China's human rights record within the UN.²⁹ This was followed by Athens' lobbying against a proposition by the EU Commission for an EU-wide

17 The Editors of Encyclopaedia Britannica, "New Democracy - Political Party, Greece," Encyclopaedia Britannica, October 6, 2006, <https://www.britannica.com/topic/New-Democracy>.

18 António Raimundo, Stelios Stavridis and Charalambos Tsardanidis, "The Eurozone Crisis' Impact: A de-Europeanization of Greek and Portuguese Foreign Policies?" *Journal of European Integration* 43, no. 5 (2021): 535-550.

19 Erin K. Jenne, "Populism, nationalism and revisionist foreign policy," *International affairs* 97, no. 2 (2021): 323-343.

20 Angelos Chrysosgelos, "Europeanisation as De-Politicisation, Crisis as Re-Politicisation: The Case of Greek Foreign Policy during the Eurozone Crisis," *Journal of European Integration* 41, no. 5 (December 5, 2018): 605-21.

21 Newsroom, "New Democracy Responds to Opposition Statement over Port Concession," *kathimerini.gr*, January 20, 2015, <https://ekathimerini.com/news/166430/new-democracy-responds-to-opposition-statement-over-port-concession/>.

22 Aristotle Tziampiris, "Foreign Policy Against Austerity: Syriza's Multifaceted Experiment," in *Foreign Policy Under Austerity*, eds Spyridon N. Litsas and Aristotle Tziampiris, Palgrave Macmillan, 2016, 261-92.

23 *Ibid.*

24 Dimitrios Strokos, "'Head of the Dragon' or 'Trojan Horse?': Reassessing China-Greece Relations," *Journal of Contemporary China* (2022): 1-18.

25 *Ibid.*

26 *Ibid.*

27 *Ibid.*

28 Plamen Tonchev, "Sino-Greek Relations: Marked by Values or Opportunism?" *Political Values in Europe-China Relations* (2018): 71-73.

29 *Ibid.*

investment screening mechanism to protect strategic sectors, with Greek officials citing the risk of losing Chinese investment.³⁰ In August 2018, Greece signed the BRI MoU, making Greece one of the first EU Member States to join the initiative.³¹

SYRIZA's Gambit

When trying to understand SYRIZA's initial courting of Beijing, it is crucial to understand the pressure Greek foreign policy was under at the time from austerity and tense bailout negotiations with the Troika.³² This was reflected by Athens' 180° U-turn on Piraeus, which rested on two political calculations:

1. It could leverage closer relations with Beijing against the Troika by giving the impression that it was willing to depend on China for assistance.³³
2. SYRIZA's efforts to combat domestic and foreign impressions of Greece's international isolation could ill-afford to ignore bilateral relations with an important emerging power such as China.³⁴

Sino-Greek cooperation dates back to previous Greek administrations, most notably centre-right Prime Minister Kostas Karamanlis (2004-2009), who pursued a "Look East" policy that sought closer ties with non-Western partners.³⁵ It was his administration that allowed COSCO's initial

involvement in Piraeus, which successive administrations continued to support.³⁶ However, what defines the populist's initial approach to China was the framing of this engagement as nonconformist with pre-existing frameworks (i.e. the EU) and repackaging it with a sovereigntist twist. Tsipras needed to project an image of a newly assertive and independent foreign policy to shore up domestic support.³⁷ The point needed to be made that SYRIZA-ANEL's policies were radically different from the previous PASOK and New Democracy administrations, which accepted the widely detested bailout agreements.³⁸ SYRIZA also exploited the threat of its rapprochement with China as a negotiating tactic to gain leverage over the Troika during bailout negotiations.³⁹ In addition, Chinese investments were able to lift a degree of the financial pressure that allowed Athens to distance itself from certain demands made by the EU.⁴⁰

Similarly, Athens sought out closer relations with Moscow during the bailout talks of early 2015, with the same aim of strengthening its hand against the Troika.⁴¹ Tsipras visited Moscow to secure financial support from Vladimir Putin, while his foreign minister Kotzias asserted that if renegotiations with the Troika stalled, Greece should turn to Russia for help.⁴² In parallel, SYRIZA voiced

30 Laurens Cerulus and Jakob Hanke Vela, "Enter the Dragon," *POLITICO*, June 25, 2018, <https://www.politico.eu/article/china-and-the-troika-portugal-foreign-investment-screening-takeovers-europe/>.

31 Stroikos, "'Head of the Dragon' or 'Trojan Horse?': Reassessing China-Greece Relations."

32 Tziampiris, "Foreign Policy Against Austerity: Syriza's Multifaceted Experiment."

33 Angelos Chrysosgelos, "The Dog That Barked but Did Not Bite: Greek Foreign Policy under the Populist Coalition of SYRIZA-Independent Greeks, 2015–2019," *Comparative European Politics* 19, no. 6 (October 26, 2021): 722–38

34 Tziampiris, "Foreign Policy Against Austerity: Syriza's Multifaceted Experiment."

35 Yuan Ma and Peter J. Peverelli, "Strategic Decisions in Chinese State-Owned Enterprises as Outcome of the Sensemaking of the CEO: The Case of COSCO's Emerging Involvement in the Port of Piraeus," *Transnational Corporations Review* 11, no. 1 (January 2, 2019): 50–64.

36 *Ibid.*

37 Chrysosgelos, "The Dog That Barked but Did Not Bite: Greek Foreign Policy under the Populist Coalition of SYRIZA-Independent Greeks, 2015–2019."

38 *Ibid.*

39 António Raimundo, Stelios Stavridis and Charalambos Tsardanidis, "The Eurozone Crisis' Impact: A de-Europeanization of Greek and Portuguese Foreign Policies?," *Journal of European Integration* 43, no. 5 (July 2, 2021): 535–50.

40 Raimundo et al., "The Eurozone Crisis' Impact: A de-Europeanization of Greek and Portuguese Foreign Policies?"

41 Jenne, "Populism, nationalism and revisionist foreign policy."

42 Angelos Chrysosgelos, "Europeanisation as De-Politicisation, Crisis as Re-Politicisation: The Case of Greek Foreign Policy

its opposition to further EU sanctions on Russia over its illegal occupation of Crimea, doubting the economic efficacy of such sanctions.⁴³ However, above all, SYRIZA wished to remind fellow member states that Athens was not a mere rubber stamp administration. This was expressed by Kotzias when he insisted that *"We will not raise our hands like students asking for permission ... some thought that Greece could have been shoved around and that we should have continued to be shoved around. Well, we will not!"*⁴⁴ Despite this confrontational approach, Athens never vetoed a decision on the issue.⁴⁵ Thus, SYRIZA's courting of Moscow was merely an attempt at crafting the appearance of an assertive sovereigntist foreign policy aimed at improving its negotiation position with the Troika and projecting an image of strength for electoral appeal. Lacking in substance, it was not a real attempt at strategic distancing from Brussels towards Moscow.

With regard to relations with China, however, there was a marked shift from mainly favourable symbolic gestures to proactively protecting Chinese interests in defiance of EU consensus. This decision was motivated by two factors. Firstly, Athens desperately needed foreign investments to service its debt and aid its economic recovery,⁴⁶ as well as privatise state assets to satisfy its creditors.⁴⁷ However, at the time, few were willing to risk investing in such an indebted and crisis-stricken

country. Therefore, Beijing became a valuable partner that Athens could ill afford to upset. It is unsurprising that at the height of Athens' accommodating behaviour towards Beijing in 2017, Greece still had an unemployment rate of 22%, with one-third of Greeks living in poverty and a debt-to-GDP ratio of 182%.⁴⁸ Secondly, as was the case with Russian sanctions, Athens felt the need to flex its institutional muscles to remind its European partners of its status as a member of the EU, as well as use the threat of its active alignment with Beijing as leverage in debt renegotiations. Retaking 2017 as an example, in May, Tsipras conceded to cutting pensions and broadening the tax base, in return receiving €86 billion in loans from the European Commission to service Greek debt.⁴⁹ Tsipras hoped that his concessions, domestically damaging as they were, would curry favour with Athens' creditors, especially Germany, to reduce Greece's €293.2 billion in outstanding debt.⁵⁰ However, Berlin refused to make any offers before its September presidential elections.⁵¹ At this point, Athens could have made the decision to block the EU's statement in the UN Human Rights Council a month later as a bargaining tool in response to its uncompromising lenders. Such tactics are not uncommon, for instance, when Cyprus blocked the EU's first package of sanctions against Belarus for election fraud. Nicosia used its veto as a negotiating ploy to force additional sanctions against Turkey for its

during the Eurozone Crisis," *Journal of European Integration* 41, no. 5 (December 5, 2018): 605–21.

43 Tziampiris, "Foreign Policy Against Austerity: Syriza's Multifaceted Experiment."

44 *Ibid.* 265.

45 Chrysogelos, "Europeanisation as De-Politicisation, Crisis as Re-Politicisation: The Case of Greek Foreign Policy during the Eurozone Crisis."

46 Akis Kalaitzidis, "The Odd Duck: Why Greece's Foreign Policy Will Not Turn Out to Be a Swan!," in *Foreign Policy Under Austerity*, eds Spyridon N. Litsas and Aristotle Tziampiris, Palgrave Macmillan, 2016, 29–4.

47 Strokos, "'Head of the Dragon' or 'Trojan Horse?': Reassessing China–Greece Relations."

48 Kimberly Amadeo, "Greek Debt Crisis Explained," *The Balance*, May 18, 2020, <https://www.thebalancemoney.com/what-is-the-greece-debt-crisis-3305525>.

49 *Ibid.*

50 *Ibid.*

51 *Ibid.*

illegal drilling activities in Cypriot territorial waters.⁵²

New Democracy Takes the Baton

When Tsipras' mandate ended in July 2019, his successor, New Democracy's Kyriakos Mitsotakis, was equally willing to accommodate Beijing. Five months into office, Mitsotakis travelled to Shanghai in November 2019 for the China International Import Expo as a guest of honour.⁵³ During the event, he praised China's economic model and proudly touted Sino-Greek business ties.⁵⁴ In July 2020, his administration resisted the EU's attempts at introducing countermeasures to Beijing's Hong Kong security law.⁵⁵ He participated in many high-level video conferences with China's top leadership⁵⁶ and supported Chinese telecom firms' participation in developing Greece's 5G critical infrastructure.⁵⁷

Yet relations began to cool as the Covid-19 pandemic, which began nine months into Mitsotakis' term, wore on. Athens' annulled the agreement to host the Chinese-led 16+1 forum summit,⁵⁸ as well as cancelling

the Prime Minister's attendance at the Beijing Winter Olympics last minute.⁵⁹ Shifting his tone, Mitsotakis addressed COSCO's involvement in Piraeus as a mere "*shareholder agreement*" with "*obligations ... to make some investments*,"⁶⁰ a far cry from his lavish praises before. Greece also acceded to the US-led Clean Network Program, a Trump-era initiative aimed at excluding Chinese telecom providers from 5G development.⁶¹ This led Cosmote, Greece's largest telecom operator, to choose Swedish Ericsson over Chinese firm Huawei as its 5G equipment supplier.⁶²

SYRIZA and Beijing: Populist Love Story or Friends with Benefits?

The empirical findings above disprove the theory that populist ideology directly drove SYRIZA's engagement with Beijing. Its China policy was largely a reaction to Athens' pressing need to combat perceptions of international isolation, improve its bargaining position *vis à vis* international creditors, and stimulate economic growth, all the while projecting a sovereign and assertive foreign policy to bolster domestic support. There was also

52 Efi Koutsokosta, "We Are Not against Sanctions on Belarus, Insists Cyprus FM Nikos Christodoulides," *Euronews*, September 22, 2020, <https://www.euronews.com/my-europe/2020/09/22/we-are-not-against-sanctions-on-belarus-insists-cyprus-fm-nikos-christodoulides>.

53 Euronews, "Τετραήμερη επίσκεψη του Κυριάκου Μητσοτάκη στην Κίνα [Four-day visit of Kyriakos Mitsotakis to China]," *Euronews*, November 3, 2019, <https://gr.euronews.com/2019/11/03/mhtsotakhs-apo-sagkah-bathia-h-politistikh-sxesh-elladas-kinas>.

54 *Ibid.*

55 Robin Emmott, "EU Preparing Measures against China over Hong Kong," *Reuters*, July 13, 2020, <https://www.reuters.com/article/us-hongkong-security-eu-idUSKCN24E17P>.

56 Stroikos, "'Head of the Dragon' or 'Trojan Horse?': Reassessing China-Greece Relations.," Newsroom, "PM Touts Cosco's Piraeus Investment as 'Win-Win,'" *Kathimerini.Gr*, February 10, 2021, <https://www.ekathimerini.com/news/262209/pm-touts-cosco-s-piraeus-investment-as-win-win/>; Kyriakos Mitsotakis, Prime Minister Kyriakos Mitsotakis' remarks at the first Leaders' Summit of the China - Central and Eastern European Countries (CEECs) Initiative, February 9, 2021, <https://primeminister.gr/en/2021/02/09/25822>.

57 Samuel Stolton, "We Welcome Chinese Investment, Greece's Digital Minister Says," *Www.Euractiv.Com*, December 9, 2019, <https://www.euractiv.com/section/5g/news/we-welcome-chinese-investment-greeces-digital-minister-says/>.

58 Alexandros Tarkas, "Athens Distances Itself from China - It Will Not Host the '17+1' Summit at a Moment...," *Slpress*, March 12, 2021, <https://slpress.gr/ethnika/apostaseis-pairnei-i-athina-apo-tin-kina-den-tha-filoxenisei-ti-synodo-koryfis-ton-quot-17-1-quot/>.

59 Alexandros Tarkas, "Ελλάδα-Κίνα: Η Παλινδρόμηση Του Μητσοτάκη [Greece-China: Mitsotakis Regression]," *Slpress*, March 23, 2022, <https://slpress.gr/ethnika/ellada-kina-i-palindromisi-toy-mitsotaki/>.

60 *Ibid.*

61 Erik Brattberg, Philippe Le Corre, Paul Stronski and Thomas de Waal, "China's influence in southeastern, central, and eastern Europe: Vulnerabilities and resilience in four countries," *Carnegie Endowment for International Peace*, October 13, 2021, <https://carnegieendowment.org/2021/10/13/china-s-influence-in-southeastern-central-and-eastern-europe-vulnerabilities-and-resilience-in-four-countries-pub-85415>.

62 Stroikos, "'Head of the Dragon' or 'Trojan Horse?': Reassessing China-Greece Relations."

a clear continuation of Tspiras' embrace of Beijing during the beginning of Mitsotakis' mandate, demonstrating that the policy was not unique to the populists. The motivations of such a policy remained very much the same: reinforcing Athens' domestic and international standing while ensuring the inflow of foreign investment. However, intervening factors drastically shifted Athens' strategic calculus. Firstly, the Covid-19 pandemic had tarnished a previously favourable Greek public opinion of China,⁶³ with a large segment of society blaming China for its outbreak.⁶⁴ Therefore, relations with China were no longer the good public relations and electoral ploy it once was. Secondly, Athens was in need of NATO and the EU's diplomatic and military support in its escalating maritime dispute with Turkey.⁶⁵ This provided the impetus for closer relations with Washington at the expense of Beijing, as shown by Greece's participation in the Clean Network Initiative.

The findings of this paper contribute to the literature on populist foreign policy by concluding that, in the case of SYRIZA, there was no real realignment away from Greece's traditional partnerships and toward China. Athens engaged with Beijing based on shrewd political considerations. In parallel, it exploited populist discourses to repackage such an engagement with a sovereigntist flare to boost public opinion. These findings echo those of Pugliese *et al.* (2022) on Italy's 2019 accession

to the BRI under the populist Five Star Movement-La Lega coalition. At the time, Rome also capitalised on ties with Beijing as leverage in negotiations with the European Commission, international investors, and the European Central Bank.⁶⁶ However, more importantly, Rome wanted to signal to Italian voters that it was able to engage bilaterally with major powers independently of the EU, thereby reasserting its sovereignty on the world stage.⁶⁷ It was no coincidence that Rome's elaborate and highly publicised BRI accession ceremony preceded the May 2019 European Parliament election, widely considered a bellwether for support of the populist coalition.⁶⁸

The findings also suggest that, contrary to the Trojan Horse narrative,⁶⁹ Beijing's influence is only as strong as the convergence of the interest it has with EU member states. This conception lends more agency to these countries in their relations with China. Demonstrating a high degree of pragmatism and cunning, they acted not as Beijing's pawns but as chess players, with China as one of many pieces on their board.

63 A 2016 poll conducted by the Institute of International Economic Relations found that a vast majority of Greeks supported closer ties with China, with 81.9% of respondents viewing Sino-Greek relations in a positive light; Tonchev, "Sino-Greek Relations: Marked by Values or Opportunism?"

64 A 2020 poll conducted by Kapa Research found that 44% of respondents blamed China for the pandemic "Έρευνα: Η εικόνα της Ευρώπης στην Ελλάδα σήμερα [Research: The image of Europe in Greece today]," *Kapa Research*, 2020, https://kaparesearch.com/wp-content/uploads/2020/04/2020.04_Kapa_Covid19.pdf.

65 Brattberg et al., "China's influence in southeastern, central, and eastern Europe: Vulnerabilities and resilience in four countries."

66 Giulio Pugliese, Francesca Ghiretti and Aurelio Insisa, "Italy's Embrace of the Belt and Road Initiative: Populist Foreign Policy and Political Marketing," *International Affairs* 98, no. 3 (May 2022): 1033–51.

67 *Ibid.*

68 *Ibid.*

69 Mitchell A. Orenstein and Daniel R. Kelemen, "Trojan Horses in EU Foreign Policy," *JCMS: Journal of Common Market Studies* 55, no. 1 (September 28, 2016): 87–102; Jan van der Made, "Is China's Bull Courting Europe with a Trojan Horse in Piraeus' Port?," *RFI*, November 12, 2019, <https://www.rfi.fr/en/asia/20191112-china-s-bull-courting-europe-trojan-horse-piraeus-port>.



Introduction

COMMUNIST regimes in the 20th century made efforts to restrict religion, and in some instances even annihilate it from society. Such efforts, however, have largely been proven unfruitful. From Poland and Uzbekistan to Vietnam, religion is still a cultural practice followed by millions. In Romania, 86% of the country's population claims allegiance to the Romanian Orthodox Church (ROC), making this church the largest in the European Union and the second-largest Orthodox Church in the world.¹ In the case of China, the world's highest concentration of non-believers is met with the re-flourishment of religious traditions.² Temples, mosques, and churches have been rebuilt in the last 20 years despite decades of strict regulation and repression.³ Furthermore, religion's rapid growth, some argue, has seemingly overwhelmed the Chinese Communist Party's (CCP) system of surveillance and control.⁴ In brief, across the globe, religion appears to have survived communism in spite of extreme hardships.

In recent decades, religion and church-state relations have been a subject of study in Romania due to access to an unparalleled wealth of data available. Memories of religious personalities that underwent persecution and archives of the former Ceausescu regime's secret services and political party have offered a more nuanced picture of the topic.⁵ On the contrary, China's spectacular economic growth has overshadowed the also shocking increase of believers during the last decades. Despite the researchers' and media's hyper-fixation on economic growth in China, authors have identified the country as an emerging religious powerhouse to be reckoned with.⁶

In the present article, I will make the case that previous State-Church relations conditioned how communist regimes faced such relations in China and Romania. Moreover, I will discuss the differences and similarities of the tactics used by both governments during the 20th century to repress religion. Finally, I will reflect on China's newest approach to religion, highlighting the resemblance of Xi Jinping's strategy regarding religion with that of former communist Romania.

- 1 Lavinia Stan and Lucian Turcescu, "The Romanian Orthodox Church: From Nation-Building Actor to State Partner," *Kirchliche Zeitgeschichte* 25, no. 2 (2012): 401-417.
- 2 Xiaojuan Jing, "Nonbelievers' beliefs about religion in China," *Social Behavior and Personality* 42, no. 7 (2014): 1221-1232.
- 3 Daniel Overmyer, "Religion in China Today: Introduction," *The China Quarterly*, no. 174 (2003): 307-316.
- 4 Richard Madsen, "The Upsurge of Religion in China," *Journal of Democracy* 21, no. 4 (2010): 58-71.
- 5 Lucian Turcescu and Lavinia Stan, "Church Collaboration and Resistance under Communism Revisited: The Case of Patriarch Justinian Marina (1948-1977)," *Eurostudies* 10, no. 1 (2015): 75-103.
- 6 Yunfeng Lu, "Understanding the Rise of Religion in China," *Chinese Sociological Review* 45, no. 2, (2013): 3-7.

Religion and the State Before Communism

China

Dynastic relations with religious organisations in China attempted to capture legitimacy through the sponsorship of rituals.⁷ For instance, during the Ming (1368–1644) and Qing (1644–1912) imperial dynasties, the emperor was considered the “*Son of Heaven*” and had the duty to mediate between Heaven and Earth. The legitimacy of his authority, hence, rested on this sacral function and the emperor fulfilled his role by performing important rituals to secure Heaven’s blessings for his subjects.⁸

However, the relationship between religion and the state was one of control and subordination.⁹ Not only did imperial authorities attempt to control folk religions,¹⁰ but also the emperor had the ultimate authority to distinguish between “*true teaching*” (*zhengjiao*) and “*deviant teaching*” (*xiejiao*).¹¹ Therefore, the imperial policy toward religion was “*the government is the master, religion is the follower*.” Indeed, authors argued that for centuries the Chinese state in all its forms had assumed the right and obligation to control every aspect of life, including religion.¹² Potter notes that religion became a practice to be controlled, as it was seen by authorities as a significant source of resistance to imperial rule, often in the form of secret societies attempting to remain aloof from official control or through peasant

uprisings inspired by religious devotion.¹³ Others plainly argue that the Chinese state has always been particularly concerned with controlling organised groups with their own allegiances, from family lineages to Buddhist monasteries.¹⁴

During the Ming and Qing dynasties, religious practices were only considered *zhengjiao* if the values they preached contributed to bolstering social stability under imperial rule. In contrast, those religions that gathered people from different communities, contravened gender distinctions, and sometimes became the organisational basis for rebellion were labelled as *xiejiao*, being condemned to persecution.¹⁵ Furthermore, emperors sought to control Buddhist and Taoist monasteries by imperial patronage, aiming to guarantee monasteries’ leaders’ loyalty.¹⁶

Such a legacy would condition future State-Church relations in China. The Chinese government currently pays religious functionaries their salaries and funds the construction of churches as modern-day forms of imperial patronage.¹⁷ Moreover, it is the CPP’s regime that now has the ultimate authority to determine which practices constitute “true religion” and which are “evil cults”, despite proclaiming itself as a secular government.¹⁸ The practical criterion for deciding the fate of religious cults is the same as in the imperial era: the cult’s contribution to achieving social stability and a harmonious society under the direction of the party-state.

7 Pitman Potter, “Belief in Control: Regulation of Religion in China,” *The China Quarterly*, no. 174 (2003): 317-337.

8 Richard Madsen, “The Upsurge of Religion in China,” *Journal of Democracy* 21, no. 4 (2010): 58-71.

9 Pitman Potter, “Belief in Control: Regulation of Religion in China,” *The China Quarterly*, no. 174 (2003): 317-337.

10 Chinese folk religion, also known as Chinese popular religion, comprehends a range of traditional religious practices of Han Chinese, including the Chinese diaspora. This includes the veneration of *shen* (spirits) and ancestors, exorcism of demonic forces, and a belief in the rational order of nature, balance in the universe and reality that can be influenced by human beings and their rulers, as well as spirits and gods.

11 Richard Madsen, “The Upsurge of Religion in China,” *Journal of Democracy* 21, no. 4 (2010): 58-71.

12 Daniel Overmyer, “Religion in China Today: Introduction,” *The China Quarterly*, no. 174 (2003): 307-316.

13 Pitman Potter, “Belief in Control: Regulation of Religion in China,” *The China Quarterly*, no. 174 (2003): 317-337.

14 Daniel Overmyer, “Religion in China Today: Introduction,” *The China Quarterly*, no. 174 (2003): 307-316.

15 Richard Madsen, “The Upsurge of Religion in China,” *Journal of Democracy* 21, no. 4 (2010): 58-71.

16 *Ibid.*

17 *Ibid.*

18 *Ibid.*

Furthermore, the Church's independence in China is strictly limited and resembles the old premise of *"the government is the master, religion is the follower"*. The State Administration of Religious Affairs (SARA) *"oversees and manages day-to-day religion-related affairs, including processing requests for approving the opening of temples, churches, and mosques; approving special religious gatherings and activities; and approving the appointment of leaders of religious associations"*.¹⁹ Therefore, SARA acts as an all-encompassing control apparatus.

Fenggang notes that control over religion in contemporary China dates to the very own moment of the creation of the People's Republic of China (PRC).²⁰ The author highlights that the first period of Church-State relations between the CCP and churches in China is one characterised by policies focused on the political control of religious groups.²¹ In 1949, the CCP launched a political campaign against religious organisations, labelling them as ideological enemies, anti-revolutionary, reactionary, and subversive political forces. Moreover, concerning religions with substantial numbers of followers and international religious connections, the CCP, instead of following the urge to eliminate these groups immediately, opted for measures to co-opt and control leaders of such religions and coerced religious groups into cutting off their *"imperialist ties with the outside world."*²²

Romania

An active role in politics has been attributed to the Romanian Orthodox Church (ROC) since the 19th century. Through its experience with communism, the country remained an exception to the prevailing communist policy of eliminating any power of the Church. The ROC, thus, persisted as a partially independent body in the communist state.²³ Throughout history, however, the Church has been known for its policy of accommodation with the rulers of the day.²⁴

Church-State relations in Romania have been characterised by the term *"symphonia"*, which expresses *"cooperation between Church and State in their goals, each supporting the other and neither being subordinated to the other."* Moreover, the Orthodox Church helped maintain Romanian identity -in this case, a religious one- during Ottoman occupation.²⁵ Hence, when national consciousness emerged in Eastern Europe, the ROC positioned itself as pivotal for Romanian identity, gaining recognition from the newly found Romanian state and making its political legitimacy and morality widespread among Romanians.²⁶ Moreover, as the Orthodox Church played a vital role in building the political architecture of the Romanian State, politicians felt that controlling the Church hierarchy would lead to control of the masses and further consolidation of Romanian national identity.²⁷

19 Yang Fenggang, *Religion in China: Survival and Revival under Communist Rule* (Oxford: Oxford University Press, Incorporated, 2011).

20 *Ibid.*

21 *Ibid.*

22 *Ibid.*

23 Rada Irimie, "Religion and political identification in Communist Romania," *Polis Journal of Political Science*, no. 4 (2014): 47-66.

24 *Ibid.*

25 *Ibid.*

26 Lavinia Stan and Lucian Turcescu, "Religion and Politics in Romania: From Public Affairs to Church-State Relations," *Journal of Global Initiatives* 6, no. 2 (2012): 97-110.

27 Rada Irimie, "Religion and political identification in Communist Romania," *Polis Journal of Political Science*, no. 4 (2014): 47-66.

Under this paradigm of “symphonia” and considering the Church’s importance in Romanian identity, the ROC enjoyed a privileged position during communist Romania. Some have pointed out that the Church became a privileged servant of the communist state, even more so when communist authorities recognised that “*a Church respected by most of the population could be useful for furthering the party’s economic and political goals.*”²⁸ Therefore, Church and State established a *modus vivendi* in which the Church acted as an unconditional supporter of communist policies in return for the government’s tolerance of certain ecclesiastical activity.²⁹ Communist Romania, therefore, abolished other churches but preserved a special attitude towards the ROC -which had been the national Church of Romania and as such enjoyed several privileges.³⁰ The Church was financially supported by the state and maintained considerable administrative power as long as the church’s hierarchy supported the regime and helped advance communist propaganda.³¹ Furthermore, with its unique *modus operandi*, the state aimed to control the Church as means to suppress opposition and control the masses, a lesson learnt since the construction of the Romanian state.

The War on Opium

Marx’s infamous quote on religion reads: “*Religion is the sigh of the oppressed creature, the heart of a heartless world, and the soul of soulless conditions. It is the opium of the*

people.”³² As such, religion was seen by communist regimes in China and Romania as a “*capitalist remnant expected to wither away as its social basis was expected to disappear.*” However, this did not prevent authorities from taking measures against religion and, in some instances, waging a real war on opium.

Both China and Romania formally recognised freedom of religion. China did so in its Constitution, although the freedom to believe or not in religion refers only to government-approved religions.³³ Romania issued Decree no. 177 in 1948, delineating the new Church-State relationship. The Decree emphasised freedom of religion, but imposed restrictions on the functioning of religions and brought it under tight government control.³⁴ For instance, individuals seeking church leadership positions had to take an oath of allegiance to the regime, swearing to defend the country against its internal and external enemies and not engage in activities that contravened the new political order.³⁵ Likewise, in both countries, institutions were created to materialise the control over religion that the legal framework had advanced. In China, the State Council’s Religious Affairs Bureau was first created, embodying the responsibility for regulatory initiatives and supervision aimed at implementing the CCP policies; and secondly, public security departments enforced regulations controlling religious activities and participated in suppression campaigns.³⁶ In Romania, churches were

28 Lavinia Stan and Lucian Turcescu, “The Romanian Orthodox Church: From Nation-Building Actor to State Partner,” *Kirchliche Zeitgeschichte* 25, no. 2 (2012): 401-417.

29 Lavinia Stan and Lucian Turcescu, “Religion and Politics in Romania: From Public Affairs to Church-State Relations,” *Journal of Global Initiatives* 6, no. 2 (2012): 97-110.

30 Rada Irimie, “Religion and political identification in Communist Romania,” *Polis Journal of Political Science*, no. 4 (2014): 47-66.

31 *Ibid.*

32 Marx viewed religion as fulfilling a deep psychological and social need in any society in which exploitation and poverty continues to exist. He insisted on directing his attacks against these social conditions and not against religion. Likewise, Lenin argued that religious beliefs will be destroyed not primarily by anti-religious propaganda, but by the conscious and deliberate planning of all the social and economic activities of the ‘people’.

33 Daoism, Buddhism, Islam, Catholic and Protestant Christianity; Daniel Overmyer, “Religion in China Today: Introduction,” *The China Quarterly*, no. 174 (2003): 307-316.

34 Lucian Turcescu and Lavinia Stan, “Church Collaboration and Resistance under Communism Revisited: The Case of Patriarch Justinian Marina (1948-1977),” *Eurostudia* 10, no. 1 (2015): 75-103.

35 *Ibid.*

36 Pitman Potter, “Belief in Control: Regulation of Religion in China,” *The China Quarterly*, no. 174 (2003): 317-337.

under the jurisdiction of the Department of Cults, which has been considered little more than an agency of the *Securitate*, the Romanian secret Police.³⁷

Through the years, different intensities in the persecution of religion have been observed in China and Romania. Fenggang differentiates four periods during the 60 years of communist rule in China, with the most intense being the 1949-1957 and 1966-1979 periods. The first one is characterised by the suppression of various religions, and the second is the one known as the Cultural Revolution.³⁸ Regarding the latter, as part of Mao Zedong's strategy, all religious venues were closed and religion was banned, making it one of the most vicious religious persecution in history. Paradoxically, religious dimensions could be observed in the tactics of the campaign against religion: Mao as a God and prophet, Maoism as the Bible. Pope argues that, while the communists attacked religion as the opiate of the people, Maoism seemed to have a similar euphoric influence on the masses, chanting and reciting Mao's quotations at every important occasion and believing it could perform supernatural miracles.³⁹

In post-Mao China, the regime adopted a somewhat more tolerant perspective on religion, as party policies on religion have reflected a departure from the repression of the Maoist period.⁴⁰ The Third Plenum of the 11th CCP Central Committee in 1978 supported conclusions about the decline of class struggle, leading *"to a gradual acceptance of broader diversity of*

*social and economic practices, including a relaxation of Party policy on religion."*⁴¹ The 1982 Document 19 labels religious belief as a private matter and acknowledges that coercion to prevent religious belief would be counterproductive. However, it also states that the party's policy privileges the freedom not to believe in religion. Moreover, the document limits the list of official religions, excluding folk faiths and superstition from state protection.⁴² Nevertheless, social unrest in Tibet and Xinjiang in 1988-89, and the crisis of the 1989 democracy movement resulted in Document 6, which *"directed public security organs to take forceful measures to curb those who use religious activities to "engage in disruptive activities," "stir up trouble, endanger public safety, and weaken the unification of the country and national unity," or "collude with hostile forces outside the country to endanger China's security,"* and justified restrictions on religious activities in Tibet and Xinjiang.⁴³ Therefore, despite the gradual liberalisation of policies towards creeds since 1982, leaders of unauthorised religious groups continue to be subject to arrest.⁴⁴

In Romania, the state's strategy was to "divide and conquer". Several waves of repression were launched to purge church members who supported "retrograde" anti-communist positions.⁴⁵ For instance, between 1958-1964 a wave of arrests occurred. Monastic seminaries were closed, and some 4.000 monks and nuns were jailed or forced to live non-religious lives.⁴⁶ By 1979, religious persecution increased again until 1989, with several

37 Earl Pope, "The Role of Religion in the Romanian Revolution," *Occasional Papers on Religion in Eastern Europe* 12, no. 2 (1992).

38 Yang Fenggang, *Religion in China: Survival and Revival under Communist Rule* (Oxford: Oxford University Press, Incorporated, 2011).

39 Lucy Jen, "The Role of Religion in Communist Chinese Society," *Asian Survey* 11, no. 7 (1971): 693-708.

40 Potter, "Belief in Control: Regulation of Religion in China," *The China Quarterly*, no. 174 (2003): 317-337.

41 *Ibid.*

42 *Ibid.*

43 *Ibid.*

44 Daniel Overmyer, "Religion in China Today: Introduction," *The China Quarterly*, no. 174 (2003): 307-316.

45 Lucian Turcescu and Lavinia Stan, "Church Collaboration and Resistance under Communism Revisited: The Case of Patriarch Justinian Marina (1948-1977)," *Eurostudia* 10, no. 1(2015): 75-103.

46 In the case of many of them as a punishment for supporting the Iron Guard (Romanian militant revolutionary fascist movement and political party founded in 1927) during pre-communist times. This also occurred in China, where religious organisations

anti-religious policies that resulted in the demolition of 22 monasteries.⁴⁷

The communist regime made efforts to reduce the church's influence by depriving the ROC of its privileged position among all churches and its right to pursue social, educational, and charitable activities.⁴⁸ Moreover, church property was nationalised, the training of priests was restricted, and, following the Soviet model, the *Securitate* enacted the repression needed to achieve the party's goals.⁴⁹ However, the Romanian case differs from the Chinese: although the state persecuted religion, it did not dismantle the ROC and never attempted to fully ban religion, recognising instead that a Church respected by the population could further the party's socioeconomic and political goals.

Learning from the Comrades?

The instrumentalisation of religion in Romania was evident from the early stages. The state saw religion as a source of legitimacy, suppression of opposition and a mechanism to advance its socioeconomic policies. Moreover, the Ceausescu regime utilised the Church to strengthen its position domestically, to gain independence from Moscow, and to ingratiate itself with the West to obtain financial support for his industrialisation projects.⁵⁰

In post-Mao China, both persistent fear and attempts to instrumentalise religion are observed. The CCP regime adopted a more tolerant perspective on religion as a component of its new approach to building regime legitimacy.⁵¹ Further, in 2016, Xi Jinping presented the grand strategy of religious sinicisation,⁵² and called for the Party to unite and organise religious believers to strive for his Chinese Dream.⁵³ Chang notes that "*over the course of four decades, official discourse directed toward religion changed from labelling it anachronistic to terming it cultural, [due to the] party-state [acknowledging] the positive ability of religion to provide the masses with psychological and social support.*"⁵⁴ Moreover, Xi has implied that a vigorous Chinese national culture is indispensable to China's continuous rise to great power status and to maintain the ambition of providing an alternative model to the Western one.⁵⁵

Religion, thus, becomes a tool of the regime to create legitimacy and to obtain support and mobilisation for the Chinese Dream. Moreover, by achieving the sinicisation of religion, the issue of religions not being integrated into the "fine traditional Chinese culture" is fixed, turning religion into another aspect that would help achieve the vigorous Chinese national culture for China's rise. At the same time, sinicisation is built on China's fears of foreign influence through Christianity, showing that the fear logic also prevails in

that had supported the Kuomintang (the Chinese Nationalist Party) were prohibited and labelled as anti-revolutionary and reactionary; Lavinia Stan and Lucian Turcescu, "The Romanian Orthodox Church: From Nation-Building Actor to State Partner," *Kirchliche Zeitgeschichte* 25, no. 2 (2012): 401-417.

47 *Ibid.*

48 *Ibid.*

49 Lucian Turcescu and Lavinia Stan, "Church Collaboration and Resistance under Communism Revisited: The Case of Patriarch Justinian Marina (1948-1977)," *Eurostudia* 10, no. 1(2015): 75-103.

50 Lavinia Stan and Lucian Turcescu, "The Romanian Orthodox Church: From Nation-Building Actor to State Partner," *Kirchliche Zeitgeschichte* 25, no. 2 (2012): 401-417.

51 This means a trade-off of broader social and economic autonomy in exchange for continued political loyalty. Patriotic religious associations, as the bridge between the state and the separate religious communities they represent, help mobilise their communities to support official policies; Pitman Potter, "Belief in Control: Regulation of Religion in China," *The China Quarterly*, no. 174 (2003): 317-337.

52 The state's initiative to press religions to incorporate Chinese characteristics into their beliefs and practices.

53 Kuei-Min Chang, "New Wine in Old Bottles," *China Perspectives*, no. 1-2 (2018): 37-44.

54 *Ibid.*

55 *Ibid.*

the CCP leaders' minds.⁵⁶

Conclusions

Despite years of persecution, the influence of religion in Romanian society was not erased. Some argue this is explained by the cultural heritage of the Church's active role in previous years, which left a mark on Romanians.⁵⁷ Likewise, religion has flourished in China due to greater social freedom that accompanied economic development. Consequently, religious beliefs and rituals have become once again an important and growing reality in Chinese society -although officials had already recognised during the campaign against religion that beliefs in gods and spirits were so deeply rooted in Chinese society that it would be impossible to completely remove them in the short-term.⁵⁸

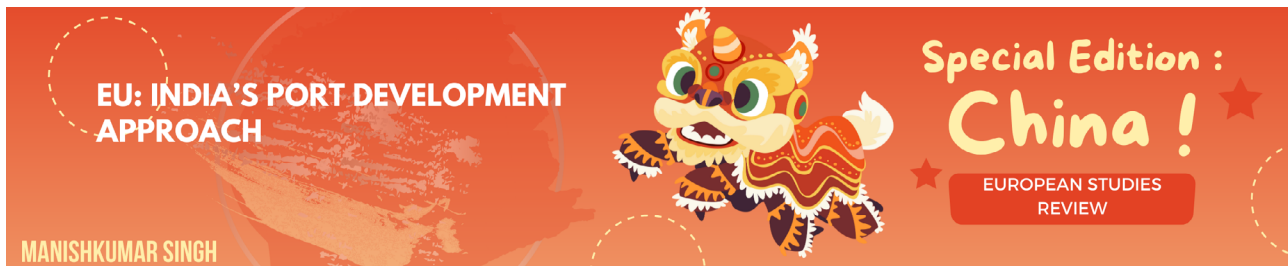
These cases, along with the still worldwide relevant levels of religiosity, perhaps contribute to strengthening the arguments for the apparent failure of secularisation theory predictions.⁵⁹

56 Christianity, with its historical connections to the West, is still considered a source of foreign influence that threatens national security.

57 Rada Irimie, "Religion and political identification in Communist Romania," *Polis Journal of Political Science*, no. 4 (2014): 47-66.

58 Lucy Jen, "The Role of Religion in Communist Chinese Society," *Asian Survey* 11, no. 7 (1971): 693-708.

59 This theory anticipates the decline, or the declining significance, of religion in modern societies.



Introduction

THE term 'strategic partnership' is one of the most commonly used phrases during discussions of foreign policy and relations. Its appearance in the international relations lexicon can be traced back to the end of the Cold War, towards the late 1990s.¹ It has played a major role in the post-Cold War era, with many countries, *"that were until then arranged in blocs allied to one of the two superpowers"*,² forming *"new bilateral alliances."*³ As per political scientist Vidya Nadkarni, it involves *"forging links between countries that are neither allies nor adversaries, but which share a range of both common and divergent interests."*⁴ The first European official document to mention a strategic partnership was the European Security Strategy (ESS) in 2003, wherein the European Union (EU) named the United States, Japan, China, and India as its strategic partners.

The EU holds *"a significant influence in the realms of international diplomacy, 'soft*

*security', and [the] broader world order."*⁵ Since the end of the Cold War, there has been a marked increase in interest in how the EU formulates and implements its international policy. Director of the International Centre for Counter-Terrorism (ICCT) and a prominent voice on EU strategic partnerships, Thomas Renard once suggested that *"strategic issues are central to strategic partnerships."*⁶ This simply indicates that strategic partnerships must go beyond trade and economy *"to cover a wide spectrum of policy areas."*⁷ However, the EU has mostly portrayed itself as a *"trading state"*⁸ and has historically used strategic partnerships *"as a tool to secure free trade agreements and greater market access for European firms."*⁹ It is also asserted that the EU uses strategic partnerships to *"forge stronger ties with emerging powers to tackle multipolarity."*¹⁰

The strategic partnership between the EU and its partners, including India, has so far emphasised economic issues, while it was only recently that geopolitical issues were

1 Rajendra Jain and Gulshan Sachdeva, "India-EU Strategic Partnership: A New Roadmap," *Asia Europe Journal* 17, (June 2019): 309-325. <https://doi.org/10.1007/s10308-019-00556-0>.

2 Nirupama Subramanian, "In the Promiscuous World of International Relations, Elements of a Strategic Partnership," *The Hindu*, January 17, 2012, <https://www.thehindu.com/opinion/op-ed/In-the-promiscuous-world-of-international-relations-elements-of-a-strategic-partnership/article13368545.ece>.

3 *Ibid.*

4 Vidya Nadkarni, *Strategic Partnerships in Asia: Balancing without Alliances* (London: Taylor & Francis, 2010).

5 Christopher Hill, Michael Smith and Sophie Vanhoonacker, *International Relations and the European Union* (Oxford: Oxford University Press, 2017).

6 Thomas Renard, "The EU Strategic Partnerships Review: Ten Guiding principles," *ESPO Policy Brief* 2 (April 2012).

7 *Ibid.*

8 Hill, Smith and Vanhoonacker, *International Relations and the European Union*.

9 Neeta Inamdar, Priya Vijaykumar Poojary and Praveen Shetty *Contours of India-EU Engagements* (Manipal: Manipal University Press, 2021), 9.

10 *Ibid.*

able to make their presence felt. This can be attributed to the rapidly changing arena of geopolitics. China is an ascending power and its economic growth, 'modernised military', and 'increasing influence in international affairs' poses a challenge to the West's hegemony.¹¹ Amidst growing concerns, China's ambitious Belt & Road Initiative (BRI), which *"links Asia and Africa with Europe through a network of various transportation corridors"*,¹² has led to the resurgence of geopolitical competition pushing port-based regional connectivity to the forefront of bilateral and multilateral relations.

A port is essentially the link connecting a nation's land-based and maritime economic activities. The United Nations Conference on Trade and Development (UNCTAD) defines ports as *"interfaces between several modes of transport and thus...centers for combined transport. Furthermore, they are multi-functional markets and industrial areas, where goods are not only in transit but are also sorted, manufactured, and distributed."*¹³ Ports play a major role in the economic growth of a country and how they are used affects how quickly a country advances since more than 80% of global trade is carried by sea and ports become the interface between a country and the international markets.¹⁴ It is also important to note that, as per a World Bank Report of 2010, the majority of the world's top economies derive more than 10% of their national income from seaborne trade.¹⁵

Some nations have even ventured outside their borders to profit from ports located elsewhere. For instance, the Horn of Africa holds high strategic importance in geopolitical terms for Europe and Asia so much so that everyone wants a piece of it and the battle for influence in the region has transcended regional boundaries to become global.¹⁶ Another example can be Pakistan's Gwadar Port, a deep sea port situated at the mouth of the Persian Gulf, Strait of Hormuz, and constructed as part of China's CPEC (China-Pakistan Economic Corridor) initiative in Pakistan. It provides Pakistan with an economic advantage with its relevance to trade and a strategic advantage *vis-à-vis* India, as the port is beyond India's reach. On the other hand, Chinese investment seems to have *"geo-economic (closer to western China and shortens its distance to West Asia and Africa), geopolitical (closer ties with Pakistan and link between Central, West and South Asia) and geo-strategic (control over the port) dimensions."*¹⁷

The Suez Canal crisis of 2021 made many people aware of the importance of contemporary shipping and the reliance on global trade on modern ports and strategic maritime routes. A team of data and analytics experts from an American data company, Dun & Bradstreet, and a supply chain software company, E2open analysed the impact of this crisis and found that:

"Europe is the region that will feel the strongest impact due to the blockage of the canal. Companies

11 Bertrand Ateba, "Is the Rise of China a Security Threat?," *Polis* 9, Numéro Spécial (2002): 1-20.

12 Gulshan Sachdeva and Karine Lisbonne de Vergeron, "European and Indian Perceptions of the Belt Road Initiative," *EU-India Think Tanks Twinning Initiative* (2018): 6.

13 Kausar Takrim, "Role of Ports in the Economic Development of a Nation: Gwadar Port Perspective," *PUTAJ – Humanities and Social Sciences* 23, no. 1 (2016): 95-104, 97.

14 UNCTAD, "Why Ports Are at The Heart of Sustainable Development" *UNCTAD*, May 13, 2022, <https://unctad.org/news/why-ports-are-heart-sustainable-development>.

15 Takrim, "Role of Ports in the Economic Development of a Nation: Gwadar Port Perspective."

16 Alexander Rondos, "The Horn of Africa – Its Strategic Importance for Europe, the Gulf States, and Beyond," *Horizons*, no. 6 (2016).

17 Sindhu Dinesh, "Strategic Salience of the Gwadar Port: An Analytical Study," *Journal of Defense Studies* 15, no. 1 (2021).

located in Asia will be impacted not only by the delay of shipments from Europe but also by a shortage of empty containers returning to their region—further stalling their abilities to deliver goods around the world.”¹⁸

The supply chain disruption caused by this incident left *“the smooth functioning of the global trading system hanging in the balance”¹⁹* and the resultant disorder was cleaned up by seaports in the following weeks. It also demonstrated how crucial ports and maritime commerce routes are for regulating nautical operations and maritime trade. For this very reason, the growing presence of China in the Indo-Pacific region has been a key concern for India and the EU, as it will be difficult for one entity to hold so much power over strategic ports, maritime routes, and energy resources. India and the EU have a good relationship with each other. The main reasons behind this are the shared values and great respect for democracy, the rule of law, human rights and independence. This article explores the present day India-EU strategic partnership and how it can provide a counter to China’s BRI through better infrastructure development in ports.

India-EU Relations: a Strategic Partnership

India shares a long-standing relationship with the EU that has been built on *“the principles of cooperation, shared values, and a common concern for global peace, security, and development.”²⁰* Their ties can be traced back to the 1960s *“when India was among the initial group of nations to establish diplomatic relations with the European Economic Community, the precursor to the EU.”²¹* These bilateral ties were *“upgraded to the strategic partnership level”* in 2004.²² They endorsed the ‘India-EU Strategic Partnership: A Roadmap to 2025’²³ at the 15th India-EU Summit held on July 15, 2020, as *“a common roadmap to guide joint action and further strengthen their strategic partnership over the next five years.”²⁴* In 2022, they completed 60 years of bilateral relations.

The EU is the largest trader of both manufactured commodities and services in the world.²⁵ It is India’s top trading partner, with the bilateral trade totalling USD 115.5 billion in 2018–19.²⁶ It is also India’s main export market and second-largest import partner.²⁷ India, on the other hand, ranks as the EU’s ninth-largest trading partner.²⁸ India is also the fourth-largest service exporter to the EU and the sixth-largest destination for services exported from the EU.²⁹

18 Edward Segal, “Impact of Suez Canal Crisis on Companies Around the World Could Last Weeks,” *Forbes*, March 31, 2021, <https://www.forbes.com/sites/edwardsegal/2021/03/31/impact-of-suez-canal-crisis-on-companies-around-the-world-could-last-weeks/?sh=592c181e42d8>.

19 Vivian Yee, Marc Santora and Rick Gladstone, “With the Suez Canal Unblocked, the World’s Commerce Resumes Its Course,” *The New York Times*, March 29, 2021, <https://www.nytimes.com/live/2021/03/29/world/suez-canal-stuck-ship>.

20 Sunil Prasad, “EU-India Relations in a Changing Strategic Environment,” *EURACTIV*, August 2, 2022, <https://www.euractiv.com/section/eu-india/opinion/eu-india-relations-in-a-changing-strategic-environment/>.

21 Arun Nair, “India-EU Connectivity Partnership: Potential & Challenges,” *RIS Discussion Papers*, no. 250, (July 2020).

22 *Ibid.*

23 Indian Ministry of External Affairs, “India-EU Strategic Partnership: A Roadmap to 2025,” July 15, 2020, https://www.mea.gov.in/bilateral-documents.htm?dtl/32828/IndiaEU_Strategic_Partnership_A_Roadmap_to_2025.

24 *Ibid.*

25 Segal, “Impact of Suez Canal Crisis on Companies Around the World Could Last Weeks.”

26 *Ibid.*

27 *Ibid.*

28 *Ibid.*

29 *Ibid.*

Together, they have the means to build a partnership that will continue to develop over the ensuing decades, allowing them to shape a dynamic future for their combined population of 1.8 billion. This relationship is also a key factor in determining international relations, particularly how the global trading system is governed. In a fast-changing world, the strategic alliance between the EU and India becomes ever more so important and is under increased pressure for two reasons: (1) The US is constantly *"seeking to limit its international role amidst domestic political resistance"*,³⁰ and (2) The growing concerns of the West as well as Asia with respect to China. In such a scenario, it is vital for India and the EU to strengthen their partnership, which is based on the culture of commerce and connectivity. Through *"greater bilateral physical, digital and people-to-people connectivity"*,³¹ especially with respect to ports, India and the EU can pursue a more ambitious role within international trade and international security affairs.

Where India and the EU Stand in Terms of Port Development

Ports are crucial to the overall economic development of a country. By volume, seaports handle over 95% of India's merchandise commerce. Indian ports like the Jawaharlal Nehru Port (JNPT), Mundra Port, Sikka Port, Hazira Port, and others are developing into specialised centres of commercial activity and services and are thus crucial to maintain India's future economic growth. The Government of

India launched the Sagarmala programme to harness India's *"7,500 km long coastline and 14,500 km of potentially navigable waterways and to promote port-led development. This programme includes projects such as the modernization of existing ports and terminals, new ports, enhancement of port connectivity, and inland waterways, among others."*³²

In addition to developing its domestic ports, India is also investing in overseas ports. Such ports offer strategic advantages by tightening control over crucial trade routes and strengthening the bilateral ties between the nations involved. The Chabahar port, located in the Sistan and Baluchistan province in the Southeastern part of Iran, on the Arabian Sea, is Iran's only oceanic port and India's first overseas port.³³ It offers great strategic value to India and Iran as it offers better ties and connectivity with Central Asia, thereby opening a *"gateway of golden opportunities."*³⁴ It also benefits Afghanistan, the landlocked neighbour of India and Iran, and lessens its dependence on Pakistan for access to trade routes, which will in turn improve the strategic relationship between India and Afghanistan. The Chabahar Port is the second port of importance that has been built in the Arabian Sea and is India's answer to the Gwadar port located in Pakistan, which is backed by China to gain access to the Indian Ocean.³⁵

Apart from this, India constructed the Sittwe Port, as part of the Kaladan Multi-

30 Raja Mohan, Arushi Kumar, and Constantino Xavier,, "Securing Afghanistan: Prospects for India-EU Cooperation," *EU-India Policy Dialogues on Global Governance & Security and Carnegie India*, November 1, 2016, https://www.gppi.net/media/Mohan_Kumar_Xavier_2016_Securing_Afghanistan_-_Prospects_for_India-EU_Cooperation.pdf, 1.

31 *Ibid.*

32 Indian Ministry of Ports, Shipping and Waterways, "Construction of Major Ports," December 17, 2021, <https://pib.gov.in/PressReleasePage.aspx?PRID=1782678>.

33 "India's First Overseas Port is Here," *Times of India*, January 7, 2019, <https://timesofindia.indiatimes.com/t10-jan-8-2019/6-indias-first-overseas-port-is-here/articleshow/67424300.cms>.

34 Suhasini Haidar, "Reinvigorating Chabahar Port," *The Hindu*, August 23, 2022, <https://www.thehindu.com/news/international/explained-reinvigorating-the-chabahar-port/article65802514.ece?homepage=true>.

35 Christophe Jaffrelot, "A Tale of Two Ports," *Outlook India*, January 27, 2022, <https://www.outlookindia.com/website/story/a-tale-of-two-ports/269988>.

Modal Transit Transport Project in 2016, at Sittwe, Myanmar, on the Bay of Bengal. Moreover, in 2018, India reached a bilateral agreement with Bangladesh for the utilisation of the ports of Mongla and Chittagong *"to further boost connectivity between the two sides."*³⁶

India's approach to connectivity shows a keenness *"to expand its partnership on infrastructure projects and work in third countries within its immediate neighbourhood and in priority areas such as ASEAN, Africa and the Indian Ocean Region."*³⁷ The EU, on the other hand, is active in its connectivity approach in South Asia, particularly India. It is *"involved in a number of soft infrastructure projects in India – including standard setting and technology aspects"* and has also extended *"financing loans for metro projects, green mobility initiatives and other transport initiatives within the Smart Cities projects in India."*³⁸ However, it was only in the 'EU-India Connectivity Partnership',³⁹ signed on May 8, 2021, that the 'port sector' finds a mention.⁴⁰

Even though it took this long for the EU to specifically target the port sector as part of its strategic relationship with India, on the home front, its attitude towards ports has not been the same. Europe is said to be home to some of the best technologically advanced ports in the world and the EU is highly dependent on them with regard to trade within its internal market as well as with the rest of the world. The ports of

the EU handle about 74% of imports and exports, with 37% of trade taking place within the Union.⁴¹ About 400 million passengers are transported annually through these ports and over 3 million people are employed by EU ports directly or indirectly.⁴²

In addition, the EU acknowledges the growing significance of ports along inland waterways and their role in promoting sustainable mobility in Europe. They serve as the hubs from which the trans-European network's multimodal logistic flows can be coordinated, utilising short sea shipping, rail, and inland waterways links to reduce traffic congestion and energy use. An adequate port infrastructure is essential if the EU wants to remain competitive within the sphere of global trade. Both India and China have an interest in cooperating, not only to boost their trade relationship, but also, for India, to learn from the EU's port infrastructure to advance its own seaports and, for the EU, to develop its port connectivity with India.

India-EU Partnership Against the Rise of the Dragon in the Indian Ocean?

The Silk Road is *"the longest and the most ancient trade route"* that connected the culture and commerce of Asia to the West.⁴³ It included both overland and maritime routes, which followed the patterns of annual trade winds, and was the earliest global trade network that marked the beginning of globalisation.

36 Rezaul Laskar, "India Bangladesh Prepare for Trial Runs to Use Chattogram Mongla Ports," *Hindustan Times*, July 26, 2022, <https://www.hindustantimes.com/india-news/india-bangladesh-prepare-for-trial-runs-to-use-chattogram-mongla-ports-101658815212184.html>.

37 Garima Mohan et al., "Charting EU-India Cooperation on Connectivity, *EU-India Think Tanks Twinning Initiative* (2018): 4.

38 *Ibid.*

39 Indian Ministry of External Affairs, "India-EU Connectivity Partnership," May 8, 2021, https://www.mea.gov.in/bilateral-documents.htm?dtl/33854/IndiaEU_Connectivity_Partnership.

40 *Ibid.*

41 Marketa Pape, "EU Port Cities and Regeneration," *European Parliament Briefing*, May 2017, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2017/603889/EPRS_BRI\(2017\)603889_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2017/603889/EPRS_BRI(2017)603889_EN.pdf).

42 *Ibid.*

43 Mukesh Kumar Mishra, "The Silk Road Growing Role of India," *Leibniz Information Centre for Economics*(2020), 2, <https://www.econstor.eu/bitstream/10419/216099/1/THE%20SILK%20ROUTE.pdf>.

More than 1500 years later, merely a ghost of the Silk Route remains.⁴⁴ But, in 2013, China proposed a very ambitious BRI, developed on the skeleton of the ancient Silk Routes, with the goal of bringing the world together. 'Belt' refers to the land routes called "*the Silk Road Economic Belt*" and links central Asia, Russia, and Europe, whereas 'road' refers to the sea routes, or "*the 21st Century Maritime Silk Road*"⁴⁵ and passes through the western Pacific and the Indian Ocean, thus, making One Belt, One Road.

While for India's neighbours it can be touted as an economic opportunity, the BRI is a matter of strategic concern for India. With acts like "*the docking of Chinese submarines in [the] Colombo port, the largest port of Sri Lanka located on the (south-western shores of the Kelani River in Colombo) in 2014 and the 99 years' lease for the Hambantota port (a maritime inland port located in Hambantota, Sri Lanka)*",⁴⁶ China has fuelled India's suspicions. The region will undoubtedly see development but China's increased access and influence will fortify it as a global economic superpower with dominance in South Asia and the Indian Ocean. In fact, with its 'string of pearls' approach,⁴⁷ China's growing influence in the Indo-Pacific region will not only pose a problem to India's strategic interests but also to other stakeholders. There are similar concerns taking root within the EU

regarding China and the BRI, as China has "*increased its investments in South-eastern Europe and its purchase of a port in Greece,*"⁴⁸ the Piraeus port, and many of its actions also show "*a lack of a shared vision and a common goal.*"⁴⁹ As recently as the end of October 2022, the Chinese company Cosco bought a 24.9% stake in a terminal at Germany's largest port, which drew widespread criticism even from within the German government.⁵⁰

Thus, the effects of BRI projects in each country's neighbourhood are a worry for both India and the EU. Even while the India-EU cooperation will have various strategic advantages in terms of connectivity, including digital, transport, energy, and people-to-people connectivity, it will mostly be perceived as a rival to the BRI. However, the connectivity initiatives between India and the EU shouldn't be viewed solely as a response to the BRI.

Conclusion

The need for strategic cooperation between India and the EU is growing as both are pursuing more ambitious roles in matters of global trade and security. They have already explored cooperation in trade and commerce but there is still more that can be done with regard to connectivity. Regional connectivity between the two has a lot of potential. It will not only bring

44 Colin Thubron, *Shadow of the Silk Road*, (United Kingdom: Random House, 2012).

45 Mishra, "The Silk Road Growing Role of India."

46 PTI, "Sri Lanka allows docking of Chinese research ship at Hambantota port from August 16-22," *The Economic Times*, August 13, 2022, <https://economictimes.indiatimes.com/news/international/world-news/sri-lanka-gives-nod-for-docking-of-chinese-research-ship-at-hambantota-port-on-aug-16/articleshow/93542781.cms?from=mdr>.

47 The expression 'string of pearls' was coined in the 2005 Booz-Allen report and is widely used to describe China's strategy to establish naval bases and intelligence stations throughout littoral South Asia. This is seen as a threat by India as these naval bases and ports are being built by China at strategic locations that will end up encircling India and potentially threaten its security, trade, power, and position within the Asia-Pacific region. Refer Ashley S. Townshend, "China's 'String of Pearls'," *Outlook*, February 3, 2022, <https://www.outlookindia.com/website/story/chinas-string-of-pearls/278432>.

48 Ankita Dutta, "India-EU Connectivity Partnership: From Convergence to Cooperation," *Indian Council of World Affairs*, January 29, 2020, https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=4834&lid=3398.

49 Shreya Sinha, "India-EU Connectivity Partnership: Countering the BRI," *Diplomatist*, August 24, 2021, <https://diplomatist.com/2021/08/24/india-eu-connectivity-partnership-countering-the-bri/>.

50 Andreas Rinke and Jan Schwartz, "German go-ahead for China's Cosco stake in Hamburg port unleashes protest," *Reuters*, October 26, 2022, <https://www.reuters.com/markets/deals/german-cabinet-approves-investment-by-chinas-cosco-hamburg-port-terminal-sources-2022-10-26/>.

economic but also strategic geopolitical benefits. Port infrastructure in India, as well as Asia, would benefit from this partnership without disrupting the power dynamics of the region. The EU would also derive economic and strategic benefits from a partnership with India, as it would give it an opportunity to go beyond its trade character with China.



Introduction

THE emergence of multiple inter and intra-state power *loci* in the 21st CE, owing to the paradigm shift in the economic and geopolitical centre of gravity, has re-invigorated most global governance institutions to adapt, restructure, and build back better. While globalisation has managed to foster cooperation rooted in the virtues of equitable resource distribution, heightened economic interdependence amongst countries seems to have exacerbated prevailing hard and soft-power asymmetries.

Thus, the tough opportunity costs of transnational trade now hang like an albatross across the necks of the smaller stakeholders as a bitter reminder of their economic over-reliance and the vulnerabilities of existing supply-chain infrastructures.

The latest casualty of this phenomenon, the Baltic state of Lithuania, is currently bearing the heavy hand of China's arm-twisting manoeuvres in response to its decision to allow Taiwan to open a representative office in the region. Regarded by Beijing as a clear violation of their "*One China Principle*",¹ Vilnius's move triggered a surge of coercive economic

sanctions deployed by the former in an act of hegemonic adventurism.

Dovish Then, Hawkish Now: The Metamorphosis of Sino-Lithuanian Trade Relations

*"It is economic power that determines political power, and governments become the political functionaries of economic power."*²
-Jose Saramago

The Lithuanian Knight was not necessarily a notable trading partner of the world's second-largest economy, the Chinese Dragon. However, its strategically affluent backyard (directly bordering Belarus and Russia via the Kaliningrad exclave) and membership in the European Union (crucial to bolstering infrastructure and connectivity projects within Europe) seemed lucrative enough for Beijing to court Vilnius until it belled the Taiwanese cat and withdrew from the Beijing-led Cooperation between China and Central and Eastern European Countries initiative (China-CEEC)³ in 2021.

According to statistics, Lithuania's bilateral trade volume with China expanded by 23.4% in 2020 after a 16% annualised growth the previous year, amounting to roughly \$1.6 billion worth of business in

1 Ministry of Foreign Affairs, People's Republic of China (PRC), "Statement by the Ministry of Foreign Affairs of the People's Republic of China," August 2, 2022, https://www.fmprc.gov.cn/eng/zxxx_662805/202208/t20220802_10732293.html.

2 Humberto Márquez, "Saramago Warns of Danger After Bush Re election," *Znet*, November 29, 2004, <https://znetwork.org/znetarticle/saramago-warns-of-danger-after-bush-re-election-by-humberto-m-rquez/>.

3 Stuart Lau, "Lithuania pulls out of China's '17+1' bloc in Eastern Europe," *Politico*, May 21, 2021, <https://www.politico.eu/article/lithuania-pulls-out-china-17-1-bloc-eastern-central-europe-foreign-minister-gabrielijs-landsbergis/>.

industrial lasers, agricultural products, financial technologies, tourism, and e-commerce.⁴ However, by November 2021, Sino-Lithuanian relations took a sour turn when Beijing accused Vilnius of undermining “China’s sovereignty and territorial integrity” and setting a “bad precedent internationally” resulting in the eventual downgrading of relations between the two countries (to the level of *chargé d’affaires*) and imposition of severe economic instruments of coercion on the latter.⁵

The deployment of primary sanctions (customs block) on all Lithuanian exports and the rejection of its import applications generated a crippling ripple effect on global supply chains resulting in goods worth over USD 27.6 million left in limbo.⁶ Whereas the enforcement of de-facto secondary sanctions curtailed the entry of all goods containing components sourced from Lithuanian suppliers, forcing EU companies registered in third-party countries to feel the punitive brunt of China’s actions against Lithuania.

While the EU has echoed Lithuania’s right to strategic autonomy and expressed its solidarity with the country by filing a case against Beijing at the World Trade Organization (WTO) for perpetrating unfair trade practices,⁷ the issue continues to remain a Gordian knot for all the actors involved.

The Test Case: Can the Vilniusian Template Be Applied across the EU?

“We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly.”⁸

-Martin Luther King Jr.

Lithuania currently finds itself at the heart of one of the most potent geo-economic contestations of the modern world order, where interdependent reliance is being progressively weaponised to debilitate existing small and great power configurations. While the Baltic state is neither the first nor the last victim of China’s belligerent tendencies, it does offer an insight into what the race to economic supremacy could look like in the future.

The Vilniusian template represents Beijing’s two-pronged approach to testing the cohesive strength of the EU in the face of adversity through the “Hub and Spoke Diplomacy”⁹ (which attempts to create friction amongst individual members of supranational blocs) and penalising trading partners over the infringement of its “core interests” (i.e. the Taiwan issue, the South-China Sea Dispute etc.).

Given the thumping success of its test case at the regional level, it seems quite likely for China to replicate the same template across the EU in a bid to police

4 Alliance For Securing Democracy, German Marshall Fund Of The United States, “China’s sanctions regime and Lithuania: Policy responses for European institutions,” *Alliance For Securing Democracy*, August 2022, <https://securingdemocracy.gmfus.org/wp-content/uploads/2022/08/Chinas-sanctions-regime-and-Lithuania-Alliance-For-Securing-Democracy-Hinrich-Foundation-August-2022.pdf>.

5 Norihiko Shirouzu and Andrius Sytas, “China downgrades diplomatic ties with Lithuania over Taiwan,” *Reuters*, November 22, 2021, <https://www.reuters.com/world/asia-pacific/china-downgrades-its-diplomatic-ties-with-lithuania-over-taiwan-issue-2021-11-21/>.

6 Alliance For Securing Democracy, German Marshall Fund Of The United States, “China’s sanctions regime and Lithuania: Policy responses for European institutions,” *Alliance For Securing Democracy*, August 2022, <https://securingdemocracy.gmfus.org/wp-content/uploads/2022/08/Chinas-sanctions-regime-and-Lithuania-Alliance-For-Securing-Democracy-Hinrich-Foundation-August-2022.pdf>.

7 European Commission, “EU refers China to the WTO following its trade restrictions on Lithuania,” Press Release, IP/22/627, January 22, 2022, https://ec.europa.eu/commission/presscorner/detail/en/IP_22_627.

8 Martin Luther King Jr., “The Negro Is Your Brother,” *The Atlantic Monthly*, Volume 212, No. 2, August 1963, 78 - 88.

9 Lee Jaehyon, “China Is Recreating the American ‘Hub-and-Spoke’ System in Asia,” *The Diplomat*, September 11, 2015, <https://thediplomat.com/2015/09/china-is-recreating-the-american-hub-and-spoke-system-in-asia/>.

other member states that turn rogue. Threat primarily appears to loom large for certain Central and European Countries (CEE) like the Czech Republic, Slovenia, and Poland,¹⁰ which have intensified cooperation with Taiwan since the pandemic, much to Beijing's chagrin. As more German policymakers turn away from the country's tolerant China policy, popular German industries too could face the wrath of the Dragon.

Geo-Economic Contestations in the 21st CE: A Catalyst to Interstate Cooperation or Threat to EU's Centrality?

"On such a full sea are we now afloat, and we must take the current when it serves, or lose our ventures."¹¹
-Shakespeare

Growing disagreements within the EU, owing to rising geo-economic contestations *vis-à-vis* greater powers, can stall the constructive efforts at deliberation, determination of comparable approaches, and the adoption of flexible mechanisms to identify emerging areas of collaboration. This fragmentation also stands to affect the interoperability within the Union, thereby weakening its stance on prevailing traditional and non-security threats, without the exception of the heinous economic sanctions imposed upon its member states.

The tools of economic coercion deployed by China shall thus over-ride the EU's economic sovereignty and violate its

centrality through the highly divisive "carrot and stick approach", thereby forcing the member states to defect from cooperation, step back from their united front, and undermine the EU's strategic autonomy.

The absence of a formal anti-coercion framework shall continue to impede the EU's economic receptiveness and undermine its sway in promoting a rules-based system. As one of the leading advocates of a "*rules-based, open monetary order*",¹² it is pertinent for the multilateral bloc to collectively counter the economic revanchism led by authoritarian regimes seeking to destabilise its economic heft.

The EU's Potential Excalibur and the Road Ahead

"International organizations exist within changing environments of world politics. To survive and to exercise an impact on politics, they must adapt creatively to new situations."¹³
-Robert Keohane

The contemporary geopolitics of trade and changing dynamics of international economic relations in today's age necessitate the need for a recalibration of the EU's economic deterrence policy. As a reactionary response to the offensive posture adopted by the likes of China, the new Anti-Coercion Instrument (ACI), proposed by the European Commission (EC) in December 2021, could be the potential Excalibur designed to rejuvenate

10 Alliance For Securing Democracy, German Marshall Fund Of The United States, "China's sanctions regime and Lithuania: Policy responses for European institutions," *Alliance For Securing Democracy*, August 2022, <https://securingdemocracy.gmfus.org/wp-content/uploads/2022/08/Chinas-sanctions-regime-and-Lithuania-Alliance-For-Securing-Democracy-Hinrich-Foundation-August-2022.pdf>.

11 William Shakespeare, "*Julius Caesar*", Act IV, Scene III.

12 Institute for Security and Development Policy, "Collective Economic Self-Defense Against Authoritarianism: Lessons for EU," *Institute for Security and Development Policy*, Special Paper, February 2022, <https://isdpeu.org/content/uploads/2022/02/Collective-Self-Defense-Against-Authoritarianism-24.02.2022.pdf>.

13 Lawrence S. Finkelstein, "International Organizations and Change: The Past as Prologue," *International Studies Quarterly* 18, no. 4 (December 1974): 485-520.

the EU's economic resilience.¹⁴

Serving as an impressive tool of last resort, the ACI intends to deter acts of economic coercion and incentivise other powers to prescribe by the rules, allowing the EU to hold fort in a code-red situation. Once approved by the European Parliament and the European Council (Co-legislators of the EC), the ACI can allow the EU to respond to punitive tariffs, import curbs, informal measures in the legal grey zone (such as 'popular boycotts'), and arbitrary border or food safety checks.

Incorporating countermeasures in sectors such as trade, financial markets, public procurement, and exports and encouraging targeted sectoral divestments can effectively deter economic adventurism and enable third-party companies to recover damages caused by listed natural or legal persons.¹⁵

However, despite its many potential merits, the ACI could be counterproductive if the EC fails to provide a detailed justification and offer an explanation of the legality of the instrument under international law, thereby undermining the multilateral rules-based order. Possible pitfalls in design could also inflict an undesired cost on EU companies and economies without necessarily achieving its objective or even escalating the measures and countermeasures, leaving the EU worse off than it already was.¹⁶ Additionally, the instrument could pose a moral hazard by encouraging certain companies to

take bigger risks (as witnessed during the Greek Financial crisis of 2007-08) and drown the entire EU market into confusion and confrontation. The risk of accidentally driving up protectionist overtures leading to a shift from 'trade openness to trade defence' cannot be ruled out.

While the dangers of adopting the ACI run high, the EU needs to weigh its benefits against the cons of not augmenting itself with a defensive 'collective economic security strategy'.¹⁷ Inaction, on the other hand, can be equally provocative, for the road not taken can encourage authoritarian regimes to step up their use of economic coercion *vis-à-vis* the EU. The absence of the ACI and ongoing policy paralysis might unleash the Pandora's Box, where countries continue to see such an activity as low-hanging fruit, thereby setting into motion the Sisyphean cycle of choked supply chains, burgeoning demand for goods and rising prices for basic commodities.

Preserving the EU's strategic autonomy must remain pivotal while reworking the technicalities of the ACI to suit the realities of the 21st-century world order. Thus, the EU, through the ACI, must aim at de-escalating conflict, implementing change, and reversing the '*widespread politicisation of economic interdependence*'¹⁸ through negotiations and sustained commitment to the rules-based geo-economic order to ensure its ideological centrality and functional longevity.

14 Marcin Szczepeński, "Proposed Anti-Coercion Instrument," European Parliamentary Research Service, PE 729.299, November 2022, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729299/EPRS_BRI\(2022\)729299_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729299/EPRS_BRI(2022)729299_EN.pdf).

15 *Ibid.*

16 European Council on Foreign Relations, "Tough Trade: The Hidden Costs Of Economic Coercion," *European Council on Foreign Relations*, February 2022, https://ecfr.eu/wp-content/uploads/2022/02/Tough-trade-The-hidden-costs-of-economic-coercion_Hackenbroich.pdf.

17 Institute for Security and Development Policy, "Collective Economic Self-Defense Against Authoritarianism: Lessons for EU," *Institute for Security and Development Policy*, Special Paper, February 2022, <https://isdsp.eu/content/uploads/2022/02/Collective-Self-Defense-Against-Authoritarianism-24.02.2022.pdf>.

18 European Council on Foreign Relations, "Tough Trade: The Hidden Costs Of Economic Coercion," *European Council on Foreign Relations*, February 2022, https://ecfr.eu/wp-content/uploads/2022/02/Tough-trade-The-hidden-costs-of-economic-coercion_Hackenbroich.pdf.

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