



# TOWARDS A MORE PRINCIPLED EUROPEAN CHINA POLICY?

Democracy, Human Rights and the Rule  
of Law in EU-China Relations

**TIM RÜHLIG**

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#### **Ifri**

27 rue de la Procession 75740 Paris Cedex 15 – FRANCE

Tel. : +33 (0)1 40 61 60 00 – Fax : +33 (0)1 40 61 60 60

Email: [accueil@ifri.org](mailto:accueil@ifri.org)

**Website:** [ifri.org](http://ifri.org)



# Author

**Tim Nicholas Rühlig** is a Research Fellow with the Europe and Asia Programs at The Swedish Institute of International Affairs (UI) in Stockholm. His research focuses on EU-China relations, China's politics of technical standardization, the emerging tech rivalry, Chinese foreign policy-making, China's political economy, and Hong Kong politics. His academic background lies in international relations, peace and conflict research, political science and anthropology. His PhD focuses on the question of how the opaque structure of the Chinese party-state and its inherent economic interests shape (foreign) policy-making in the People's Republic of China (PRC).



# Executive Summary

On 30 June 2020, China adopted a National Security Law for the Hong Kong Special Administrative Region that not only undermines human rights and the rule of law that were promised to its citizens, but also violates international law. A few weeks before, when China's intention became public, the European Union reacted cautiously, expressing concern but clarifying that the introduction of the law would not adversely affect its relations with China. The EU's first reaction fell far short of statements released by the United States, the United Kingdom and Australia, among others. But the EU's reaction grew more critical over time. The first EU institution to adopt a tougher approach was the European Parliament. Shortly after, the European Commission and – to a lesser extent – the European Council followed with statements by its presidents after the EU-China summit held on 22 June 2020.

This episode could turn out to be exemplary for the role of political values in the European Union's relations with China. China and Europe have fundamentally divergent political values, even though they often use the same terminology. For a long time, many Europeans believed that China's definition of democracy, human rights and the rule of law –, the three constitutive values enshrined in the Treaty of the European Union – would ultimately converge with the European understanding. This has not turned out to be the case. China is growing more self-confident, not only defending but starting to spread its own definitions of the triad of political values.

This comes at a time when the EU is realigning its China policy more generally. The new European Commission strives to be a “geopolitical” entity strategically engaging to achieve concrete results in its bilateral relations with China. The starting point of this shift is the 2019 “Strategic Outlook” developed by the European External Action Service, which defines China not only as a “partner”, but also a “competitor” and a “systemic rival”. On political values, China clearly is a “systemic rival”.

The crucial question is whether “systemic rivalry” in the field of political values carries implications for other policy fields in which the EU and China are partners or competitors. A general consensus that the EU should adopt a more principled China policy and defend and promote its political values spells out very differently across EU institutions. By institutional design, the European Council is a pragmatic rather than principled institution.

Compromise resulting from bargaining among member states with different interests shapes its approach. At the other end of the spectrum, the European Parliament serves a principled watchdog function, but has very limited competencies in foreign and security affairs. The European Commission strives to overcome the decades-old challenge of policy silos resulting from its fragmented institutional structure and the more than 60 sectoral dialogues with China. This carries the potential to turn more principled. However, to this day it is not clear whether the European Commission will make the promotion of political values a policy priority even if this comes at the cost of economic cooperation.

While promoting political values in China is a mammoth task, the realignment of the EU's China policy provides an opportunity to craft a more effective approach. If the EU acts strategically, in European unity, in concert with like-minded partners, while strengthening its record of upholding its political values and reforming its foreign policy decision-making procedures, it may have more impact than generally expected.

This paper outlines ongoing debates on the EU's new China policy and the role of political values in it, and provides 25 concrete policy recommendations for a more principled China policy that defends and promotes democracy, human rights and the rule of law.

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# Introduction

*“Have you been to China? Do you know that China has lifted more than 600 million people out of poverty? And do you know that China has developed into the world’s second-largest economy from a very low basis? Do you think this would have been possible without China protecting human rights?! [...] Nobody knows better about the human rights conditions in China than the Chinese people themselves and no-one from the outside should have a say in it.”<sup>1</sup>*

This was Chinese Foreign Minister Wang Yi’s response to a question from a Canadian journalist in summer 2016 asking how Canada intended to address Chinese human rights violations. Interviews with Chinese officials conducted in Beijing a few weeks later in the framework of this research went along similar lines. For instance, a senior member of the Chinese diplomatic corps said:

*“Can you believe a Canadian raised this question?! America and Germany are important countries, but Canada?! Nobody even knows the name of the Canadian foreign minister!”<sup>2</sup>*

The Chinese diplomat was not alone in his opinion. In the following week, two senior think-tank representatives independently echoed the diplomat’s perspective.<sup>3</sup>

Even if anecdotal, such responses are telling. The People’s Republic of China (PRC) rejects foreign interference or “lecturing” on issues of political values, including human rights. In 2020, Chinese President Xi Jinping has started to talk about the “four insists” as the basis of EU-China relations. Apart from openness and cooperation through the “dual circulation” economy, multilateralism through the UN-led order and dialogue and consultation, peaceful coexistence of the different political models of the EU and China is an explicit part of Xi’s “four insists”. With its growing economic and political impact, the PRC’s confidence in its own political system and its underlying values grows. What China considers the political values of “the West”, namely democracy, human

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1. Press conference of Canadian and Chinese Foreign Ministers Stephane Dion and Wang Yi in Ottawa, 1<sup>st</sup> June 2016, broadcast by CBC News, available at: [www.youtube.com](http://www.youtube.com) (accessed on 2019-01-15).

2. Author interview with a senior Chinese diplomat, June 2016, Beijing.

3. Two distinct author interviews with senior think-tank representatives advising the Central People’s Government, June 2016, Beijing.

rights and the rule of law, are not accepted as universal in Beijing – despite China having been a founding member and signatory of the Universal Declaration of Human Rights. This fundamentally contradicts the European Union’s (EU) approach, since the universal applicability of these political values is enshrined as constitutive principle in its treaty.

China’s increased confidence has undermined the long-held European belief in the “liberal teleology”, i.e. that economic and social development would ultimately lead to a liberalization of China. Europeans now fear that an authoritarian advance by China into Europe will undermine trust in democratic institutions in the continent.

Two of the most recent examples are Chinese disinformation during the Covid-19 pandemic, when the PRC not only countered reports that the virus originates in China but combined praise for its own approach to contain the virus with harsh criticism of European democracies.<sup>4</sup> Another example is the incorporation of Article 38 in Hong Kong’s new National Security Law. The article vaguely criminalizes criticism that China deems to challenge national security, even if voiced outside of the PRC and Hong Kong. Since national security is defined broadly in China, such a clause potentially covers any criticism of China’s Hong Kong policy. The law not only limits fundamental civil liberties but violates international law since it breaches the 1984 Sino-British Joint Declaration on Hong Kong, which is a bilateral treaty registered as such with the UN.<sup>5</sup>

These are just two exemplary cases of China’s increased self-confidence undermining democracy, human rights and the rule of law. Importantly, this shift in China’s posture comes at a time when the EU is realigning its China policy and contributes to the EU’s own repositioning.

This paper aims to assess how principled the EU’s approach is and how the Union could develop more effective promotion of the triad of political values in its relationship with China. A brief comparison of European and Chinese political values is followed by a description of the ongoing general realignment of the EU’s China policy. The main part of the paper delves into discussions and institutional structures within the three major EU institutions, namely the European Council, the European Commission and the European Parliament, and discusses the impact on the role of the three political values in its relations with the PRC. The paper ends with an assessment of the effectiveness of previous policies,

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4. See for example: Sina, "环球时报社评：瑞典向新冠病毒投降将害人害己," *Sina*, accessed: 2020-09-07, at: <http://news.sina.com.cn>.

5. T. Rühlig, *Understanding China’s Foreign Policy Contradictions*, Oxford: Oxford University Press, forthcoming. Ch. 4. T. Rühlig, “Hong Kong – the End of the City of Protest?,” *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*, 6: 2, forthcoming.

coupled with suggestions for improving them, including 25 concrete policy recommendations.



# Same words, different meaning: divergent political values for Europe-China relations

Having emerged from the legacy of World War II, the European Union and its precursors are often portrayed as a peace project that has developed into a community defined by the defense of universal values.<sup>6</sup> It has been a normative project from the outset to guarantee a peaceful Europe by creating economic interdependences. However, not only is the EU internally struggling to live up to its values, but promoting democracy, human rights and the rule of law in its relations with the PRC is a massive undertaking. While China often uses the same or similar terminology, it has very different understandings of these values. For a long time, Europeans believed that the understanding of core values was gradually aligning. This illusion has dissipated with Xi Jinping's tightening authoritarian grip on power.<sup>7</sup> Understanding the value differences is crucial to grasping what makes the relations between China and the EU complicated.

## The EU: based on universal values, struggling to live up to its aspirations

Democracy, human rights and the rule of law are not only often referred to as the foundation of the EU, but are enshrined in the Treaty of the European Union (TEU) as its constitutive values.<sup>8</sup> Internally, the Union has never fully complied with its normative aspirations; constraints in the right of asylum, as enshrined in international law, and the erosion of an independent judiciary in countries such as Hungary and Poland, for instance, have made

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6. I. Manners, "Normative Power Europe: A Contradiction in Terms?", *Journal of Common Market Studies*, 40: 2, 2002, pp. 235-258.

7. N. Grünberg and K. Drinhausen, *The Party Leads on Everything. China's Changing Governance in Xi Jinping's New Era. Merics China Monitor*, Berlin: Merics, 2020.

8. Article 2 reads: "The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail." European Union, *Consolidated Version of the Treaty on European Union*, Brussels: EU, 2012, § 2.

this issue more severe in recent years.<sup>9</sup> And many right-wing populist political forces aim to transform the EU from a community of solidarity with shared values into an exclusively economic community, with the Single Market at the core.<sup>10</sup> Hence, the question of how the Union relates to political values is a contested and defining one for the EU.

The role of these values is not limited to EU internal affairs. The TEU spells out that the Union regards its constitutive values as universal and defines their promotion as the goal of EU foreign policy.

*“The Union’s action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.”<sup>11</sup>*

While the EU has often been accused of selling out political values for the sake of economic cooperation with authoritarian states, including China,<sup>12</sup> the Union continues to be framed as part of a values-based alliance that seeks to promote democracy, human rights and the rule of law by means of cooperative, rules-based multilateralism.

## Political values in China: striving to empower one-party rule

While the Chinese government and the ruling Chinese Communist Party (CCP) also often refer to democracy, human rights and the rule of law, they have fundamentally different understandings of these values. The Chinese rulers understand the normative force inherent in the triad of political

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9. Human Rights Watch, “The European Union”, *Human Rights Watch*, accessed: 2019-06-17, at: [www.hrw.org](http://www.hrw.org); N. Chronowski and M. Varju, “Two Eras of Hungarian Constitutionalism. From the Rule of Law to Rule by Law”, *The Hague Journal of the Rule of Law*, 8: 2, 2016, pp. 271-289; W. Rech, “Some Remarks on the EU’s Action on the Erosion of the Rule of Law in Poland and Hungary”, *Journal of Contemporary European Studies*, 26: 3, 2018, pp. 334-345; K. Miklóssy, “Lacking Rule of Law in the Lawyers’ Regime. Hungary”, *ibid.*, pp. 270-284; D. Bunikowski, “The Constitutional Crisis in Poland, Schmittian Questions and Kaczynski’s Political and Legal Philosophy”, *ibid.*, pp. 285-307.

10. “Rechte Vision: ”Europa der Vaterländer””, *Süddeutsche Zeitung*, accessed: 2019-06-17, at: [www.sueddeutsche.de](http://www.sueddeutsche.de).

11. European Union, *Consolidated Version of the Treaty on European Union*, Brussels: EU, 2012, § 21(2).

12. In particular, critics have emphasized that the EU has not prioritized human rights. For example, the EU’s weapons embargo imposed after the massacre at Beijing’s Tiananmen Square on 4 June 1989 has often been accused of many loopholes. Another example is the accusation that the EU’s Human Rights Dialogue with China is ineffective and serves only as an excuse for European states to avoid taking meaningful steps. M. Mattlin, “Dead on Arrival: Normative EU Policy Towards China”, *Asia Europe Journal*, 10: 2-3, 2012, pp. 181-198.

values, but fear that they could undermine the CCP's authority domestically. Hence, the Chinese government seeks to distort the meaning of these terms and, in essence, propose alternative definitions. Instead of individual civil liberties and political human rights, the CCP focuses on economic human rights. In an interview, a senior official of the Chinese Central People's Government said:

*“You must understand that we have a much more holistic understanding of human rights. [...] And here is the crucial point: only because the West has defined human rights in a certain way, you guys believe that everyone should follow this definition and intervene. But what about other human rights?! What about the right to development?!”<sup>13</sup>*

The focus on economic well-being is often linked to what Chinese officials term “cultural” human rights, i.e. the possession of material conditions to participate in society. At the same time, however, China denies the right of cultural self-expression to minorities living in Xinjiang, Tibet and Inner Mongolia, which makes references to “cultural human rights” rather cynical.

The Chinese party-state's definition of human rights clearly serves legitimation of the one-party state. China's enormous economic development since the reform and opening-up policy introduced in the late-1970s has not been accompanied by the introduction of civil liberties. China's leaders argue that withholding individual rights has enabled the national collective to develop under the leadership of the CCP. Hence, the Chinese leaders point to the country's successful economic development to justify that they do not tolerate a questioning of their power under the guise of freedom of speech. After a video call with von der Leyen, Michel and Merkel, Xi Jinping publicly stated that “there is no universal human rights path.”

With regard to the definition of democracy, a senior member of the CCP said when discussing the status of Hong Kong: *“You have Western democracy. We have real democracy. How do you know that Western democracy is better for Hong Kong? After all, it is a Chinese city.”<sup>14</sup>*

Aiming to discredit liberal democracy, official Chinese sources refer to it as chaotic and inefficient. One example is the following quotation from China's official news agency, Xinhua:

*“As crises and chaos swamp Western liberal democracy, it may be instructive to examine the ‘Chinese democracy’ and ask how the system which sets the current standards for development*

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13. Author interview with a senior ministerial official of the Central People's Government, August 2016, Beijing.

14. Author interview with a senior CCP member, August 2016, Beijing.

*and progress measures up.[...] As parties in the West increasingly represent special interest groups and social strata, capitalist democracy becomes more oligarchic in nature. The cracks are beginning to show, with many eccentric or unexpected results in recent plebiscites. Under the leadership of a sober-minded, forward-looking CPC [Communist Party of China], Chinese-style democracy has never been healthier and China has absolutely no need to import the failing party political systems of other countries. After several hundred years, the Western model is showing its age. It is high time for profound reflection on the ills of a doddering democracy which has precipitated so many of the world's ills and solved so few.”<sup>15</sup>*

The Chinese leaders' rejection of what they term “Western” democracy relates especially to *electoral* democracy. In fear of political competition that would question the CCP's claim to sole representation of the Chinese people, the governing elite argues that meritocratic leadership is more important than democracy.<sup>16</sup> Competence is supposed to outperform expression of the will of the people. This does not imply that the CCP does not aim to grasp public opinion. Local experiments with forms of participation, particularly in the form of consultations or a (defunct) national petition system, are examples of limited forms of participation that do not question CCP rule as such.<sup>17</sup> In recent years, experiments with political participation are again declining.

When it comes to the rule of law, China has strengthened the role of laws for governance but insists that the CCP remains above the law. Hence, the PRC is developing a rule *by* law regime in which the law does not constrain the powerful. It provides no legal predictability and does not safeguard the rights of the people.<sup>18</sup> Instead, the law simply turns into an instrument of the governing elite. It is an instrument of power.

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15. Xinhua, “Enlightened Chinese Democracy Puts the West in the Shade”, *Xinhua*, accessed: 2019-06-13, at: [www.xinhuanet.com](http://www.xinhuanet.com).

16. B.B. Zhao and D. Bell, “Appendix 2. A Conversation Between a Communist and a Confucian”, *The China Model. Political Meritocracy and the Limits of Democracy*, edited by D. Bell, Princeton: Princeton University Press, 2015.

17. B. He and S. Thøgersen, “Giving the People a Voice? Experiments with Consultative Authoritarian Institutions in China”, *Journal of Contemporary China*, 19: 66, 2010, pp. 675-692.

18. T. Ginsburg and T. Moustafa (eds.), *Rule by Law: The Politics of Courts in Authoritarian Regimes*, Cambridge: Cambridge University Press, 2008; J. J. Kinkel and W. J. Hurst, “The Judicial Cadre Evaluation System in China: From Quantification to Intra-state Legibility”, *China Quarterly*, No. 224, 2015, pp. 933-954; M. Salter, “The Liberal Rule-of-law as a Critical Yardstick for China? Explaining Some Contradictions”, *Global Journal of Comparative Law*, 5: 1, 2016, pp. 5-44; M. Tushnet, “Rule by Law or Rule of Law?”, *Asia Pacific Law Review*, 22: 2, 2016, pp. 79-92; L. C. Li, “The ‘Rule of Law’ Policy in Guangdong. Continuity or Departure? Meaning, Significance and Processes”, *China Quarterly*, No. 161, 2000, pp. 199-220.

To the PRC's ruling elite and some Chinese academics, China represents a culture that is not only distinct from the West but also incompatible with the self-determination of the people. Legal predictability is entirely decoupled from the method of law creation.<sup>19</sup> Alternative forms of governance in Taiwan and Hong Kong challenge this perspective, and pose an inherent risk to the CCP's insistence on its own definition of political values that aims to fulfill only one purpose: the legitimization of one-party rule.

## Drifting further apart: rising EU-China tensions over political values

The PRC's opposition to Europe's constitutive political values is not new. However, China's growing international power, coupled with its rising self-confidence, as well as recent grave human rights violations in China risk undermining the triad of political values the EU stands for even more than was the case in previous decades. Of particular concern is the situation in the northwestern province of Xinjiang, where between several hundred thousand and 1.5 million Muslims, mostly from the minority Uighur and Uzbek communities, are held in "reeducation camps". Many detainees are detained without any reason other than their ethnic or religious belonging.<sup>20</sup> A number of reports indicate the use of forced labor and systematic birth control through sterilization.<sup>21</sup>

The deterioration of political values in Xinjiang is only the tip of the iceberg. In China overall, freedom of the press is further declining. Xi Jinping publicly announced that the media should serve the CCP.<sup>22</sup> According to Freedom House, the conditions of press freedom in China – already categorized as "not free" when Xi rose to power – have further deteriorated.<sup>23</sup> The disregard of promised rights in Hong Kong (as summarized above) is yet another example of this trend that more than ever raises the question for the EU: how should it respond to the violation of universal values on which it claims to base its foreign policy?

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19. W. Pan, "Toward a Consultative Rule of Law Regime in China", *Journal of Contemporary China*, 12: 34, 2003, pp. 3-43.

20. *China's Algorithms of Repression: Reverse Engineering a Xinjiang Police Mass Surveillance App*, New York: Human Rights Watch, 2019; "China", Human Rights Watch, accessed: 2019-06-17, at: [www.hrw.org](http://www.hrw.org).

21. A. Zenz, "Sterilizations, IUDs, and Mandatory Birth Control. The CCP's Campaign to Suppress Uyghur Birthrates in Xinjiang", Washington D.C.: Jamestown Foundation, 2020.

22. T. Phillips, "'Love the Party, Protect the Party': How Xi Jinping Is Bringing China's Media to Heel", *The Guardian*, accessed: 2019-06-17, at: [www.theguardian.com](http://www.theguardian.com).

23. "Freedom of the Press 2017. China", Freedom House, accessed: 2019-06-17, at: <https://freedomhouse.org>.

Not only has experimentation with political participation declined, but the PRC has started to export surveillance technologies to authoritarian governments around the globe, coupled with seminars that teach rulers how to control domestic opposition.<sup>24</sup> Chinese global disinformation campaigns further diminish trust in democracies, not least within the European Union.<sup>25</sup>

As a result, the EU is not only concerned about the domestic deterioration of the triad of political values in China, but also about containing the external effects of Chinese authoritarianism. This increases tensions between the EU and China.

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24. Democratic Staff, *The New Big Brother. China and Digital Authoritarianism*, Washington D.C.: United States Senate, Committee on Foreign Relations, 2020.

25. European Union High Representative of the Union of Foreign and Security Policy, Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. *Tackling Covid-19 Disinformation – Getting the Facts Right*. JOIN(2020) 8 final, Brussels: European Commission, 2020; EU vs. Disinfo, “EEAS Special Report Update. Short Assessment of Narratives and Disinformation around the COVID-19 Pandemic (Update 23 April–18 May)”, EU, accessed: 2020-09-19, at: <https://euvsdisinfo.eu>.

# The transformation of EU-China relations: paving the way for rediscovering political values?

Despite the differences in political values, for decades EU-China relations were dominated by economic cooperation. While critics have always argued that the EU is selling out its political values, proponents of the traditional European China policy argued that engagement with China contributed to a pluralization of Chinese society, whereby it would ultimately demand civil liberties and democracy. Underlying this “constructive engagement” approach was belief in a teleologic “double liberalization”, i.e. that liberalization of the economy would inevitably lead to political liberalization in the long run.<sup>26</sup>

Previously widespread support for the relatively straightforward “constructive engagement” has dissipated in Brussels and the capitals of the EU member states. EU-China relations are undergoing a fundamental transformation, and a more complex relationship is emerging. Political values continue to be marginalized, but their future role needs to be assessed against the background of changing relations.

## Disillusioned Europeans: the EU realigns its China policy

The cause of Europe’s realignment lies in a combination of four factors. The EU is increasingly frustrated by lack of economic reform, limited diplomatic progress, Chinese policies undermining European cohesion, and the lack of political liberalization.

Maybe most important is a shift in how economic competition from China is experienced and framed. European industry used to be China’s strongest ally within Europe but has now grown critical of the country. Most prominently, in early 2019, the German industry association BDI termed

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26. See e.g. European Commission, *Country Strategy Paper China. 2002-2006*, Brussels: European Commission, 2002.

China not only a “partner” but a “systemic competitor”.<sup>27</sup> This change in view and terminology results from a lack of domestic economic reform in China, leading to an unlevel playing field between EU and Chinese companies, and the increasing competitiveness of Chinese firms up and down the value chain, so that they compete more directly with European companies. With European industry turning more critical of China, the PRC has lost the most influential lobbyist for a policy that focuses on economic cooperation.

Second, not only European industry but also EU officials are frustrated by the lack of progress in recent years on the diplomatic front. For seven years, China and the EU have been negotiating a Comprehensive Agreement on Investment (CAI), but it is questionable whether the negotiations will conclude in 2020. Despite some progress, a video conference involving Chinese President Xi Jinping, the presidents of the European Council and the European Commission, Charles Michel and Ursula von der Leyen, as well as German Chancellor Angela Merkel (holding the Council presidency) has not fundamentally changed the prospects of EU-China cooperation and the CAI. The EU-China summit in June 2020 ended without any consensual written document. Neither an “Agenda 2025” for cooperation nor a joint communication were released. Both sides informed the media separately, with remarkably different assessments of the negotiations.<sup>28</sup> In 2016 and 2017 also, the two sides did not agree on a joint declaration. Only in 2018 were EU officials optimistic, when a joint statement mentioned human rights concerns in the second paragraph.<sup>29</sup> In 2019, EU negotiators turned much more cautious. Despite Chinese concessions (including a relatively clear commitment to human rights projection in the joint communique), they saw little if any progress in cooperation between the summits. As a European Commission official said:

*“Last year, we have been very optimistic after the [EU-China] Summit because we felt that in the current political situation with the US-Chinese rivalry, we could really achieve something. The Summit results were excellent. But since then we have seen no progress at all. Whatever the Chinese promised to us they have not kept. It is very frustrating and we can only hope that this will change soon.”<sup>30</sup>*

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27. “Partner and Systemic Competitor: How Do We Deal with China’s State-controlled Economy?”, Policy Paper, Berlin: BDI, 2019.

28. “Press Conference by President von der Leyen Following EU-China Summit”, European Commission, accessed: 2020-07-26, at: [www.youtube.com](http://www.youtube.com); “Xi Jinping: China, EU should Expand Common Interests through Cooperation”, CGTN, accessed: 2020-07-26, at: <https://news.cgtn.com>.

29. European Union, Joint Statement of the 20th EU-China Summit, Brussels, European External Action Service, 2018. In the 2015 joint statement, political values were hardly mentioned, and only in the latter part of the document. An exception was the installment of the LAD European Union, “EU-China Summit Joint Statement”, European Union, accessed: 2018-05-18, at: <https://eeas.europa.eu>.

30. Author interview with an official of the European Commission, May 2019, Brussels.

The third factor consists of frustrations related to what are seen as efforts by China to weaken European cohesion. EU officials further perceive Chinese diplomatic outreach to 17 (originally 16) Central Eastern and Eastern European countries, including 12 EU member states, as a “divide and rule” strategy aimed at weakening the Union. Failures to agree on a clear joint EU statement on the South China Sea dispute and Chinese human rights violations in 2016 and 2017, respectively, due to the resistance of individual countries in the region seemed to confirm such concerns. Interestingly, however, enthusiasm among the 17 European states has dwindled dramatically, since economic and political gains from the cooperation turned out to be limited.<sup>31</sup> Across Europe, the so-called 17+1 format seems to have strengthened opposition against China.

Fourth and finally, the “constructive engagement” policy is seen as a failure. Economic engagement has – as long hoped – diversified China’s society. However, not only has economic liberalization been reversed under Xi, but significant progress towards democratization has never emerged in the PRC. While this may have required a more active and principled policy from both the EU and the US, it has fueled widespread perception of a failed China policy.<sup>32</sup> A major factor in the realization that the previous China policy has failed stems from China’s recent turn to even more authoritarian policies, particularly since Xi Jinping took office (see previous section).

## The new “geopolitical Commission”: from “principled pragmatism” to “systemic rivalry”?

In the EU’s response to these developments, a first step was the adoption of a new China strategy in 2016, in which the EU states that its China policy “should be principled, practical and pragmatic”.<sup>33</sup> This “principled pragmatism”, however, was ambivalent on whether to develop a more pragmatic or a more principled China policy.<sup>34</sup> In reaction to this lack of

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31. J. Szczudlik, “Seven Years of the 16+1. An Assessment of China’s ‘Multilateral Bilateralism’ in Central Europe”, *Asie.Visions*, No. 107, Paris: Ifri, 2019.

32. For an excellent discussion, see A. I. Johnston, “The Failures of the ‘Failure of Engagement’ with China”, *The Washington Quarterly*, 42: 2, 2019, pp. 99-114.

33. Council of the European Union, “Outcome of Proceedings. EU Strategy on China – Council Conclusions”, *Council of the European Union*, accessed: 2018-05-18, at: <https://eeas.europa.eu>. In the joint EU-China strategic agenda for cooperation, the EU was also willing to adopt a pragmatic stance and hardly mentioned political values at all. “EU-China 2020 Strategic Agenda for Cooperation”, European Union, accessed: 2018-05-18, at: <http://eeas.europa.eu>.

34. F. Godement and A. Vasselier, *China at the Gates: A New Power Audit of EU-China Relations*, London: ECFR, 2017. Author’s interviews with EU officials and policy-makers in the period April-July 2018 in Brussels.

clarity and in light of further developments, the European External Action Service (EEAS) developed a new “Strategic Outlook” (March 2019).<sup>35</sup> At the core of this document lies a tripartite characterization of China as “partner”, “competitor” and “systemic rival”. In particular, the framing of “systemic rival” stands out in that it is much tougher language than ever used before. Discussion of political values, however, plays only a minor role in the “Strategic Outlook”.

The preliminary peak of the EU’s tougher China policy came with the new European Commission under Ursula von der Leyen describing itself as the first “geopolitical Commission”. This fueled debates over European “strategic autonomy” from foreign powers, including China, and how the EU should position itself in the emerging US-China power rivalry.

According to the Commission, its characterization as “geopolitical” reflects the intention to better coordinate internally (see below), work towards clearly defined and narrow deliverables instead of developing relations with China more generally, and take into account the international implications of domestic decisions. At first, it was unclear how the new Commission would deal with the “systemic rival” dimension of the Strategic Outlook. In particular, statements of Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy (HR/VP), after the Strategic Dialogue with China on 9 June 2020, fed suspicion that the EU might back down. Only weeks later, the EU-China Summit and the subsequent announcements by von der Leyen and Charles Michel, President of the European Council, made clear that the EU would stick to the terms of the 2019 Strategic Outlook.

Despite this renewed commitment, the implementation of relations under the tripartite characteristic of China as partner, competitor and systemic rival remains largely undefined. One way of interpreting it would be to treat China very differently depending on the degree of overlapping interests. This would keep the three “pillars” separate from each other. For example, cooperation in a field with a lot of common interests, such as climate change, would remain unaffected by systemic rivalry over political values. Another interpretation would imply that systemic rivalry necessarily carries implications for other issue areas, and vice versa.

The EU is still debating and negotiating how to spell out the Strategic Outlook. The next section delves into these discussions as they affect the role of political values.

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35. *EU-China – A Strategic Outlook. European Commission and HR/VP Contribution to the European Council. 12 March 2019*, Brussels: European Commission, 2019.

# What role for political values? Tracking debates in EU institutions

The EU's realignment of its China policy comes with a controversial discussion of the role political values should play in the future relationship. While there is broad consensus that the Union should become more principled, what that implies remains highly controversial. Views range from a defensive perspective of merely fending off authoritarian Chinese influences in the EU, to working on issues of common concern (e.g. shifting the human rights agenda from civil liberties to social and economic rights), to focusing on international political values (e.g. the preservation of rules-based multilateralism), to containing the impact of Chinese political values globally, to continuing to pressure China on its human rights record.<sup>36</sup> Since EU policy-making is carried out in a complex set of institutions, it is worth discussing the debates in those institutions on the role of political values for future EU-China relations.

## The Council: confronted with the diversity of member-state interests

The European Council plays a core role in determining the placement of political values in relations with China, as foreign and security policy falls under the intergovernmental competence of the EU member states and is decided by unanimous vote. The Council's core challenge is the great diversity of interests and views among the member states. The 2018 annual report of the European Think-tank Network on China (ETNC) reviewed the stances of 17 countries (of which 15 continue to be EU member states), demonstrating that the countries follow four different patterns of behavior: proactive and vocal, proactive and discreet, passive, and passive and potentially counteractive.<sup>37</sup>

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36. Author interviews with EU officials and policy-makers, April-July 2018, Brussels.

37. T. Rühlig *et al.* (eds.), *Political Values in Europe-China Relations. A Report by the European Think-tank Network on China (ETNC)*, Stockholm: European Think-tank Network on China, 2018.

**Proactive and relatively vocal** states defend human rights both publicly and in discreet formats (e.g. in human rights dialogues) with their Chinese counterparts, run cooperative projects promoting human rights and the rule of law in China, and regularly sign on to ad-hoc multilateral initiatives condemning Chinese human rights violations. The latter includes statements on the situation of civil rights defenders (in 2015, 2016) or in Xinjiang (in 2019 and 2020). The 2018 ETNC report names Germany, Sweden and the United Kingdom as proactive and relatively vocal. While the above criteria apply to all three countries, Germany is the least principled among the three. One example is the introduction of the National Security Law in Hong Kong. Whereas the Merkel government remained critical but cautious, the UK adopted a much clearer position and angered China by offering a path to UK citizenship for up to three million Hong Kong citizens.<sup>38</sup> Sweden was the only EU member state to call for sanctions following the introduction of the National Security Law.<sup>39</sup> Early signs indicate that Germany could turn more principled after the next election, with Merkel not running for a fifth term in office.

**Proactive and discreet** countries differentiate themselves from the first group by largely remaining active in discreet forums while avoiding elaborate public statements. They also relatively often join ad-hoc coalitions and run cooperative projects in China. Since Belgium, Denmark, France, the Netherlands and Norway raise concerns over political values in discreet diplomatic channels with China, actively promote putting them on the EU's agenda, but remain relatively silent or low-key in public, the ETNC report classifies them in the second group.

**Passive** states are classified as supportive within the EU but do not take the initiative, outsourcing the controversial subject to the EU and mostly avoid speaking out publicly for the three political values in relation to China. Countries in this group include the Czech Republic, Latvia, Poland, Portugal, Romania and Spain. The example of the Czech Republic demonstrates that a relatively passive government does not necessarily mean that civil society and opposition must be passive and discreet. In fact, China has turned into a divisive issue in the country. In essence, all of these states' governments have "outsourced" contentious issues touching on political values to the EU. As one member-state representative explained in July 2018 (country representative A):

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38. "Hong Kong: UK Makes Citizenship Offer to Residents", BBC, accessed: 2020-07-26, at: [www.bbc.com](http://www.bbc.com).

39. "Linde: Inget stöd för sanktioner mot Kina", SVT, accessed: 2020-07-26, at: [www.svt.se](http://www.svt.se).

*“None of us can change China. Look at Germany: Germany is the strongest European country and they try hard. But what have they achieved when it comes to political values in China? Nothing! We need to leave that to the EU. We as small EU states will not have any impact on China even if we try hard in our bilateral relationship.”<sup>40</sup>*

**Passive and potentially counteractive** states largely share the same pattern of behavior as the previous category, but occasionally break from European consensus in support of China or are deeply divided domestically over the issue. Here could be included Greece, Hungary and Italy. Most of the time, these three states act similarly to the passively supportive group of states. In 2016, however, Hungary and Greece (alongside Croatia) watered down the EU’s condemnation of China’s rejection of the Permanent International Court of Arbitration ruling in its dispute with the Philippines over the South China Sea.<sup>41</sup> One year later, for the first time in its history, the EU was unable to take a unified stance on Chinese human rights violations in the United Nations Human Rights Council, due to the veto cast by Greece.<sup>42</sup> Since then, a new center-right government has come to power in Athens that appears to be more pro-European.

Italy, in contrast, has not adopted any similar policy on political values. What led the ETNC report to classify Italy in the fourth group was that the country’s political elite remains deeply divided over its relations with China, with the potential of turning more China-friendly on issues of political values as well. In October 2020, Italy also joined a German-led initiative in the United Nations General Assembly’s Third Committee (social, humanitarian, and cultural affairs) expressing grave concern about the human rights situation in Xinjiang and recent developments in Hong Kong. Seven EU countries did not sign up to this initiative, namely the Czech Republic, Greece, Hungary, Malta, Portugal, and Romania. Hence, it might be more appropriate to list Italy in the third group. This is in stark contrast to the Hungarian approach: While Hungary’s Prime Minister Viktor Orbán voices admiration for China’s authoritarian governance model, the Italian and Greek leadership have always made clear their adherence to the EU’s fundamental values, but do not rule out siding with China on an ad-hoc basis if this promises preferential treatment (e.g. investments).

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40. Author interview with a representative of an EU member state in the European Council, July 2018, Brussels.

41. G. Gotev, “EU Unable to Adopt Statement Upholding South China Sea Ruling”, *Euractiv*, accessed: 2020-07-26, at: [www.euractiv.com](http://www.euractiv.com).

42. R. Emmott and A. Koutantou, “Greece Blocks EU Statement on China Human Rights at U.N.”, *Reuters*, accessed: 2020-07-26, at: [www.reuters.com](http://www.reuters.com).

These differences among EU member states play out in the European Council, in which they attribute diverging importance to political values in their relations with the PRC. As one member-state representative explained in June 2018 (country representative B), *“Political values are the cornerstone and foundation of our relations with China. Particularly in these times that the US is retracting from its commitment to democracy and human rights, we must be the ones standing up for it here in the EU.”*<sup>43</sup>

This exemplary position contrasts with the views of another, interviewed a month later (country representative D):

*“It is naïve to believe that our relations with China are mainly about political values. We profit from Chinese investments in the Belt and Road Initiative. This is what counts. [...] You must also understand that we will not change China. I wish I could be more optimistic. But we have no leverage. So why bother about democracy?!”*<sup>44</sup>

### ***Less principled due to diversity and institutional rules***

The European Council’s unanimous voting requirement for foreign and security policy turns these divergent stances on political values into a real challenge for the EU. Even if China succeeds in winning over only one member state, the Council is paralyzed and cannot take a principled approach in defending political values in relations with the PRC. This empowers dissenting EU member states as they can turn issues of political values into the subject of classical bargaining in package deals.<sup>45</sup> As a result, condemnation of Chinese political values can be leveraged in internal power struggles. The most obvious example of this multilayered dynamic is the Greek veto against a unitary EU stance in the UN Human Rights Council in 2017.<sup>46</sup> Back then, China did not need to request Greece to block the decision in the European Council; the veto may be best explained by a combination of anticipatory obedience and a chance for Greece to increase its political leverage within the EU. After Greece suffered from the EU’s austerity politics, this vote may have very well served the function of reminding EU partners of Greek influence.<sup>47</sup> Similarly, many policymakers suspect

43. Author interview with a representative of an EU member state in the European Council, June 2018, Brussels.

44. Author interview with a representative of an EU member state in the European Council, July 2018, Brussels.

45. Author interviews with representatives of EU member states in the European Council, April-July 2018, Brussels.

46. T. Christiansen *et al.*, *The European Union and China*, London: Macmillan, 2019.

47. Author interviews with EU officials and policymakers, April-July 2018, Brussels.

Hungary of seeking to emphasize potential cooperation with China in order to increase Hungarian leverage within the EU.<sup>48</sup> In their relations with China, in turn, EU membership also empowers both Greece and Hungary; most likely these two states would be less attractive destinations for Chinese investments without EU membership.

Against this backdrop, a debate has emerged within the EU to eliminate unanimous voting, at least in some fields of foreign and security decision-making. While such a change of the treaties could reduce Chinese pressure on smaller member states to break from a more principled EU policy,<sup>49</sup> it would also make these states more irrelevant for China (country representative E): *“I don’t want to sound cynical, but I doubt China would consider us an important state in terms of political influence [if we had no veto power in the European Council].”*<sup>50</sup>

This institutional arrangement leads to a paradox. On one hand, a relatively wide consensus among member states exists over the importance of political values, coupled with awareness that relations with China are of strategic importance and require a regular and unitary EU stance. On the other hand, the European Council remains a force of a less principled and more pragmatic policy that does not prioritize political values.

## **The Commission and the EEAS: reassessing China policy – from policy silos to strategic coordination?**

The most significant shift to a more critical and more principled China policy with the potential to defend political values is taking place within the new European Commission that came into office in December 2019, and in the EEAS. As introduced above, the “Strategic Outlook” as developed by the EEAS under the previous Commission adopted a more critical stance on China, which is setting the scene for the new “geopolitical” von der Leyen Commission.

The most promising aspect of the new Commission’s policy is that it aims to overcome policy silos and strives for strategic coordination across the Commission’s interactions with the PRC. The highest channel of direct EU-China interaction is the EU-China Summit, jointly run by the European Council and European Commission. It is complemented by the high-level strategic, economic dialogues and the high-level digital dialogue, as well as

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48. Author interviews with EU officials and policymakers, April-July 2018, Brussels.

49. Author interview with a senior official of the European Commission, June 2018, Brussels.

50. Author interview with a representative of an EU member state in the European Council, July 2018, Brussels.

60-70 sectoral dialogues which are conducted according to existing mandates by different departments of the European Commission's Directorates-General (DGs).<sup>51</sup> EU-China cooperation in these sectoral dialogues is so multiple and diverse that even many member states and European Commission officials find it difficult to follow: *"The truth is I hardly know what is happening in the other sectoral dialogues. In fact, there are many dialogues that I am not even aware of. Nobody has an overview over what we are doing with China. It is a shame but it is true."*<sup>52</sup> This perception is widely shared in EU institutions, including among senior policymakers and officials.<sup>53</sup> On a German-Dutch initiative in 2019, the European Commission delivered a list of cooperative activities to the European Council in an attempt to address this shortcoming.<sup>54</sup>

Most importantly, the fragmented nature of the Commission's interaction with China in the sectoral dialogues has led to policy silos. EU negotiators follow different agendas without linking issues or following a strategic vision. The EU Commission under von der Leyen seeks to change this. It still remains to be seen how successful it will be in its efforts and whether this change in approach comes with an upgrading of political values. As of summer 2020, the strategic objectives in the economic domain, such as the Comprehensive Agreement on Investments, are much further developed. The EU's reaction to the introduction of a National Security Law in Hong Kong is instructive. In a first reaction, Josep Borrell voiced concerns only to add that it would not affect investment negotiations.<sup>55</sup> Two weeks later, von der Leyen, addressing the press alongside Michel after the EU-China Summit, found much clearer words hinting at "consequences" if China did not reconsider its policy towards Hong Kong.<sup>56</sup> Since many sectoral dialogues touching on political values have not taken place in 2020 due to the Covid-19 crisis, it remains to be seen whether Borrell's or von der Leyen's words set the tone for the new European Commission's approach to political values in its relations with China.

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51. For a broad though incomplete overview see: European Union, "EU-China Dialogue Architecture", European Union, accessed: 2018-05-18, at: <https://eeas.europa.eu>.

52. Author interview with an official of the European Commission, June 2018, Brussels.

53. Author interviews with EU officials, April-July 2018, Brussels.

54. Author interview with a member-state representative in the European Council, July 2018, Brussels.

55. J. Barigazzi, "Borrell: China's Move in Hong Kong Doesn't Endanger Investment Deals", *Politico*, accessed: 2020-07-23, at: [www.politico.eu](http://www.politico.eu).

56. "Press Conference by President von der Leyen Following EU-China Summit", European Commission, accessed: 2020-07-26, at: [www.youtube.com](http://www.youtube.com).

## ***The Human Rights Dialogue: a productive framework to address political values?***

Most of the sectoral dialogues are rather technical and do not directly address political values. The most crucial exceptions are the Human Rights Dialogue (HRD) and the Legal Affairs Dialogue (LAD). This situation is rather comfortable for the PRC because issues of political values remain contained in these two dialogue formats without hampering cooperation in other fields, unless the new Commission integrates the agendas of both sectoral dialogues more systematically.

Even the HRD with China, however, has been subject to constant criticism since its establishment. After the killing of protesters at Beijing's Tiananmen Square on 4 June 1989, the EU installed an arms embargo against the PRC, which has had little if any effect.<sup>57</sup> Already in the mid-1990s, only a few years after the 1989 trauma, EU member states had given up on tabling and sponsoring critical resolutions on Chinese human rights violations in the annual UN Commission on Human Rights<sup>58</sup> meetings, and installed the HRD with the PRC as a substitute.<sup>59</sup> This decision has been subject to massive criticism from both human rights NGOs and academia because the HRD is accused of not having achieved any substantial results while taking public pressure off the Chinese government.

At the same time, however, the case of the HRD is an example of the EU's dilemma with promoting political values in its relations with China. On the one hand, some hold the position that the EU-China HRD is counter-productive and should be terminated. Karin Kinzelbach, for example, argues that the HRD serves as a training format behind closed doors for young Chinese diplomats to practice how to respond to human rights accusations.<sup>60</sup> On the other hand, terminating the HRD would be disastrous signaling – not only downgrading human rights and making it more difficult to raise human rights concerns, but signaling to the Chinese government that the EU is not interested in the subject any longer. As an EEAS official deeply involved in the HRD stated:

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57. J.-C. Gottwald *et al.*, "The European Union and China: Status, Issues, Prospects", *Civil Society in European-Chinese Relations*, edited by N. Sausmikant and K. Fritsche, Essen: EU-China Civil Society Forum, 2010, pp. 7-31; M. Paulo, "Examination of the Contemporary EU-China Political and Economic Links", *The European Union and the BRICS*, edited by M. Rewizorski, Cham: Springer, 2015, pp. 95-119.

58. The UN Commission on Human Rights was replaced by the UN Human Rights Council in 2006.

59. G. Balducci, "The Limits of Normative Power Europe in Asia: The Case of Human Rights in China", *East Asia*, 27: 1, 2010, pp. 35-55; T. Christiansen *et al.*, *The European Union and China*, *op. cit.*

60. K. Kinzelbach, "The EU's Human Rights Dialogue with China. Quiet Diplomacy and Its Limits", New York: Routledge, 2015.

*“It is really difficult to say whether we should keep the dialogue or not. I see that we can actually help individual human rights defenders when raising their fate. I also believe that we need to take a stance. But I also know that nothing substantially changes for the better and that the dialogue is some sort of fig-leaf for large parts of the continent to do nothing.”<sup>61</sup>*

The families of dissidents held in custody report that the conditions of their relatives in Chinese prisons tend to be better when Europeans raise the fate of these individuals in Human Rights Dialogues, be it the EU dialogue or national ones (e.g. the German-Chinese Human Rights Dialogue).

The latest developments concerning the HRD are not encouraging. In 2019, China adopted a new line of argument compared to previous years, emphasizing the great support its own definition of human rights achieves within the UN, mostly neglecting civil liberty rights. Adopting this vantage point, the PRC officials argue that the country has a very good human rights record.<sup>62</sup> In 2020, the HRD was postponed due to Covid-19. However, at the video conference involving Xi, von der Leyen, Michel and Merkel on 14 September 2020, China promised to host the HRD later in 2020.

### ***A long road to overcoming fragmentation***

Regardless of how one assesses the HRD, the fragmented character of the European Commission’s sectoral dialogues is one of the main challenges for a principled China policy. This does not imply that political values do not play into other dialogues at all. Interviews with officials of the European Commission provide some indication that differences over political values fuel distrust in most sectoral dialogues.<sup>63</sup> EU officials guiding economic dialogue formats, for instance, openly describe differences in sociopolitical convictions as a fundamental obstacle in their dialogue:

*“When we meet, we do not talk about political values with them. But I think there is nobody in our delegation who does not know that the Chinese have a very different understanding of politics and society. There is no doubt that this has an impact on how our cooperation with them goes. Ultimately, we all know that we are not on the same page.”<sup>64</sup>*

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61. Author interview with an official of the European External Action Service, July 2018, Brussels.

62. Author interview with an official of the European External Action Service, June 2019, Brussels.

63. Author interviews with officials of the European Commission, April-July 2018, Brussels.

64. Author interview with an official of the European Commission, May 2018, Brussels.

Even more apparent are concerns in the field of cyber cooperation:

*“It is very difficult for me to work in this dialogue [with the Chinese counterparts]. On the one hand, the Chinese are very constructive and reliable partners. We make improvements and we have a number of common interests. On the other hand, I know that China is an authoritarian country and I should not trust what they tell me about how they are going to use their technology. This is a real dilemma for me and I feel very uncomfortable with it.”<sup>65</sup>*

It is not, therefore, a lack of personal commitment to political values among EU officials but the fragmented character of sectoral cooperation of the European Commission that leads to the lack of a principled and strategic EU policy towards China. The new Commission’s attempt to ensure better coordination faces numerous obstacles:

First, the EU needs to agree on its strategic goals and the role of political values in them. Secondly, the sectoral dialogues are based on highly specific mandates that seldom take into account political values. A truly principled policy requires revising them one by one. Thirdly, earlier attempts at coordination across the Commission remained at the working level and have largely failed. The EEAS served a coordinating function without competence to direct the Commission’s DGs in their sectoral dialogue formats. Very often, many DGs do not even participate in the voluntary coordinative “country team meetings”. Institutional rivalries, most prominently between DG TRADE and EEAS, further hamper such cooperation.<sup>66</sup> It appears that, to this day, the EEAS is much more successful at coordinating the actions of EU member states’ embassies in Beijing: *“In China, there is a strong sense that we Europeans have to stand together. But here in Brussels it is very difficult to even get all DGs to one table.”<sup>67</sup>*

Among the three challenges, the new European Commission has come the furthest in addressing the third. As a first step, the Juncker Commission already established a new strategic decision-making body in autumn 2018 under the guidance of then-European Commission Secretary-General Martin Selmayr. The idea of installing a political coordination mechanism next to the ineffective working-level cooperation was developed further in the new Commission. Several so-called “Commissioners’ Groups”, in particular the one titled “A Stronger Europe in the World”, and a new collegial preparatory body, named the Group of External Coordination (EXCO), were established to facilitate coordination. The Commissioners’

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65. Author interview with an official of the European Commission, November 2018, Brussels.

66. Author interviews with officials of the European Commission, April-July 2018, Brussels.

67. Author interview with an official of the European External Action Service, June 2018, Brussels.

Groups bring together several commissioners; EXCO is preparing these meetings at cabinet level.

While such closer coordination on a political level could link political values in a more strategic way to the EU's China policy as a whole, it remains to be seen whether democracy, human rights and the rule of law become priorities that shape the agenda. This coordination could potentially also affect less high-level cooperative formats such as EU-financed projects; for example, within the framework of the European Instrument for Democracy and Human Rights (EIDHR). The EIDHR contains China-specific as well as global funding streams that are awarded on application to, mostly local, civil society organizations. The budgets for China-specific projects is EUR 4-5 million over a three-year period. In 2014-15, this sum was invested in six projects in two different funding streams. In addition to these funds, global calls are also available for China-related projects. Such projects aim to facilitate mutual understanding, capacity-building and raising awareness of political values. One example is the EU-China Environmental Governance Programme, which aims to increase expertise and capacity of environmental law in China, as well as raise public awareness of citizens' rights in this field.<sup>68</sup>

## The Parliament: a crucial watchdog with limited powers, but the most principled

Even though the European Parliament has no formal decision-making power in foreign affairs (with the significant exception of trade-related issues), it does serve an important watchdog function for EU-China relations. Compared to the other EU institutions, the Parliament usually takes the most principled stances on political values, particularly on human rights. In essence, the Parliament and its committees shape the EU's China policy mostly by means of declarations. Examples include resolutions focusing on the fate of individual human rights defenders as well as systematic human rights violations in China, most prominently in Tibet and Xinjiang.<sup>69</sup>

A recent example of such a declaration is the Parliament's resolution on the situation in Hong Kong ahead of the June 2020 EU-China Summit. Only days after Josep Borrell had declared that the introduction of the National

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68. Y. Yang, "How do EU Norms Diffuse? Rule of Law Promotion in EU-China Cooperation on Environmental Governance", *Journal of European Integration*, 39: 1, 2017, pp. 63-78.

69. Resolution of 14 June 2012 on the Human Rights Situation in Tibet (2012/2685(RSP)) Brussels: European Parliament, 2012; European Parliament, State of EU-China Relations. European Parliament Resolution of 12 September 2018 on the State of EU-China Relations (2017/2274(INI)). P8\_TA-PROV(2018)0343, Brussels: European Parliament, 2018.

Security Law in Hong Kong would not hamper investment talks, the Parliament called on the EU to express its concerns during the summit that took place a few days later. The Parliament further demanded that the EU consider suing China over Hong Kong in the International Court of Justice, strive for a UN Special Envoy to monitor the situation in Hong Kong, and consider economic sanctions and the development of the EU into a safe haven for Hong Kong citizens, among other demands.<sup>70</sup> Whether the European Commission and the European Council were reacting to this pressure is a matter of speculation, but they did adopt a much more principled approach during the EU-China Summit than they had done before.

Even though the European Parliament has always served a watchdog function, it has turned even more China-critical in recent years. In autumn 2018, it adopted a new China strategy that – even though watered down over the course of several rounds of negotiations – is more detailed and more critical of China than its previous one.<sup>71</sup> What it lacks, though, is a strategic idea of how the EU could achieve its goals.<sup>72</sup>

Another significant shift came after the European Parliamentary elections in 2019, when Reinhard Bütikofer took over as head of the Parliament's China Delegation. With a background in China studies, Bütikofer is both a well-informed and critical long-time China watcher. While the delegation has little formal power and rather serves as the official inter-parliamentary framework with the Chinese National People's Congress, Bütikofer has gained enormous informal influence within and beyond the Parliament. His (substitute) membership in the Parliament's Trade Committee (INTA) and Foreign Affairs Committee (AFET) further helps coordinate the Parliament's take on China. Bütikofer himself continuously reminds the EU that its foundational values advocate a principled policy. He has further initiated regular meetings exchanging information and disseminating knowledge on China across political groupings. In the previous legislative term, when Bütikofer was vice-chair, the delegation was headed by the less vocal and less critical Jo Leinen.

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70. "The PRC National Security Law for Hong Kong and the Need for the EU to Defend Hong Kong's High Degree of Autonomy", European Parliament Resolution of 19 June 2020. P9\_TA-PROV(2020)0174, Brussels: European Parliament, 2020.

71. European Parliament, State of EU-China Relations. European Parliament Resolution of 12 September 2018 on the State of EU-China Relations (2017/2274(INI)). P8\_TA-PROV(2018)0343, Brussels, European Parliament, 2018.

72. T. Rühlig, "The EU's New China Resolution: Principled But Not Strategic", *The Diplomat*, accessed: 2019-01-18, at: <https://thediplomat.com>.

Apart from Bütikofer's role, the Parliament has also grown more critical in light of the general European frustrations about relations with China, as described above. Often described as a watershed among officials working for the Parliament were increasing Chinese investments in critical European economic sectors, leading to a Foreign Direct Investment Screening Mechanism. While this mechanism is not directly related to political values, the general tone has turned more China-critical. Expressions of this trend concerning political values include the establishment of an informal Hong Kong Watch Group<sup>73</sup> and participation in the Inter-Parliamentary Alliance on China (IPAC).<sup>74</sup>

### ***Chinese influence in the Parliament***

A minority of parliamentarians take a much less critical perspective on China. Informal delegations visit China on a regular basis for talks, most prominently the informal "friendship group" of the PRC in the European Parliament. The existence of this group is an expression of a less principled and more pragmatic minority of deputies that rather seek economic gains from a more cooperative stance. While not all members of the friendship group are pro-China, the members who shape its activities certainly are.<sup>75</sup> Furthermore, the friendship group relies to a significant extent on resources provided by the Chinese government.<sup>76</sup> Euro-skeptic parties are less principled but rather reflect national interests; however, the country origin of deputies appears to be at least as important as party affiliation:<sup>77</sup> *"There are many examples of parliamentarians using official trips to China to promote their local constituencies' economic interests in China. They are not representing the EU on those occasions but try to get the best deal for their home city."*<sup>78</sup> A recent study by the European Think-tank Network on China has, however, found that, while pro-Chinese political forces tend to be Euro-skeptic, by no means all Euro-skeptic parties are China-friendly.<sup>79</sup>

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73. "Informal European Parliament Hong Kong Watch Friendship Group Formed", Hong Kong Watch, accessed: 2020-09-19, at: [www.hongkongwatch.org](http://www.hongkongwatch.org).

74. "Inter-Parliamentary Alliance on China", IPAC, accessed: 2020-07-26, at: [www.ipac.global](http://www.ipac.global).

75. T. Yoshihara and J. Bianchi, *Uncovering China's Influence in Europe. How Friendship Groups Coopt European Elites*, Washington D.C.: Center for Strategic and Budgetary Assessments, 2020; J. Lulu, "Repurposing Democracy: The European Parliament China Friendship Cluster", *Sinopsis*, accessed: 2020-09-19, at: <https://sinopsis.cz> (pdf).

76. P. Martin and A. Crawford, "China's Influence Digs Deep Into Europe's Political Landscape", Bloomberg, accessed: 2019-06-17, at: [www.bloomberg.com](http://www.bloomberg.com).

77. Author interviews with members and staff of the European Parliament, April-July 2018, Brussels.

78. Author interview with an official of the European Parliament, May 2018, Brussels.

79. T. Rühlig *et al.* (eds.), *Political Values in Europe-China Relations. A Report by the European Think-tank Network on China (ETNC)*, *op. cit.*

Until now, the European Parliament remains the most principled actor within the EU, though with rather limited direct impact on policymaking. Not even when then European Parliament President Martin Schulz received the Dalai Lama in September 2015 and China suspended all official inter-parliamentary contacts did the Parliament compromise. Finally, the relations were resumed without concessions of substance but only by offering a face-saving way out for Chinese officials.

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In sum, while the EU's China policy is undergoing a dramatic shift toward becoming more strategic, substantial challenges remain. Given the institutional competences of the European Council, the future of a principled EU policy towards China hinges mostly on political developments in the member states. The deep-rooted commitment of the European Commission and EEAS officials to political values is only of limited impact. Whether better coordination within a more strategically acting Commission will be successful is an open question, as is whether political values will be prominent in the EU's strategic priorities. The European Parliament, meanwhile, serves a watchdog function without groundbreaking impact.

In relation to the Strategic Outlook, one can conclude that, whether intended or not, the European Council contributes to keeping separate the three pillars of China as a partner, competitor and systemic rival by facilitating a pragmatic rather than a principled policy that links issues together. The European Parliament is on the other side of the spectrum, demanding that the systemic rivalry on political values cannot be ignored in other issue areas. The European Commission, finally, has taken office with a view to overcoming the policy silos and striving to strategically link issues. If successful, this would imply that the systemic rivalry is shaping all policy fields, to some extent, even those in which the EU and China currently see themselves as being partners or competitors. However, it remains to be seen how successfully the Commission will be in linking issues and whether political values turn out to be a cross-cutting policy priority.



# **Doomed to fail?**

## **How Europe can influence an authoritarian giant**

In light of the institutional obstacles discussed in the previous section, one might conclude that the EU is hardly able to effectively promote political values in its relations with China. The long-held belief that Europe could have lasting and socializing impacts on the PRC turned out to be unrealistic. The EU has, however, neither prioritized political values nor has it yet redesigned its institutional structure in a way that would facilitate a more principled policy. Some may argue that this is understandable given China's growing power, and European economic interests and dependencies. Nonetheless, at a time when the EU is readjusting its relations with the PRC, it makes sense to discuss the effectiveness of policies striving to promote political values, and ask: What can the EU do to promote political values more effectively?

The following discussion is based on the assumption that the Union should not give up its normative aspirations, since it is founded on these principles. This section evaluates the successes and failures of the policy in place, and suggests 25 concrete policy recommendations (listed at the end of each sub-section) in order to outline the contours of a strategic and principled policy.

### **Fending off China's authoritarian advance: the need to reform Europe**

This paper highlights the importance of internal structures and dynamics within the EU for the role of political values in its China policy. Accordingly, a more principled policy needs to start with reforming Europe. This includes both institutional reforms in the EU that strive to limit Chinese influence and broader measures to defend European democracy.

## ***Limiting Chinese influence in the EU: how to reform EU institutions?***

Institutionally, the European Union needs to tackle three interrelated challenges: a diversity of interests and perspectives that lead to different degrees of willingness to defend political values across Europe; a unanimous voting procedure on foreign and security policy within the Council that has paralyzed the projection of political values; and policy silos within the Commission that constrain the emergence of a strategic approach (see above).

Responding to these weaknesses, the EU needs to streamline its decision-making process. In her first “State of the Union” address, von der Leyen called for the introduction of qualified majority voting, at least on human rights and sanctions implementation. EU member states should further define common strategic guidelines naming priorities that all member states and the EU jointly agree to work on. The advantage of such a joint approach is that the single member states would not suffer from pressure and the risk of Chinese retaliation. This risk highlights the particular responsibility of more powerful member states, first and foremost Germany and France.

As a first step, the European Council should hold regular meetings where the China strategy could be the subject of debate. In fact, this was suggested in early 2019 without meeting resistance among heads of state and government. These gatherings could result in joint statements on issues of common concern, including those related to political values such as grave human rights violations. This might be supplemented by low-key but visible support for EU policies from all member states, e.g. the publication of EU press releases related to the EU-China Human Rights Dialogue on the websites of all EU foreign ministries.

Another major, but important measure to be considered within the European Council is the introduction of majority voting in order to be able to more effectively come up with an EU China policy.

At the EU level, cooperation between the Council and the Commission could be improved by means of regular and comprehensive briefings. The new Commission’s attempts to overcome policy silos through improved coordination is a response to the third challenge identified above. Such political coordination should be supplemented on the working level by making participation in the country team meetings under the EEAS compulsory for all Directorates-General of the European Commission. In the medium term, sectoral mandates need to be reviewed and realigned with the “geopolitical” Union’s policy preferences.

### Policy recommendations

1. Install a high-level working group, to include all member states, that seeks consensus on policy priorities, including political values, in relations with China.
2. Formalize the commitment to discuss China as a regular topic at EU summits and implement it. Ensure that political values are on the agenda.
3. Introduce qualified majority voting in the European Council for decisions on foreign and security policy, to enable a more principled EU foreign policy.
4. Introduce regular joint briefings across the EU, providing an overview of recent developments in relations with China, including political values.
5. Adopt the same communication on China across the EU, including republishing statements on political values on member states' websites.
6. Review the effectiveness of the new political coordination mechanisms in the European Commission and supplement them with *mandatory* coordination at working level.
7. Review the individual mandates of the sectoral dialogue formats one-by-one in light of previously agreed policy priorities, including political values.

### ***Preserving European democracy: is protecting Europe what the EU should strive for?***

In recent years, reports of Chinese influence operations are increasing.<sup>80</sup> For decades, the United Front Work Department of the Chinese Communist Party has strived to influence opinions on China and its political system both domestically and globally. Since Xi Jinping's rise to power, however, the United Front Work efforts have intensified.<sup>81</sup> At the core of its outreach are ethnic Chinese overseas communities, who are perceived as natural allies. With the drive for a unitary supportive voice in favor of the CCP's authoritarianism among overseas Chinese, ethnic Chinese critics are

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80. T. Benner *et al.*, "Authoritarian Advance: Responding to China's Growing Political Influence in Europe", Berlin: GPPi & MERICS, 2018; *Sharp Power. Rising Authoritarian Influence*, Washington D.C.: National Endowment for Democracy, 2017.

81. A. Joske, *The Party Speaks for You. Foreign Interference and the Chinese Communist Party's United Front System*, Barton: ASPI, 2020.

particularly endangered and deserve Europe's most sincere efforts of protection. China is investing in Europe's media, seeking to influence local-language media by means of financial dependence due to regular advertising, and dominating Chinese-language local media.<sup>82</sup>

Another issue of concern is Article 38 of the new National Security Law for Hong Kong adopted in June 2020, which criminalizes criticism of Hong Kong politics voiced outside of the PRC and outside of Hong Kong. In essence, this extraterritorial clause allows Hong Kong's judiciary to penalize Europeans who criticize the Beijing-friendly Hong Kong government in Europe.<sup>83</sup>

At the time of writing, China is targeting Hong Kong,<sup>84</sup> Australia<sup>85</sup> and Canada<sup>86</sup> much more than most EU countries. Closely examining these cases could help the EU to prepare for what might come, in particular since, as the following two examples indicate, China may be stepping up its influencing efforts in Europe as well.

The first example is Chinese disinformation in the context of the Covid-19 crisis in the first half of 2020. Aiming to counter European media narratives critical of China and the Chinese leadership, embassies and social media bots have spread false information about the pandemic, including accusations against democratic institutions. When the European Union prepared a report criticizing Chinese disinformation, China tried to prevent the report's publication. In the end, the report was released with changes that led some observers to accuse the EEAS of self-censorship, while others were less critical.<sup>87</sup> Only days later, the EU's delegation office in China agreed to delete a passage pointing to the fact that Covid-19 originates in China, from a rather uncritical op-ed for Chinese news outlets penned by the European ambassadors to China.<sup>88</sup>

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82. T. Benner *et al.*, "Authoritarian Advance. Responding to China's Growing Political Influence in Europe", *op. cit.*

83. *Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region. English Translation*, Beijing: Xinhua, 2020.

84. *The Invisible Hand on Hong Kong's Media*, Paris: Reporters without Borders, 2016.

85. A. Joske, *The Party Speaks for You. Foreign Interference and the Chinese Communist Party's United Front System*, Barton: ASPI, 2020.

86. *Harassment & Intimidation of Individuals in Canada Working on China-related Human Rights Concerns. An Update as of March 2020*, Ottawa: Canadian Coalition on Human Rights in China and Amnesty International, 2020.

87. M. Apuzzo, "Pressured by China, E.U. Softens Report on Covid-19 Disinformation", *New York Times*, accessed: 2020-04-27, at: [www.nytimes.com](http://www.nytimes.com).

88. J. Barigazzi, "Borrell: EU Won't again Bow to Chinese Censorship", *Politico*, accessed: 2020-07-26, at: [www.politico.eu](http://www.politico.eu).

The second example is multiple attempts at interference by the Chinese embassy in Stockholm concerning freedom of speech in Sweden.<sup>89</sup> On a regular basis, the Chinese embassy spokesperson publicly singles out individual journalists and researchers, accusing them of spreading false rumors and acting irresponsibly.<sup>90</sup> Instead of putting forward counterarguments, the Chinese side seeks to intimidate China watchers in the Nordic country. In 2019, the embassy further threatened Sweden with economic consequences, and its Minister of Culture and Democracy with a ban from the PRC, if the Swedish branch of the international writers' association PEN awarded a prize to Gui Minhai, a Swedish citizen imprisoned in China without a fair trial.<sup>91</sup> These are only two examples of interference in Sweden.<sup>92</sup>

Opinion polls demonstrate that neither disinformation during Covid-19 nor interference in Sweden has won China support among the European population.<sup>93</sup> However, if disinformation does not improve China's image, it could still undermine trust in European democracy. Hence, the EU should not accept this inference and blindly trust that it will be unsuccessful.

### Policy recommendations

8. Discuss and develop in cooperation with Chinese overseas communities measures that protect them from CCP control, and implement these measures across Europe.
9. Ensure that the media are included in existing and currently developing national investment screening mechanisms.
10. Push back against the National Security Law in Hong Kong by means of negotiations, sanctions and international judicial action, not least to fight Article 38 of the law.

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89. B. Jerdén and V. Bohman, *China's Propaganda Campaign in Sweden, 2018-2019. UI Brief 4/2019*, Stockholm: UI, 2019.

90. See, for example: "Chinese Embassy Spokesperson: Stigmatization Is a more Terrifying Virus", Chinese Embassy to Sweden, accessed: 2020-07-26, at: [www.chinaembassy.se](http://www.chinaembassy.se).

91. "Chinese Embassy Spokesperson: Awarding a Criminal Is a Sheer Farce", Chinese Embassy to Sweden, accessed: 2020-07-26, at: [www.chinaembassy.se](http://www.chinaembassy.se).

92. T. Rühlig and O. Shao, "China's Dwindling Soft Power in Sweden", *Soft Power in Europe-China Relations*, edited by T. Dams *et al.*, The Hague: ETNC, forthcoming.

93. Some observers highlight that the US has lost more support than China during COVID-19 and argue that this is a success for the PRC. The polling data cited here demonstrates, however, that public support is not a zero-sum game. The US might have lost even more support than China, but public opinion of the PRC among Europeans has deteriorated as well (with the exception of Italy). *The Berlin Pulse: German Foreign Policy in Times of Covid-19*, Hamburg: Körber Stiftung, 2020; I. Krastev and M. Leonard, *Europe's Pandemic Politics: How the Virus Has Changed the Public's Worldview*, ECFR Policy Brief, Berlin: ECFR, 2020; T. Rühlig and O. Shao, "China's Dwindling Soft Power in Sweden", *op. cit.*; "People Around the Globe Are Divided in their Opinion of China", Pew Research Center, accessed: 2020-07-26, at: [www.pewresearch.org](http://www.pewresearch.org).

11. Intensify measures to counter disinformation, particularly through fact-finding. Closely study and replicate where appropriate Taiwanese policies in this regard.
12. Establish a Europe-wide register for Chinese interference attempts, ask affected individuals to report such attempts and offer them support.
13. Raise Chinese interference as an issue in all major political interactions with China, both at the EU and member-state level. Convey a unitary message to the PRC from all European actors.
14. Make the treatment of EU citizens in China a priority. Make a concerted effort, involving all EU member states, to support any EU citizen facing unfair trial and detention.

## Striving for influence: how to affect political values in China?

Apart from internal reform, the EU needs to redefine and agree upon its policy priorities. Three elements could guide this search:

- ▀ *Start out with core self-interest:* Of particular concern in this field should be the protection of the civil liberties of EU citizens in China. As the case of Gui Minhai demonstrates, EU citizens are not immune to the vagaries of China's often politically driven legal system.
- ▀ *Consider leverage:* A second element is to consider in which fields the EU has effective leverage to make a difference on developments within China. The promotion of legal reform is the most striking example.
- ▀ *Respond to the gravest violations of international norms:* Aiming to preserve universal values, the EU should identify the gravest violations of the Universal Declaration of Human Rights and focus on these cases. Muslim minorities in Xinjiang and the violation of the Sino-British Joint Declaration in Hong Kong are two of the clearest cases.

Next, the EU could define strategic pathways to act on these priorities. This includes the coupling of cooperative negotiations and pressure. In her "State of the Union" address, von der Leyen opted to use Europe's diplomatic strength and economic clout to advocate ethical, human rights and environmental issues. Europe is also working on a European Magnitsky Act that would allow the sanctioning of individuals involved in human rights violations. The European Commission has put forward a proposal that is now being discussed in the European Council. All these are positive signs that need to be further developed and implemented.

### Policy recommendations

15. Base the European debate on strategic priorities in relations with China on three criteria: core self-interests, extent of leverage, and the gravest violation of universal values.
16. Combine cooperative negotiations with pressure by strategically linking negotiations across issue areas. Prioritize the negotiations on legislating the Commission's proposal of a European Magnitsky Act.

### ***Don't be unrealistic: readjust expectations without giving up***

The People's Republic is getting more confident and increasingly rejects any notion of "learning" about political values from Europe. On the contrary, the PRC increasingly claims that other states should learn from its own positive experience.

Accordingly, the EU's limited successes in promoting its political values lie primarily in fields where the PRC has an active self-interest.<sup>94</sup> Attempts to strengthen the rule of law are more likely to resonate with China than issues over human rights and democracy, because the rule of law is crucial to facilitating the PRC's economic development.<sup>95</sup>

In terms of European political values, concrete cooperative projects that aim to strengthen the public and elite understanding of the rule of law in China are particularly successful. One such example is the EU-China Law School in Beijing. Other projects that rather aim at building the capacity of China's legal apparatus are a double-edged sword: on the one hand, they help shape the development of Chinese governance institutions; on the other, they provide practical executive assistance to the one-party regime. For example, the European Union assisted China's development of a land registry system, which was later used for expropriation without a fair chance for affected Chinese citizens to appeal such decisions.

A comprehensive re-evaluation of EU-China cooperative projects could be launched by the European Council and the European Commission. In this process, the European Parliament might want to keep up its "principled watchdog" role and insist on the importance of political values.

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94. G. Balducci, "The Limits of Normative Power Europe in Asia: The Case of Human Rights in China", *East Asia*, 27: 1, 2010, pp. 35-55.

95. M. Burnay *et al.*, "Bridging the EU-China's Gap on the Rule of Law", *Asia Europe Journal*, 14: 1, 2016, pp. 95-106.

Most recently, people-to-people projects have also come under fire because the Chinese authorities increasingly aim to shape their agenda. With regard to student exchanges, suspicion is on the rise about Chinese students remaining under the rigid control of the CCP and thus undermining liberal political values.<sup>96</sup> So far, this is more an issue of concern in New Zealand and Australia, but could also become one in Europe.

All this makes clear that the EU needs to be realistic about the limitations of what it can achieve with regard to political values in its relations with the PRC. Europe should not strive for too much. It would be presumptuous to believe that the EU will change China and its approach to political values. However, even increasing the costs for China of pushing back on liberal political values would be a success that is worth its undertaking.

### **Policy recommendations**

17. Set a realistic target. Do not expect too much from a principled China policy, but also do not give up normative aspirations.
18. Carve out the economic implications of political values in order to advocate a policy change in China.
19. Evaluate and further develop concrete cooperation projects that promote political values, in particular the rule of law.

### ***Building on successes: helping individuals***

Outright successes of European principled policymaking towards China are either limited to individual cases (such as the release of Liu Xia) or tie in with direct Chinese interests (e.g. the diminishing of the death penalty).<sup>97</sup> Some observers further argue that the decreasing execution of death sentences in China is in part a result not only of European lobbying but also of an examination of European practices. In other words, not just European diplomacy but the power of the EU's good example may have increased Europe's impact on the reduced use of the death penalty in China.<sup>98</sup> At the same time, China is unlikely to follow any "European example" if it considers the EU practice to go against its own core interests.

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96. G. Grieger, "China's Foreign Influence Operations in Western Liberal Democracies: An Emerging Debate", *EP at a Glance*, Brussels: European Parliament, 2018.

97. R. Hood, "Enhancing EU Action on the Death Penalty in Asia", *Policy Paper DG B External Policies of the Union*, Brussels: European Parliament, 2012.

98. Z. A. Ferenczy, *Europe, China, and the Limits of Normative Power*, Cheltenham: Edgar Elgar, 2019.

This highlights the need for internal reform so that the Union's own democracies are strengthened and its human rights record improves, and the rule of law remains effective and intact in all EU countries.

In the case of Liu Xia, her release can hardly be exclusively attributed to the EU, but it has certainly contributed through a mixture of public pressure and secret diplomacy. The fate of the widow of Nobel Peace Prize laureate Liu Xiaobo was raised in high-level strategic dialogue, parliamentary exchanges and the HRD, and included the delivery of a letter in a sealed envelope to the Chinese that listed names of Chinese dissidents of whose fate the EU is concerned.<sup>99</sup> The case of Liu Xia, however, provides flawless evidence of the fact that a mix of different means is most promising for the EU to promote political values in its relations with China. This includes not only secret but also megaphone diplomacy. In fact, the PRC remains – though some argue to a decreasing extent – sensitive to its international reputation, and while pressure alone does often not lead to policy change, in conjunction with secret talks, “megaphone diplomacy” can be crucial.

Even though one should not disparage small successes, it is clear that no structural improvements were achieved. Hence, the EU could focus on supporting individual human rights defenders.

### **Policy recommendations**

20. Improve Europe's own track record on the respect of universal political values so as to better lead by example.
21. Make a coordinated and concerted effort to assist individual human rights defenders, using all discreet channels as well as public pressure.

### ***Do not underestimate existing leverage: build alliances***

Critics of a more principled European China policy often argue that not even the US has achieved any significant change within the PRC. Neither a cooperative China policy under presidents Clinton, Bush and Obama, nor the confrontational approach of Trump have led to any notable achievements, they argue.<sup>100</sup> From this finding, they conclude that a more principled European China policy is doomed to fail.

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99. Author interviews with officials of the European External Action Service, May-July 2018, Brussels.

100. Author interviews with officials of several EU institutions and EU member states, May 2018–July 2019, several European capitals.

Discussing the “constructive engagement” approach, Alastair Ian Johnston has demonstrated, however, that this reference to the US is hardly viable since the US strategy has always lacked pressure on China for political liberalization.<sup>101</sup> Trump himself has reportedly not prioritized political values either; his former national security advisor John Bolton even wrote that the US president had congratulated Xi on China’s Xinjiang policy.<sup>102</sup> Hence, while it is indeed difficult to influence China’s approach to political values, the reference to the US is hardly proof of it being mission impossible.

Another argument of critics concerning a more principled European China policy points to the growing economic dependence of the EU on the PRC, particularly after the 2008 Global Financial Crisis. From this perspective, the economic downturn due to Covid-19 could result in yet another boost in dependency on the PRC.<sup>103</sup>

This argument underestimates the EU’s market power and that China and Europe are *mutually* dependent. The EU is China’s largest trading partner. Access to the European market is essential for China. The economic relations are characterized by *interdependence*, not *one-sided dependency*. Under the buzzword of “reciprocity”, the EU discusses whether to condition market access in return for economic reform in China that gets closer to an economic level playing field. Similar steps remain largely off the table when it comes to political values. This is by no means a given, but rather the result of a political decision to prioritize economic over political liberalization.

This is to argue neither that it is easy to influence China’s political values nor that the EU could do it in isolation. Most likely, all such attempts can at best strive for minor improvement, or at least fend off the worst deteriorations of civil liberty rights in China. Even for that, the EU needs to coordinate closely with like-minded states. Natural cooperation partners are in the Union’s neighborhood, such as the United Kingdom, Norway and Switzerland. Australia, Canada, Japan, Taiwan and India are other potential partners. The new German Indo-Pacific strategy could lead the way to a new European approach in this regard.

Most crucial remains, however, coordination with the United States. EU officials are well aware that, in multilateral forums, most importantly the United Nations Human Rights Council, no improvement is possible without transatlantic cooperation. For several years, China’s interpretation of

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101. A. I. Johnston, “The Failures of the ‘Failure of Engagement’ with China”, *The Washington Quarterly*, 42: 2, 2019, pp. 99-114.

102. A. Blake, “Bolton Says Trump Didn’t Just Ignore Human Rights but Encouraged China’s Concentration Camps”, *Washington Post*, accessed: 2020-07-26, at: [www.washingtonpost.com](http://www.washingtonpost.com).

103. A. Ward, “How China Is Ruthlessly Exploiting the Coronavirus Pandemic It Helped Cause” *VOX*, accessed: 2020-09-19, at: [www.vox.com](http://www.vox.com).

human rights gained ground in the UN Human Rights Council. In 2020, however, the PRC was reelected with a significantly lower share of votes to the Council, which was widely interpreted as growing unease with human rights violations in the country. This indicates the potential of international cooperation on this front. While Trump himself did not prioritize political values, members of his administration, including Vice-President Pence<sup>104</sup> and Secretary of State Michael Pompeo, keep highlighting the importance of political values when addressing US policy towards China. The new administration under incoming US President Joe Biden will most likely be a close cooperation partner for the EU. The US Congress shows rare bipartisan consensus for the promotion of political values in China, on issues over Xinjiang and Hong Kong, among others. The newly founded Inter-Parliamentary Alliance on China (IPAC) not only includes European policymakers such as Pavel Fischer and Jan Lipavsky (Czech Republic), Reinhard Bütikofer and Miriam Lexmann (for the European Parliament), Isabelle Florennes and André Gattolin (France), Margarete Bause and Michael Brand (Germany), Lucio Malan and Roberto Rampi (Italy), Mantas Adomėnas and Dovilė Šakalienė (Lithuania), Martijn van Helvert and Henk Krol (Netherlands), Elisabet Lann and Fredrik Malm (Sweden) and US lawmakers, most prominently Democratic Senator Bob Menendez and Republican Senator Marco Rubio, but is a first attempt to form a global coalition of parliamentarians in support of upholding human rights and safeguarding the international rules-based order, as well as protecting national integrity from Chinese interference.<sup>105</sup> Joe Biden's election victory in the 2020 presidential elections will further facilitate transatlantic cooperation on this issue.

The EU should further use a combination of tools to promote political values, including economic pressure and reputational costs, secret diplomacy, and low-key projects (see above). This requires closely working with third countries, not least along the Belt and Road. Many of these states rely on China economically and technologically. Europe should offer expertise, experience and resources, while emphasizing the value of its own rules- and principles-based approach.

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104. M. Pence, "Remarks by Vice President Pence on the Administration's Policy Toward China. October 4, 2018", *The White House*, accessed: 2018-12-19, at: [www.whitehouse.gov](http://www.whitehouse.gov).

105. "Inter-Parliamentary Alliance on China", IPAC, accessed: 2020-07-26, at: [www.ipac.global](http://www.ipac.global).

### Policy recommendations

22. Use economic leverage, in particular market access, to pressure China over political values.
23. Improve cooperation among like-minded governments as well as civil society in democratic states.
24. Parliamentarians should join IPAC and actively support and extend their work if they have not already done so.
25. Raise awareness of Chinese activities, including political values, along the Belt and Road, and provide alternatives, including funding based on the EU-Asia Connectivity Communication.<sup>106</sup>

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Promoting political values in relations with China is a mammoth task. The ongoing realignment of the EU's China policy provides an opportunity for a more principled approach advocating democracy, human rights and the rule of law. What Europe can achieve might be limited, but, since the EU has not used all of the tools at its disposal, it is too early to tell what would be achievable. If Europe is serious about its constitutive values, it should act. It is a matter of political will.

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106. High Representative of the Union for Foreign Affairs and Security Policy European Commission, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Unvestment Bank. Connecting Europe and Asia – Building Blocks for an EU Strategy. JOIN(2018) 31 final, Brussels, European Union, 2018.



