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## European Foreign Policy Choices in the Aftermath of the Covid-19 Pandemic

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# European Foreign Policy Choices in the Aftermath of the Covid-19 Pandemic

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## Abstract

This paper seeks to answer the question of how the member of the European Union responded in term of their foreign policies to the challenges posed by the coronavirus and the ensuing growing tensions in the world economy and world politics. At the beginning of 2020, Brexit and the surrounding uncertainty was high on the political agenda of the EU members, however, in the light of the Covid-19 and the subsequent economic crisis, the topic slid back to the less frequented questions of the EU.

Germany took over the Presidency of the Council of the EU in July 2020, thus the focus of the paper is set on exploring what the German government seeks to achieve during its presidency.

The challenge posed by the Covid-19 pandemic and the economic crisis is multifaceted because not only the negotiations on the Multiannual Financial Framework (2021-2027) have been crucial this year, but how Europeans approach several foreign policy questions, is a the key element in understanding the current situation and forecasting a short- and medium scenario.

The paper attempts to explore the following recent debates:

- What is the reasonable European reaction to the growing tensions between the US and China?
- What does the Transatlantic Dialogue on China mean in reality?
- How can we frame the reciprocity debate, in other words, how should the EU react to Chinese high-tech firms' presence in Europe and what can the EU anticipate as a response from China, when it comes to European firms' access to the Chinese market?
- What are the chances of signing the EU-China Comprehensive Agreement at the end of this year?

The paper relies on the analysis of existing literature (relevant press materials, interviews, and studies), and it also attempts to provide the reader with a reasonable forecast. At the same time, the analysis of long-term trends is included in this paper too.

**Keywords:** *Foreign Policy, EU, Germany, France, US, China, Covid-19*

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## **1. European reactions to the geopolitical struggle between the United States and China**

Even before the coronavirus hit the world, the stance of the European Commission (EC) on China has become harder. The harbinger of the new European perception of China was the EC's paper 'EU-China: A Strategic Outlook' in 2019. In the strategy, the European Commission coined the term "systemic rival" to describe China: "*China is, simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance. This requires a flexible and pragmatic whole-of-EU approach enabling a principled defence of interests and values.*" (European Commission, 2019: 1)

This approach is very far from the more cooperative attitude in 2003 when the European Union called China one of the six strategic partners in its very first security strategy. (*Council of the European Union, 2003*). By 2003, the EU and China announced their strategic partnership, and the first complete overhaul of this relation came in 2016 when the "*EU-China 2020 Strategic Agenda for Cooperation*" was adopted by China and the European Union.

Since then, the voices of disillusion about China relations came from all corners of the European Union. Whether the expectations were simply set too high or the promises were not filled up by the partner, or an external push led European countries to harden up this position on China is questionable and it can be debated in length. It is more important that the strategic outlook on China relations issued by the European Commission in 2019 reflected another perception of China (European Commission, 2019). Even afterward, (especially after the inception of the new European Commission, end of 2019), the tone towards China has become outright hostile.

After the 10<sup>th</sup> Annual Strategic Dialogue between the European Union and China in June 2020, which prepared the 22<sup>nd</sup> summit, Josep Borrell, EU High Representative for Foreign Affairs made a list of issues I need of solving in the press conference:

- market access,
- the level playing field and
- reciprocity.

These are the former main commitments from the Chinese side and the EU seeks the implementation of these Chinese promises. The comments of the EU High Representative for Foreign Affairs touched upon political issues as well (European Commission, 2020a):

- digital technologies' link to the respect of fundamental right and data protection,
- cybersecurity, and disinformation,
- issues related to amendment in Hong Kong Basic Law and the state of human rights situation, including the treatment of minorities in Xinjiang and Tibet.

At this point, it is worth pointing out the more cautious and balanced approach of Josep Borrell in contrast to that of the European Parliament (EP). The so-called Delegation for Relations with the People's Republic of China<sup>1</sup> established by the European Parliament is traditionally more critical in China-issues than the European Commission. While the EP is not responsible for the implementation of the common foreign and security policy of the EU, it can influence it as it happened in the case of cybersecurity. In that case, the EP issued a resolution calling on the member states: *“to inform the Commission of any national measure they intend to adopt in order to coordinate the Union's response so as to ensure the highest standards of cybersecurity throughout the Union,”* (European Parliament, 2019) And it called on the Commission as well *“to assess the robustness of the Union's legal framework in order to address concerns about the presence of vulnerable equipment in strategic sectors and backbone infrastructure;”* (European Parliament, 2019).

In our assessment, the rising problem is that the European Parliament increasingly connects economic and political debates. The latest example is the rising debate around Hong Kong security law adopted in 2020. The resolution of the European Parliament explicitly expresses the attitude that the economic significance of the EU for China could be used as leverage *“to challenge China's crackdown on human rights by economic means”* (European Parliament, 2020). Why in our understanding this linkage of economic and political aspects is not sufficient when dealing with China can be explained in several ways:

- The European Union is politically and militarily weak and it has no leverage in the East Asian region as the main power. Its main tools of influence are *economic and soft power*.
  - o *Soft power* is definitely not sufficient to achieve significant results in that aspect, although the soft power of Europe in China is significant, the culture, the languages, the traditions, and more importantly, the style of living are attractive to

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<sup>1</sup> The European Parliament established a so-called Delegation for relations with the People's Republic of China in 1980, five years after the establishment of diplomatic relations with China.

Chinese people, but this power remains soft, meaning it can be turned into a business, but not into geopolitics.

- The European *economic power* has been on a long decline for decades, despite being the second economic power in the world (in current prices) and the third one measured in purchasing power parity. In other words, the relative economic power of the EU will not improve for decades to come, and its remaining leverage in the East Asian region will not improve either.
- Given this background, it can be argued that economic interests are best served when the emphasis is put on the protection of European business interests. The origin of this foreign policy approach, we argue for, can be found in the so-called ‘realpolitik’. The originally German word ‘realpolitik’ refers to a certain kind of foreign policy which is rather based on the considerations of the power actors than the ideological notations or moral premises.
- The idea that foreign policy choices should be governed by moral consideration is tempting to us mostly because our education and values taught to us. But even if we embraced the idea as a guiding principle of our foreign policies, the likelihood of being successful with this approach is extremely low, as political events after 1990 showcased us. Why? Besides the lack of hard European power more reasons for the possible failure of this approach can be offered:
  - When the West (mainly the United States) attempted to transform societies, the reaction was often that large swaths of the society simply did not support the spread of Western-type institutions due to various reasons (cultural, religious, social aspects). At the same time, we should point out that the United States was successful in transforming Germany and Japan after 1945, although, this transformation was strongly supported by broad layers of the society.
  - In China’s case, foreign policy decision-makers often seem to forget that the political system of China has a solid support in society. Between 1980 and 2019, the country experienced an average of 9.4 percent annual GDP growth rate. No wonder that the existing political and economic institutions can rely on the support of the burgeoning middle class in China.
  - We could see that not only China, but much smaller and weaker societies were very successful in ‘protecting’ themselves from the establishment of Western-type institutions. Even if they could be established relying on small local elites, they were short-lived and were soon distorted or reshaped to the needs of the local

society and governing elites. (Afghanistan, Yemen, and Iraq are good examples of these failed attempts.)

- As for China, another factor is the Chinese history perception, which is often neglected by Europeans and other Westerners. The Chinese history of the 19<sup>th</sup> century was usually described as the century of humiliation when it was being dictated and advised by Westerners how about organizing their society and form political and economic institutions. Though these pieces of advice were born out of the best intention, the Chinese economy did not take off until the later 70s. The results were born out of their own ideas and solutions, however in the early stages of this process the Chinese were very much reliant on foreign capital and technology.

- The economic success China achieved by relying on their own solutions and the common mindset within the Chinese created by historic experience that political changes only result in chaos, can certainly explain the support of the burgeoning Chinese middle class, which is the key to any political change or adjustment in China.

The dilemma of whether to choose a ‘realpolitik’ approach to China or pursue a Wilsonian style foreign policy has never before been more apparent than now within the European Union. The German Council Presidency, which takes place in the second half of 2020, set the following goals to be pursued regarding China: the policy must be based on interests and values; greater reciprocity should be pursued in the relations;<sup>1</sup> the negotiations are to include the EU-China bilateral investment agreement, climate protection, biodiversity, global health and cooperation with Africa, in regard to the problems created by the COVID-19 pandemic.

Besides these goals, we must acknowledge that the foreign policy choices in the European Union are also influenced by recent attempts of the United States to forge a clear alliance against China. The common ground referred by the American foreign policy decision-makers is the ideological threat from China. As a consequence of American efforts and European political powers preferring transatlantic cooperation, Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy proposed the creation of an US-EU dialogue on China at the German Marshall Fund’s Brussels Forum in June 2020, which proposal was accepted by Michael Pompeo, State of Secretary.

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<sup>1</sup> The notion greater reciprocity refers to the European intention to gain easier access to the Chinese market.

## 2. The Transatlantic Dialogue

The transatlantic dialogue is supposed to serve as the framework of the dialogue on China, however, until now, the content or the institutional form has not been made clear, thus in the following part, we take a brief look at the main arguments, to influence the European perspective on China.

According to Manisha Singh, the Assistant Secretary Bureau of Economic and Business Affairs China of the U.S. is an unreliable trade partner that violates the rule of the international trading community. In her speech, she drew the attention of the European partners to this problem in July 2020. She underlined that China spent decades in the WTO, *“However, both the U.S. and the EU have observed the PRC claim the benefits, yet, violate the rules of the international trading community.”*, she said. In the same speech, she underlined that the violation of intellectual property rights is not only a problem to be addressed in business, but it also poses strategic threats to the United States and its allies. She also mentioned that the United States urges the European partners to cooperate with trusted vendors regarding 5G networks. And this adding that *“The trusted vendor network is part of our counter to the One Belt One Road Initiative and the PRC surveillance state.”*, she maintained. She also emphasizes problems of human rights, and minority rights, however, looking at the structure of the entire speech political concerns are underrepresented.

Similar accents are to be found in the speeches of Michael Pompeo, the U.S. State of Secretary. The two-pronged approach in the American foreign policy means that both political concerns are voiced regarding Hong Kong, Xinjiang, or “People’s Liberation Army’s provocative military actions” (Pompeo, 2020), and problems in economic issues are heavily emphasized. *“Make no mistake, the Chinese have stolen a lot of German secrets, and the German people are worse off for that. Billions of dollars of intellectual property stolen by the Chinese Communist Party, outside of Germany. The hardworking German people created that intellectual property, worked hard for that intellectual property, built that, protected it in their system, and the Chinese came and stole it. And they’ve done it all across Europe and they continue to do it; they’re doing it in the United States as well.”* (Pompeo, 2020)

In our understanding, the above-quoted part is the most important one since it is the most burning problem in EU-China relations (or Germany-China relations). The speech addresses the greatest fear of Germans, the theft of intellectual property. At this point, it is worth bearing in mind, that ignoring intellectual property rights can be a reasonable policy choice, as it was the case when the United States in the nineteenth century was the biggest intellectual property

right violator. Pang et al. draw our attention to the gap between existent, well-crafted law and its enforcement in China but at the same time, he also concludes that China will change its behavior if its own rights can be violated by other countries. (Pang et al, 2017)<sup>1</sup>

When it comes to the question, as whether American efforts to convince Germany about the alleged threats China might pose to the world, are effective we cannot give a final answer, however, it is telling that Germany showed its interest in the Indo-Pacific region for the first time in early September 2020, when it issued its policy guidelines on the region. The fact that the German strategy used the term ‘Indo-Pacific region’ clear shows the influence of the United States on Germany, because this notion became increasingly used by countries when the Trump Administration launched the “Free and Open Indo-Pacific” concept. So, we can conclude that the notion of Indo-Pacific is not a value-neutral or descriptive term, but rather a political one. (Heiduk & Wacker, 2020: 2) The “Free and Open Indo-Pacific” strategy is interpreted as a containment strategy in Beijing. At this point, we must add that Germany is not the first country in the European Union to pursue a similar strategy regarding the region since France has already been doing so.

When it comes to the content of the guidelines, it is clear that even the more hawkish analysts admit that the German approach is different from the American one, since it acknowledges the growing economic significance of the region, and focuses on the diversification of trade and investments. Sergio puts this way: *“While the German guidelines hold out a diversification of economic and trade links away from China, preexisting trade flows militate against any significant economic decoupling. According to one report from February, China accounts for four out of every 10 Volkswagen cars sold worldwide and almost three out of every 10 vehicles sold by BMW and Mercedes-Benz.”* The question is whether this new focus reflects a sustainable change in German policy or it is to be interpreted as a part of its negotiation strategy with China, and the building up pressures might be an element of the path leading to a final deal on the comprehensive EU-China agreement on investments.

The comprehensive investment agreement was the focus of the virtual EU-China summit on the 15<sup>th</sup> of September. Angela Merkel, the German chancellor said in a virtual press conference: *“In the last 15 years, China has become much stronger economically and this*

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<sup>1</sup> Recent data on forced transfer of technology are not conclusive about whether China altered its attitude towards intellectual property rights in any direction. According to the annual survey of the European Union Chamber of Commerce in 2010, 16 percent of foreign firms reported being forced to hand over their technology, which is significantly bigger number of cases than the 10 percent in 2017, (European Union Chamber of Commerce 2020: 31), however it is a drop from the 20 percent in 2019.



*means that the demand for reciprocity — for a level playing field — is of course very justified today,"*

### **3. The reciprocity debate**

From the European side, *reciprocity* has been the keyword of communication in the last year. The aim is to put pressure on China while negotiating on this deal, however the notion of *reciprocity* has never been discussed thoroughly by politicians or defined by the European Commission. The meaning they seem to attach to the word is the notion that that way China treats foreign firms in the Chinese market and the playing field is not level.

To get to the bottom of this debate, it is worth distinguishing different layers of economic cooperation, and reciprocity since we do not have the same conditions in trade and investment, moreover, the conditions are different on the macro and micro level thus the degree of reciprocity we can enjoy from the trading partner can be different too.

When it comes to trade between the EU and China, it is clear that the market access of European firms is more limited in China than vice versa. The latest Global Enabling Trade Report confirms this European criticism. In the list made by the World Economic Forum China ranked 61<sup>st</sup> in 2016, while key European trading partners made it into the first part of the ranking. Germany ranked the 9<sup>th</sup>, France the 13<sup>th</sup>, and Italy the 36<sup>th</sup> the same ranking in 2016. Although the list is not new, we can assume the significant differences did not disappear in the meantime. The index comprises four sub-indexes: market access, border administration, transport and communication infrastructure, and business environment. The market index has two further sub-categories, the foreign market, and the domestic market access. For our analysis, the latter one is important, here the country ranks the 101<sup>st</sup> on the list of 136 countries! It is often argued from the European side that as a result of the unlevel playing field, China had a significant trade surplus (2019: 164 Billion €) in goods trade with the EU, which cannot be compensated by a trade deficit in services (2018: 17 Billion €). It must also be mentioned that European trade deficits simply reflect the weak competitiveness.

The other question often raised by European politicians is the state of Chinese investments in the EU. Based on the data, the following conclusions can be drawn:

- China does not over-invest in the world. Chinese FDI abroad and foreign FDI in China seem to be proportioned. Based on OECD data, the Chinese outward FDI stock was 15

percent in terms of GDP, while inward FDI made up 20 percent of the country's GDP in 2019.

- Chinese FDI within the EU is not overproportioned either. Moreover, the opposite is true. Based on the Eurostat database, China was responsible for a 0.9 % share of total inward FDI positions in the EU-28 economy at the end of 2017, and circa 2.4 percent of the total extra EU-28's outward stocks of FDI were held in China.
- China's investments do not push out other investors. The so-called traditional foreign investors (the US, Canada, Switzerland, Norway, Australia, and Japan) are the biggest in the EU, controlling more than 80 percent of the foreign-owned assets in the EU-28 according to a European Commission Staff Working Document about foreign direct investment in the EU.
- China (including investments from Macao and Hong Kong) has rapidly increased its ownership in EU-28 businesses, and in 2017 the Chinese share of non-EU controlled firms was 9.5 percent, holding 3 percent of all non-EU controlled assets.
- To grasp the importance of this number, we should also add that around 2.8 percent of all European-based firms were owned by foreigners, holding 32.8 percent of the assets. In other words, we do are speaking of the 9.5 percent of the 2.8 percent and 3 percent of the 32.8 percent. In sharp contrast to the general interpretation, these shares do not seem to be relevant.

It is discernible that China is indeed in a dominant position in trade and investment on the microlevel meaning that European firms are more restricted in their daily activities than Chinese firms in the EU, although they are being compensated by gaining access to the huge Chinese market.

In our understanding there are two theoretical bargaining positions China has access to in the negotiating process:

- Liberalizing business conditions for European firms on the ground.
- Pleading to buy more European goods, like in the U.S.-China trade deal.

At first glance it is apparent that the first option could offer a long-term solution for lessening tensions between Europe and China, however it is more difficult than most world would like to believe to find a compromise on these issues, since liberalization cuts into to the core of the Chinese economic model, while for European investors it would just mean getting normal conditions. In other words, the EU only negotiates about investments, while China negotiates its economic system, which are two very different negotiation positions.

Pleading to buy more European goods could be a short- or medium-term solution, however, it would not solve the problems arising from the co-existence of two different economic systems.

In the period after the Global Financial Crisis (2008-2009) and now in the aftermath of Covid-19, European countries and the European Commission are more concerned about supply security than ever before. These concerns are fueled by American policy efforts to onshore American manufacturing. Europe's position is different since onshoring options are more limited for European countries and the absence of a powerful EU foreign policy puts the EU countries into competition for easier market access in China. As long as three of every ten Volkswagen cars are sold in China and the Chinese economy is the first one to recover after the full-scale lockdowns in the world around, it is extremely difficult to speak with one voice for the EU.

#### **4. Reshaping global supply chains and the European reactions**

During the first wave of Covid-19, it became clear that global supply chains are extremely vulnerable and got exposed to shocks that were caused by the total lockdowns. This shock was exacerbated by growing geopolitical tensions in Chinese and American relations. The **United States** made the restructuring of global supply chains into an explicit goal for their foreign trade policy. In 2018, 28 percent of the global manufacturing output originated from China, the concentration is even larger in some sectors, f. ex. 40 percent of the so-called active ingredients in the pharmaceutical sector.

However, the policy of reshoring is not new since one of the main promises of the Trump campaign in 2016 was to strengthen the domestic manufacturing sector, and the US Commerce Department of State and other state agencies have been trying for years to give incentives (subsidies, tax breaks, reshoring subsidies) to firms to reallocate their production, which is completely in line with this policy.

When it comes to European reactions, they were more moderate. In the **United Kingdom**, the 'Project Defend' was launched based on the proposal of the Prime Minister. The project was established to detect vulnerabilities in global supply chains and launch a strategy for building resilience in non-food critical supply chains. The government was reluctant to discuss and disclose details of the project. The International Trade Committee of the Parliament warned against unintended consequences of forced onshoring: "*Onshoring may not be easy to achieve;*

*it may have unintended consequences in respect of factors such as the price of goods and tit-for-tat actions by other countries; and it may replace one form of vulnerability with another. In addition, it may have implications regarding the terms of international agreements.”* (UK International Trade Committee, 2020). In this case, the policy is most likely to be restricted to a search for parallel supply chains in the pharmaceutical sector rather than replacing the original ones.

In **France**, the French President, Macron argued at the height of the first wave of the coronavirus pandemic that *“We must produce more in France, on our soil”* and *“rebuild our national and European sovereignty.”* (Macron cited by Houeix, 2020). The French Finance Minister urged enterprises to review their supply chains in the light of their experiences singling out the pharmaceutical and auto industry. (Reuters, 2020)

According to the **German** plans, a supply chain law is to be adapted in the third quarter of the year. The idea is not uncontested; the Federation of German Industries (BDI), the Confederation of German Employers’ Associations (BDA), and the Association of German Chambers of Industry and Commerce (DIHK) issued a joined a statement and underlined that *“a practicable supply chain law...must not impose obligations on companies that even our federal government is unable to enforce in agreements with other countries.”* (cited by Lawton, 2020)

The resistance against a strong supply chain law is understandable. Flach et al underlines that 12 percent of the global added value is being produced by global supply chains, while the same ratio is 17 percent in Germany, which shows a higher degree of German exposure to external shocks like the global pandemic. (Flach, et al 2020: 16). In our understanding, the maneuvering room of the German foreign policy is bigger than the European average, since its trade deficit in trade with China is relatively smaller. At the same time, political lobbying from the American side seems – to get Germany involved in world politics – to be much stronger than ever before. Stern put this disappointment about the reluctant and lukewarm embrace of American foreign policy goals this way: *“But on any issue impacting Germany’s economic well-being, Berlin’s actual decision-making is remarkably consistent. In addition to securing ties with China, Merkel is currently defending the Nord Stream 2 gas pipeline with Russia against threatened sanctions from the U.S. Senate, and low levels of defense spending against White House plans to withdraw 12,000 U.S. troops from German soil. As far as Berlin is concerned, Americans can list the sacrifices they’ve made for German security and prosperity until they’re blue in the face. The benefits to domestic stability of economic cooperation with strategic rivals remain a core German national interest.”* (Stern, 2020)

The economic needs of the German economy go against the foreign policy reasoning of the United States. In the aftermath of the Covid-19 pandemic, the attraction of the Chinese market just grew, instead of fading away, which is particularly true in the automotive industry of Germany. In our understanding the pressure stemming from the technological adjustment is that the firms in the car-making industry have to face now, is a bigger concern of Germany than any other factor, such as growing national security concerns or the effort reshaping the global supply chains. The Chinese car industry was the first one that could substantially grow in 2020; the number of newly registered vehicles increased by 12 percent in China in August 2020, whereas the European market crashed by 15.5 percent in August 2020 compared to June 2019. (Lucas, 2020). That means an exceptionally big reliance of the German automotive industry on the Chinese market. According to 2019 data, four of every ten Volkswagen cars are sold in China, and three of every ten Mercedes and BMW cars are purchased in the Asian country (Pandey, 2020). Leaving the Chinese market would also mean losing the market since exporting instead of producing on the ground would be a very different and much less profitable business model for these firms. (In 2019, 33 Volkswagen plants functioned in China!)

To sum it up, we do not expect the significant shrinking of China's role in manufacturing, the European efforts to reshore or nearshore manufacturing capacities are bound to fail for three main reasons:

- Firstly, China not only has relatively cheap labor but it has the knowledge that helped the country grow a tight network of firm clusters as well, thus speaking of 'moving manufacturing home' not only means giving incentives to one large enterprise to go back but also moving back hundreds if not thousands of firms to Europe or the United States.
- Secondly, reshoring or nearshoring opportunities are limited, and besides Central Europe, Morocco seems to be one of the few places where really low wages are combined with a relatively safe political environment.
- Thirdly, the attraction of the Chinese market has just been growing after the Covid-19 pandemic struck the global economy and dwarfed efforts to boost the national economy. Solid growing markets are hard to find now.

## 5. Conclusions

In the first half of 2020, the American foreign policy messages called out for a stronger stance on China. The next topics were more emphasized in their dealing with the EU and the European nations:

- **Intellectual property rights.** In our understanding, the surprisingly strong emphasis being put on intellectual property rights is intended to engage the most important European partner, Germany whose economic backbone, the automotive industry's competitiveness could be weakened by Chinese strategic investments. Although, given the transformation of the legal framework, and the implementation of stricter FDI screening mechanisms these strategic investments are very likely to never be carried out.
- **Reshoring.** The former debate brings us to the next one, which is the reshoring or nearshoring attempts of the Americans and its feasibility for Europeans. Reshoring in many cases is not a sound business decision for Europeans, especially for German carmakers whose biggest markets is China now. Moreover, it is extremely difficult to change the structure of global supply chains and move the hubs based on political decisions. The manner of how manufacturing takes place now is the result of at least 30 years of development. Even though, it is not said, that politics can achieve nothing, but it is not a short- or medium-term project.
- **The reciprocity debate.** It is often argued from the German and French side, that European firms do not have access to the Chinese market and are not being fairly treated.

When discussing political concerns regarding China today, the belligerent tone can remind us of the cold war era. Zakaria drew attention to the mistakes the US foreign policy has made after 1945. According to him, this failed policy led to the McCarthy era, nuclear arms, a long and futile war in Vietnam, and several military interventions in the so-called third world. (Zakaria, 2020) European countries are close to repeating this historic mistake by focusing on ideological disputes while discussing economic interests. That is why the approach of the EU High Representative for Foreign Affairs, Josep Borrell offers us a reasonable 'realpolitik' attitude. The term 'systemic rival' – first used in EC communication in March 2019 was explained by him this way: *"It is clear that we do not have the same political system. It is clear that China defends its political system as we do with ours. It is clear that China has a global ambition. But, at the same time, I do not think that China is playing a role that can threaten world peace. They committed once and again to the fact that they want to be present in the*

*world and play a global role, but they do not have military ambitions and they do not want to use force and participate in military conflicts. What do we mean by “rivalry”? Well, let’s go over this word. Sometimes, there are differences in interests and values. That is a fact of life. It is also a fact of life that we have to cooperate because you cannot imagine how we can solve the climate challenge without strong cooperation with China. You cannot build a multilateral world without China participating in it effectively, not in a “Chinese way”, but in a way that can be accepted by everybody.” (Borell, 2020)*

This stance on China offers us a golden path between the idealistic approach of the early 2000s and the Cold War-like tone used in recent US foreign policy communication.

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