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BROOKINGS CAFETERIA PODCAST

GLOBAL CHINA'S RELATIONSHIP WITH EUROPE

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P R O C E E D I N G S

FORD: Hi, you're listening to the Brookings Cafeteria, the podcast about ideas and the experts who have them.

I'm Lindsey Ford. I'm a David Rubinstein Fellow in the Foreign Policy Program here at Brookings. I'm excited to be back in the podcast saddle again today as part of the China focused podcasts we've been doing in tandem with the Foreign Policy Program's Global China Initiative.

We're going to be rolling out a new set of papers for the Global China project this month looking at China's relationship with other major powers. So today we're going to talk about the china-Europe relationship and how China-Europe dynamics have evolved in recent years.

I am thrilled to have my colleague, Tom Wright, who is a Senior Fellow and Director of Brookings Center on the United States and Europe, here with me today.

Tom, thanks for coming.

WRIGHT: Thanks, it's great to be here.

FORD: So it's a perfect moment to be talking about China-Europe ties, not just because we're rolling out these papers, but also because you and half of D.C. and the entirety of my Twitter feed have all returned recently from the Munich Security Conference where, unlike maybe a decade ago, this year a major focus of the conversation was China.

So I'm curious, can you just sort of reflect for me on what you thought was most striking, notable, to you about the China conversation at Munich this year?

WRIGHT: Yeah, absolutely. It was the third Munich security Conference that I've attended, so I haven't been to a huge amount, but I've been the last two years. And to me it really was quite different. You know, last year China hardly came up. The Vice President, Mike Pence, made a speech; half of it was about how amazing Donald Trump was. He literally mentioned Trump by name 30 times. And the rest was on how awful the Europeans were over Iran and Venezuela. He had I think --

FORD: It's important to know your audience. (Laughter)

WRIGHT: Yeah, it was a pitch to an audience of one. And he never really mentioned China except for in one sentence about 5G. And it didn't really come up, I understand, in the bilats. There's a sizeable U.S. delegation there. And, interestingly, last year on the final day of the conference, on the Sunday, the Financial Times broke the story about Britain going with Huawei in the 5G network for the first time. And so the U.S. had been sort of blindsided by it.

Fast forward to this year, Mark Esper, the Secretary of Defense, gave a speech and he said at the beginning, I'm not going to talk about Russia or anything else, I'm only going to talk about China, and the whole thing was on China. Nancy Pelosi gave a very strong message, basically very similar to Esper, from the stage, took on Fu Ying, one of the most well-known experts in China, in Lexos (phonetic) in China, close to regime, on this question of 5G. And basically U.S.-China rivalry seemed to be the dominant theme. The Chinese foreign minister called it all BS and lies, and that's a quote. And there was sort of conflict between the two sides in

different sort of parts of the conference, including on the side events, where there was just very different sort of views. And sort of Europe looking on at this, I think realizing in a way that it's not so much the end of an era as the beginning of a new one, in that they, I think, came to the conclusion probably because it was just a bipartisan message from the U.S. and because of the Chinese pushback, that this is now probably a semi-permanent feature of transatlantic relations.

And I think that was the big take away that a lot of people came away with, was that China is now very much a part of what the alliance will be dealing with.

FORD: Was your perception -- I was looking at some of the analysis coming out of Munich and Noah Barkin had a piece in Foreign Policy I was looking at and he basically said the U.S. and Europe were speaking different languages when it came to China.

WRIGHT: So I think the European perspective on this is interesting, right. Three years ago Europe would have said the Americans are way too worked up about China, it's not a security thing for us, it's economic. We engage economically with them and politically, but the security obsession is really a U.S. thing and we don't see the risk in the same way that they do. That's not what you hear now. That view I think still exists in certain corridors, but it's very much a minority view. I mean the Europeans have experienced the negative side of Chinese influence and the experience it almost on a weekly basis. If you look at China retaliation against Sweden because they awarded a freedom of speech prize to its Swedish citizen born in Hong Kong or Huawei French think tank or the recent pressure just yesterday on

Finland, again for something that had been said about China, the pressure brought to bear in the English football league because of something that one player said about what was happening in Xinjiang.

So these are things I think that Europe and many other things that they're experiencing on a regular basis. And I think they do know that they need to have a more unified position of pushback against China and negotiate more from a position of strength. And they do know that there is a risk on technology and other issues. The debate seems to be, though, between two camps. One which is wary of going too far and thinks, look, we don't want to delink from China, that's not possible and it would be counterproductive. There's still a way to get them back to being a responsible stakeholder. We need to be prudent and cautious and recognize what they're like, but we have to engage with them and not go too far. And what America wants to do in terms of decoupling is a mistake. And that's sort of one camp. And then the second camp will take more of maybe not a Republican U.S. view, more of a Democratic U.S. view that there is a real risk on the technology side, that Europe has to protect its own sovereignty, stand up to China more, and there may be a little bit of decoupling there.

And you see this debate playing out in individual countries. In Germany the chancellor is more softer maybe on China -- Angela Merkel -- whereas many in her own party are much more skeptical. In the UK the government, again a conservative government, is pretty accommodating of China in many ways, but many in the conservative party are not. Macron I think is a bit skeptical in France. You have

individuals, like the mayor of Prague who has taken a particular stance.

So I think the European picture is a little conflicted, as many people are here too.

FORD: Yeah, you raise a good point. I do think it is notable the degree to which the China conversation has shifted in European capitals over the past several years.

I mean earlier in the Obama Administration there were some pretty sizeable differences between U.S. policy makers, I think, and European policy makers who just weren't as interested in having a China conversation. And now you see the EU putting out its own thoughts on China, NATO making statements on China, and the G7 statements on China. So I mean the conversation is certainly happening with a focus to a degree that didn't exist several years ago.

But I was looking back at some of the statements that they've put out, and this tension that you've highlighted between different camps and different perspectives really comes across very clearly. I think it was the March 2019 document, the EU-China strategic outlook. And I was looking at the way that they described in China. And it was a mix. It was simultaneously a cooperation partner, negotiating partner, economic competitor, and systemic rival. That's a lot to try to reconcile at the same time.

WRIGHT: Yeah, yeah. Right. But the use of the words systemic rival were important I think.

FORD: Significant.

WRIGHT: That's in some way stronger than some of the language that has been used in many U.S. strategic documents.

To me I think Europe -- partly because of the pressure China's putting on individual countries, but also because of what's happening in Xinjiang and Hong Kong, and even on the response to the Coronavirus, it basically is going to create this sort of gravitational pull that will pull Europe in a more skeptical direction.

FORD: Right.

Now, if Europe ends up there, it's still going to be a fundamentally different place than where the United States is, right, because even if you were to imagine a very -- let's say a tough on China Europe policy, it still basically has no military dimension. There's no question about European forces in the Asia Pacific. Esper asked this at Munich, you know, what should NATO do. And he said, and I'm paraphrasing, but he said absolutely nothing. He said we don't see any role for NATO in Asia. We want you to focus on Europe and that's the best way to help, right.

So that's sort of interesting, right. I think that's the right answer actually, but I think Europeans get nervous. They get most nervous when this thing is framed as neutrality or alliance in a time of war, right.

FORD: Right.

WRIGHT: That is a very remote scenario. It's possible, but it's a very unlikely scenario, that there would be a major power war between the U.S. and China. The base case is a much different form of peacetime competition. But that is

sort of what would be most sort of controversial in Europe, because obviously they don't want a part of that in that same way that China and the U.S. don't want to be in a conflict either, right. But where they are more likely to end up is with a particular economic and diplomatic strategy, thus defending European sovereignty, either at the nation state level or at the EU level, and it's sort of standing up for European interests and value. But I think because it doesn't have the kinetic or military part of it, it is by definition a different sort of approach, but not incompatible with the American position.

FORD: Right. So as European capitals think about what's probably much more of a peacetime competition with China, it comes across -- and you mentioned this earlier -- that there may be some differences in where countries want to draw the cooperative and competitive sort of bounds of their relationship with China.

Where have you seen -- there's obviously the Huawei debate that's been out there for a while, but where else have you been watching where you see China exploiting perhaps some of the differing interests and opinions on what's cooperative, what's competitive between European capitals?

WRIGHT: Yeah. I mean I think that the 5G and tech side of it is, if not quite the center of gravity of this, is pretty close to it. And it's not just about 5G, it's about future technologies and AI and quantum computing and it's the need to have sort of a democratic alternative or option in addition to what Huawei or ZT, or whoever it is, is offering from the Chinese side, which is obviously pretty heavily subsidized and supported.

So, you know, at Munich that was a dominant theme and questions were raised about the fact that the U.S. didn't have an alternative and the Administration's been very slow to work on this.

So I think that's one piece, but you mentioned that already. But just setting that aside, the one I've noticed most is probably on the political side, which is China's desire really to keep Europe relatively divided on China and to compel the individual countries not to say anything critical.

FORD: Right.

WRIGHT: You know, so not to mention Xinjian, don't mention Hong Kong, don't meet with the Dali Lama, don't really do anything that could be seen as contrary to Beijing's interest. And if the government is silent and an actor in a state, whether it's a sports start or a company or a newspaper, violates those red lines then there will be repercussions for the country. And that is what I think is sort of most concerning and is pretty worrying to European leaders. Because they sort of understand -- I mean it's a cliché, but it's the whole thing about if you're not at the table you're on the menu sort of thing. That they don't want to be divided up for the U.S. and China.

FORD: Right.

WRIGHT: And that they don't have a voice of their own. And that's really what Macron is talking about when he talks about Europe exercising collective sovereignty. He wants Europe to be a strong player because in Europe -- to use another cliché -- you know, it's like there are two types of countries, small countries

and countries that don't know yet they're small countries, right. Like every country is basically a small country. Germany is maybe the only one that's not. But by global standard, economies with at most 70 million people, usually quite a bit less, they're going to be at best middle powers. And so only by banding together can they sort of push back on those normative and political areas.

And then the economic one I think is also an issue. Although I think to me that's a little complicated because of course, there's some piece of this which is similar to fears about Japan buying everything up in the '80s.

FORD: Right.

WRIGHT: You know, it isn't -- certain types of infrastructure -- I'm not sure it really matter if it's owned by tiny sources. There are certain checks and balances there. Other types, like on the tech side or other areas are more sort of sensitive and I think it is an issue.

FORD: You mentioned -- and you're talking about small countries and countries that don't know they're small yet --

WRIGHT: Yeah, yeah.

FORD: -- but I mean some European countries might look to Germany as sort of a larger European country that could kind of help rally everyone together, and yet there's been some consternation from the French, from the Americans as well about maybe where Germany is in how it's thinking about China. I mean notable I think that following Tsai Ing-wen's recent election that Angela Merkel didn't put out a statement congratulating --

WRIGHT: But she didn't?

FORD: She did not.

WRIGHT: I didn't notice that. Yeah.

FORD: Yeah. Talk to me a bit I guess about where you think the state of the debate in Germany has been and could that shift in the coming years -- a post Merkel Germany.

WRIGHT: Right. Yeah. Just one sidebar. In Taiwan, I was there around the time of the elections and one of the things Taiwan officials said, which I thought was sort of interesting, is that the level of support they got for the lection from Europe was significantly larger than before.

FORD: That is notable.

WRIGHT: And they thought they'd gotten more messages, they were more substantive, and longer. And also they had more engagement with Taiwan, not obviously recognition or anything like that, that's obviously not in the cards, but just engagement and economic engagement.

FORD: Right.

WRIGHT: And they thought there was an uptick there and they thought it was partly related to the changing view of China in Europe. But it is interesting. I didn't know that Merkel had not put out a statement and that is significant and concerning.

I mean Germany has always had a pretty close relationship with China politically. I think there were a lot of different reasons for that. One of them is

economic. A political reason is that China has always seen in its interest to engage Germany as sort of the good defeated enemy from World War II as opposed to the bad defeated enemy of Japan. So they like sort of saying to Japan, Germany is the model. You're, you know, not like Germany. So there's some of that as well, but Merkel has always been politically engaged and they would be sensitive, the Germans, if you said you viewed this as an economic opportunity. They would say you don't really understand what we're doing because we're engaging very comprehensively in the hope that we can steer China really in this responsible stakeholder direction. And they felt they did that fairly systemically.

But, having said that, there's been a backlash in Germany at Chinese behavior and they're worried about a number of things China is doing. The 17 -- previously 16-plus-one -- format where China works at Central and Eastern Europe, the economic investments, a variety of other things, human rights, and international norms. Merkel I think remains of the view that while there are problems, there can be no return or option of Cold War, that we need not to make rivalry a self-fulfilling prophecy. And all of the sort of things that one associates with that responsible stakeholder view here, I think she very much believes. And she doesn't think that you can sort of begin to cut China out of things, which is why she's taking this decision on 5G.

FORD: Right.

WRIGHT: But within her own party, there's opposition. One of the main opponents, Norbert Röttgen, a foreign policy expert, recently said he's going to run

for the party leadership after Merkel. He probably won't win, but he's an influential voice. Some of the other leaders or other candidates are opposed to it. Interestingly, the Greens I think are also opposed to the 5G position. So it's not just on the right.

FORD: That's what I've heard.

WRIGHT: Yeah. It's also on the left. And you have civil society more active.

Now, the business community is more, although the German business community is a little divided on this, but tend to be a bit more like it is here --

FORD: Right.

WRIGHT: -- understanding of the Chinese position. So I think it's a debate that still has to play itself out. But my view is that if you were someone who wanted to engage with China on the old terms, that you're going to face a pretty challenging future, because it's one thing if China remains static, right, and it's the U.S. pushing to be more competitive in a lot of different areas. But that's not really what's happening. There's some push from the U.S., but if you look at the last 12 months, you have these revelations, including very recently Xinjiang, those cables. They're very hard for Europe to ignore, you know, especially for Germany to ignore give all the historical things. I think they feel a certain obligation to speak out on that. There's Hong Kong, which is really gotten into public consciousness. No one really cares about the South China Sea I think in Europe. And even in America I think it's hard to convince people that matter, even if we all think oh, it's very important. But 5G is something that they're familiar with because they all have phones and they're worried about data. Hong Kong is similar. A lot of them have been --

FORD: It's students. You can see young people, and they care about democracy.

WRIGHT: Yeah, right. They care about democracy.

FORD: It's not just rocks.

WRIGHT: And Xinjiang gets to that idea of fundamental human rights.

FORD: Right.

WRIGHT: And so these are all things I think that push on certain things in Europe, that just gets to Europe's idea of itself, which is Europe could be the Singapore-esque player that works for China wherever convenient and tries to play all sides. But that's sort of incompatible with what Europe thinks it is and sort of what it actually is.

FORD: Yeah.

WRIGHT: And so I tend to think they're going to move more to push back. But, as a I said, it will be a very different form of pushback than what will be typical in Washington, where it's more associated with security theme first and then the other elements are brought in.

FORD: So this really important point, I think, that a lot of what may have galvanized the China conversation in Europe is actually things that have taken place in China that impact Europeans own fundamental views about themselves and individual rights and not so much necessarily the United States standing up behind a podium and barking at them about China. In a lot of ways I think perhaps China's own actions in places like Hong Kong, as well as actions they've taken that step on

domestic politics in Europe. And you saw that here too in the United States a bit. I mean Americans think, well, you don't get to tell our business people what they can and can't say. Now you're stepping on our individual rights as Americans.

WRIGHT: Yeah, yeah, yeah.

FORD: You can't do that.

WRIGHT: Yeah, exactly. I mean I do think the U.S. has a role to play in Europe on China, but I think it needs to be much more clever about how we do it.

So on 5G I think if the U.S. wasn't raising a fuss about 5G it would not be as contentious and in Europe.

FORD: Right.

WRIGHT: Like it's the U.S. making the point very clearly, along with Australia that it's rallying skeptics to that position.

FORD: Right.

WRIGHT: It creates some pushback for the UK and for others that just want to go ahead with some economic engagement.

I think there are times when Europe will try to avoid the human right issues because it's just easier. There's a formulation, which is we raise it in the human rights dialogues and so then it's not really raised in anything else. And, you know, there's a certain set of words that politicians use, which is just designed to delay and sideline it. The U.S. can be sort of clever about bringing those up in certain forum and working behind the scenes where there's concerns to make sure everyone is standing united on it.

And there's a collective action problem in Europe, that they don't have a united position, so there's always a worry that if you're the one standing up there, then your country is going to get targeted.

FORD: Right.

WRIGHT: And so the U.S. is the only country big enough that can sort of take the lead on that. And then in many of the Central and Eastern European countries, which are more, generally speaking -- although there's some exceptions -- want to work with China more and don't really prioritize some of the concerns in the same way that maybe France and Germany would. There the U.S. has a lot of influence because of NATO and can sort of say, look, this is a larger strategic issue.

FORD: So looking forward, Tom, to a next U.S. Administration, whether that's a second term Trump presidency or one of any multitude of Democrats who it might possibly be, what would you point to for a next administration in saying, hey, if you want to lash up more closely with Europe on dealing with China, these are some of the issues we should start tackling together.

WRIGHT: Yeah, it's a great question. I mean I think it's a fairly straightforward answer in some ways in that European leaders, including Macron, have asked Trump to work together on China and he said, famously, or infamously, the EU is worse than China only smaller. So the double insult to France.

FORD: It was the American version of their big countries and small countries.

WRIGHT: Yeah. And that's Trump's view. And he actually contradicted

Esper over the weekend on the trade stuff and working with China. So it's a whole Trumpian thing there, but basically the Europeans would like to work together on China and they would like to do so through the EU, right. Because if you think about Europe, NATO is a very small piece of this.

FORD: Yeah.

WRIGHT: You know, there's no military role for Europe really in Asia. There's a certain interoperability and technological security part of it.

FORD: Mm-hmm.

WRIGHT: But that's pretty small. Most of it is EU. It's economic, it's financial, it's political, it's normative. So the Trump Administration so hostile to the EU, it's hard for them to do that. But I think one very easy shift, whether it's for a second term Trump or for a Democrat, is to really engage the EU on this.

And then I think there's a lot that can be done. For starters, there's been changes here in the Republican outlook on industrial policy and recognition, you know, this is a role for the state in thinking about --

FORD: Right.

WRIGHT: -- what democracies have to offer economically and technologically. So there's a lot of scope for that. I think there's a lot of scope more broadly on economics in terms of dealing with state-owned enterprises in China and some of these larger questions of fairness and reciprocity.

FORD: Mm-hmm.

WRIGHT: And maybe not necessarily going back to T-TIP but thinking

about ways in which there can be a common Atlantic position on this, and then maybe some negotiation on the WTO or the WTO's role. So there's an economic component there.

There's definitely a normative component in terms of protecting liberties at home, which is also a pretty compelling argument, but as you mentioned, China has been acting in a way that's been trying to silence a lot of that.

FORD: Yeah.

WRIGHT: So giving some unified support to companies and individuals and organizations, saying it's not acceptable, that they will be bullied or intimidated --

FORD: Right.

WRIGHT: -- I think is an option.

And them more broadly, on just sort of cooperation between democracies in the sense of what we're all actually working toward, which is a more open freer world, I think is something too.

So I think there's huge room for cooperation and then for collective negotiation with China, maybe with some other authoritarian countries on shared interests. But I think the U.S. under the Trump Administration has just been punching below its weight a lot because they've come late to it, they tend to sort of want to say our way or the highway on this stuff, you know, and sort of push Europe in. And then they're not working through the EU, which is most of the competency.

FORD: Yeah, great point.

Well, Tom, this has been a fantastic conversation.

WRIGHT: This has been great. Thanks.

FORD: I feel like we could have a full second round of this.

WRIGHT: Yeah, yeah. I'm sure. Hopefully we will, yeah.

FORD: Maybe we will at some point.

So thanks so much for joining us today.

WRIGHT: Great. Thank you.

DEWS: The Brookings Cafeteria Podcast is the product of an amazing team of colleagues, starting with audio engineer Gaston Reboredo and producer Chris McKenna. Bill Finan, Director of the Brookings Institution Press, does the book interviews, and Lisette Baylor and Eric Abalahin provide design and web support. Our intern this semester is Amelia Haymes. Finally, my thanks to Camilo Ramirez and Emily Horne for their guidance and support.

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Until next time, I'm Fred Dews.

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