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Europe's Face-Off With China

Countries that once saw Xi Jinping as a possible ally on global issues now find themselves resisting Beijing's authoritarian sway

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Just three years ago, Chinese President Xi Jinping skillfully soothed European sensibilities at the annual gathering of global elites in Davos, Switzerland, as he praised the virtues of multilateralism, free trade and fighting climate change.

To many Europeans, China's authoritarian leader briefly seemed a more appealing partner than President Donald Trump, who has since withdrawn the U.S. from the Paris climate treaty, disparaged the European Union and questioned the value of NATO. Mr. Xi's ambitious Belt and Road project also made European politicians salivate over tens of billions of dollars in anticipated Chinese infrastructure investments.

That infatuation is waning, however, as Europe confronts China's rise as a superpower and attempts to navigate a new international order that is shaped more and more by the rivalry between Washington and Beijing. China's appeal has been further eroded by the secretive manner in which Chinese authorities initially managed the outbreak of the Wuhan coronavirus, which this week became a public-health emergency in Italy and a threat to other European economies.

Increasingly repressive at home under Mr. Xi, the Chinese party-state is now trying to stifle public criticism abroad, including in Europe. In recent months, these heavy-handed attempts to influence, and sometimes bully, European nations have triggered a backlash, drawing attention to the Chinese system's fundamental difference with Western democracies.

"China is trying to export its governance model across the world, including into Europe," said Volker Perthes, director of the German Institute for International and Security Affairs, a think tank that advises Germany's government and parliament. "Europe is waking up to dealing with China not only as a customer, a marketplace and a big factory, but as a geopolitical and geoeconomic actor that is certainly a partner in many respects but also a competitor and a challenger, including to our values."

Positive views of China shrank in much of the EU last year, according to opinion polls. In Sweden, one of several European countries experiencing this new chill with Beijing, things have gotten so nasty recently that three major parties have demanded the expulsion of the Chinese ambassador to Stockholm, citing his public threats to Swedish officials, media and human-rights groups. "Some Swedish businesses now have to take into account Swedish public opinion: 'Why do you do business in China, such a terrible country?' That is quite new," said Lars Freden, a former Swedish ambassador to Beijing.

Europe's expected Belt and Road bonanza, meanwhile, has by and large failed to materialize as China's own economy has slowed down—troubles that began well before the stringent measures to contain the coronavirus. "The period of romantic optimism is over," said Latvia's Foreign Minister Edgars Rinkevics. "Four years ago it was only about the economy, about trade, about the Belt and Road, about more investment. Now, it is more balanced."

A fellow minister from a major EU nation put it less diplomatically. "Frankly, we see no reason why we should be kneeling to China," he said. "They are not doing us any favors."

China remains vital to the European economy, of course, and retains a network of influence on the continent. Bilateral trade stood at 604 billion euros (\$665 billion) in 2018, the last year for which EU statistics are available, with a 185 billion euro deficit (\$203 billion) in China's favor. Chinese companies have invested heavily in key pieces of Europe's infrastructure, like Greece's main port of Pireaus and Portugal's power utility, and control iconic European manufacturers such as Sweden's Volvo Cars and Italy's Pirelli.

Distracted by dealing with Russia and with Britain's departure from the bloc, the EU is only now attempting to put together a coherent policy on China. Perennial rivalries within the EU, where smaller states often suspect Germany and France of skewing the rules in their own favor, have complicated the process.

Still, last March, the European Commission for the first time defined China as a "systemic rival promoting alternative models of governance"—a departure from the previous approach that viewed China mostly through the lens of lucrative trade opportunities. European leaders are working to come up with a common position ahead of the summit between Mr. Xi and 27 EU leaders scheduled for September in the German city of Leipzig.

As this new attitude sets in, the overriding priority for Europe is to avoid getting trampled by the two superpowers, EU officials say. "We Europeans cannot accept the idea that the world should organize itself around a new Sino-American bipolarity which would come to replace, after a 30-year transition period, the Soviet-American bipolarity that literally divided Europe," said the EU's top diplomat, Josep Borrell.

Europe's sudden awakening to China's growing clout, and to Beijing's threat to its democratic values, is happening at a time of profound discord with the U.S. Mr. Trump remains deeply unpopular in European nations, in part because of his threats of a trade war. At home, however, his desire to contain China has bipartisan support, which means that the pressure on Europe to take sides is almost certain to continue whether or not Mr. Trump wins a second term in November.

"We have two main worries now. Are we still allies with the U.S.? And where is China heading with its authoritarian turn?" said France's former prime minister Jean-Pierre Raffarin, who informally advises President Emmanuel Macron. "What's at stake for us is to become strong enough that we don't turn into a ping-pong ball hit by the American and Chinese rackets."

While European leaders agree, in principle at least, that Europe's best response to this challenge is to grow its own capacities—in defense, technology, industry and diplomacy—there are two main schools of thought on the best strategy to achieve that goal.

One asserts that, regardless of the EU's many disagreements with Mr. Trump, trans-Atlantic ties are more essential than ever before and Europe should stand firmly by America's side. "The U.S. is not able to deal with China alone, and Europe is not able to deal with China alone," said

Latvia's Mr. Rinkevics. "If you look at it from the values point of view, from the strategic point of view, the U.S. should be our number one partner in addressing these issues, even though it's not an easy partner."

To other European leaders, however, this approach is rooted in wishful thinking. The U.S., they argue, already began disengaging from Europe under President Barack Obama, and EU interests are increasingly at odds with Washington's. This means that Europe should stay out of the fight and pursue its own course.

France's President Macron has pressed this point, insisting on greater "strategic autonomy" for Europe and arguing for renewed engagement with Russia to limit China's power. Such thinking reflects a major shift, from seeing Russia as Europe's biggest security threat, in the wake of the 2014 invasion of Ukraine, to realizing that China poses an even more severe challenge—economically, politically and even militarily.

The surprisingly rapid expansion of China's military base in Djibouti—a former French colony on the Horn of Africa—has enabled China to project power in Europe's own neighborhood. To France, this point was made clear in July 2017, when Chinese warships sailing in the Mediterranean briefly outnumbered those of the French Navy.

Chinese officials, in their meetings with Europeans, insist that Beijing's intentions are nothing but benign. "The world today needs solidarity and cooperation between China and Europe," Chinese Foreign Minister Wang Yi said at the Munich Security Conference in February. "China-EU cooperation has become even more significant, especially in today's world where a certain major country has abandoned international cooperation and pursued unilateralism. China always believes that for China and the EU, our areas of consensus outweigh differences."

Such assurances meet an increasingly skeptical response, however, in part because of a new pattern of behavior by Chinese government representatives. These days in Europe, public discussion of matters such as the treatment of the Uighur minority in Xinjiang, protests in Hong Kong or the Chinese authorities' initial mishandling of the Wuhan coronavirus often prompts angry public interventions by Chinese diplomats. From Stockholm to Prague to Rome, the Chinese message is: Keep quiet or your economies will suffer.

In the Czech Republic, China responded to plans by the mayor of Prague to foster cooperation with Taiwan by canceling a 14-city tour by the Prague Philharmonic Orchestra scheduled for last fall and by blocking subsequent visits of several other cultural institutions based in the city.

Despite frequent threats, Beijing has stopped short of imposing serious economic sanctions, in part because such a step against any individual EU nation would likely invite retaliation from the entire EU.

So far, at least, China's new bullying approach seems to be backfiring. That's especially the case on the issue that currently matters most to Beijing: whether to allow its Huawei telecom giant to play a significant role in building Europe's 5G networks. The U.S. is lobbying hard to keep Huawei's cheaper equipment out of European networks. "Huawei and other state-backed Chinese companies are Trojan horses for Chinese intelligence," Secretary of State Mike Pompeo said in Munich.

Huawei insists that it is independent from the Chinese Communist Party and last year sued French researchers who alleged otherwise. At the same time, however, China's ambassador to Berlin has issued implicit threats of targeting the German car industry if Huawei is excluded.

Such Chinese pressure ignited a rebellion against Chancellor Angela Merkel's relatively soft approach to Huawei within her own CDU party. A CDU position paper published this month calls for limiting participation in 5G by "untrustworthy" suppliers that are beholden to a foreign state, and a cross-party alliance of government and opposition lawmakers now wants to ban companies like Huawei from Germany's 5G system. The final 5G legislation is still being drafted.

"It tells you something if official representatives of another state dare to interfere in a parliamentary process of legislation," said Norbert Rottgen, who heads the foreign-affairs committee in the German parliament and is running to succeed Ms. Merkel at the helm of the CDU. "This requires us to send a strong signal that we take our own decisions."

In France, the biggest mobile operator, Orange, already announced in January that it won't use Huawei equipment.

In Italy, which became the first big Western nation to join the Belt and Road initiative just last March, the mood on China has also soured, in part because of similar bullying attempts by Beijing. In November, a handful of Italian lawmakers decided to hold a videoconference with Joshua Wong, a leader of the Hong Kong protesters. The Chinese embassy in Rome blasted the plan as a "grave error and irresponsible behavior" that "supports violence and crime."

That attempt to scuttle a parliamentary event prompted all the main political parties as well as Italy's foreign ministry to condemn Chinese meddling. Days later, the Italian parliament's lower house unanimously passed a resolution supporting democratic freedoms in Hong Kong.

Nowhere in Europe is the backlash against China as strong as in Sweden, however. According to Pew, the number of people with a favorable opinion of China declined by 8 percentage points to 33% in France last year, by 11 points to 36% in the Netherlands and by 5 points to 34% in Germany. In Sweden, the favorable rating of China sank to 25% in 2019 from 42% the year before.

Sweden's troubles with China began in 2015, when a Chinese-born Swedish citizen, Gui Minhai, disappeared on a trip to Thailand. A publisher once based in Hong Kong, Mr. Gui angered Chinese authorities by writing about alleged corruption in the family of Mr. Xi and other subjects considered taboo in Beijing.

Swedish officials say that Mr. Gui was kidnapped by Chinese operatives. Beijing says that the publisher turned himself in voluntarily to Chinese police to stand trial for a 2003 drunken-driving episode that resulted in the death of a young woman and, after his release two years later, was rearrested for "illegally providing state secrets and intelligence."

The controversy turned into a crisis last November when Sweden's PEN Center drew attention to Mr. Gui's plight by awarding him the prestigious Tucholsky literary prize, which is usually delivered by the country's culture minister. The decision drew a livid response from China's ambassador to Stockholm, Gui Congyou, whose outbursts have made him a household name in the country. "Normal exchanges and cooperation will be seriously hindered," especially if Swedish officials attended the ceremony, he warned. "Some people in Sweden shouldn't feel at ease after hurting the feelings of the Chinese people."

Sweden's government ignored the warning and the culture minister delivered the prize anyway, at a ceremony where an empty chair was left for the jailed publisher. On Tuesday, a court in China's Ningbo city said that Mr. Gui has been sentenced to 10 years' imprisonment.

Such brushes with an increasingly intolerant, and self-confident, new China offer a sobering lesson to all Western democracies, according to Jesper Bengtsson, the chairman of the Swedish PEN Center. “We always used to talk about the spread of democracy and universal values, and about how we can affect change in countries like China from a position of strength,” Mr. Bengtsson said. “We now realize that we are not necessarily the strong party here. There has been a shift of power in the world.