

Q & A

Noah Barkin on Europe's Struggle to Define its China Position

The Rhodium Group's China editor talks about "strategic autonomy" and why Europe doesn't want to be bullied — by the U.S. or China.

BY JAMES CHATER — APRIL 18, 2021

Noah Barkin is managing editor in the China practice at Rhodium Group and a senior visiting fellow in the Asia Program of the German Marshall Fund, where he writes the monthly "Watching China in Europe" column. Before taking up these positions, Barkin had a 25-year career as a journalist, working mainly for Reuters as a bureau chief, regional news editor, and roving Europe correspondent, with stints in Berlin, Paris, London and New York. What follows is a lightly edited Q&A.



Noah Barkin.

Illustration by Kate Copeland

In 2019, the EU Parliament set the stage for current EU-China relations with their "Strategic Outlook" document, in which it labelled China a "cooperation partner," "economic competitor," and a "systemic rival." How did we arrive at that point in 2019?

The EU line on China really began to harden back in 2015-2016, and it started with concerns about Chinese acquisitions in Europe. There were growing complaints from European companies operating in China about the grip of the state over the economy, as well as concerns that Chinese firms moving up the value chain were becoming more formidable competitors. 'Made in China 2025' was a real turning point; another was the 2016 acquisition of KUKA, a German robotics maker. And, of course, at the same time concerns about China were growing, mainly in the economic realm, Europe's relationship with

the US under Trump was deteriorating, who was questioning the NATO alliance, going after Europe on trade, and pulling out of multilateral agreements like the Joint Comprehensive Plan of Action (JCPOA), the Iran deal, and the Paris Climate accord. In a sense, I think both China *and* the US were seen as growing challenges or threats to the EU at the time.

What does China want from the EU now?

Firstly, I think China wants access to markets. Although we've seen a pretty sharp decline in Chinese foreign direct investment in Europe over the past five years, China still wants reassurances that the EU market is not closing up to Chinese investment. The Comprehensive Agreement on Investment (CAI) signed toward the end of last year reaffirmed the principle of an open market. Another priority of the deal was really to show that the EU and China were working in lockstep, and that the EU was not on this

confrontational path towards China that we're seeing from the United States. Actually, the CAI sort of encapsulates quite nicely what China is pushing for in the EU more broadly, which is to make sure the EU is not working in lockstep with the United States and that the EU is not about to dismantle economic ties with China.

Throughout 2020, many, including yourself, suspected that the CAI might not be finalized. What changed?

Well, what changed was that Joe Biden won the US election. We had signs throughout the US

presidential campaign that China was growing concerned about the possibility of a transatlantic front; the two visits to Europe last summer by China's top diplomats – Wang Yi and Yang Jiechi – really demonstrated this. This was because, of course, Biden's main foreign policy message was: we're going to repair ties with allies, and we're going to work together with them on a variety of issues, including China. If Trump had been reelected, we may not have seen these concessions in the agreement from the Chinese side. Then, at the end of December last year, Xi Jinping had a direct call with German Chancellor Angela Merkel and French President Emmanuel Macron, and signalled that he wanted to get this deal done. So, I think this was very much about sending a message of EU-China unity in the weeks before Biden came into office.

The situation feels very different now. How significant are the tit-for-tat sanctions we've seen between the EU and China in recent weeks?

I think China's response to the EU sanctions was a surprise in European capitals. It's clearly a disproportionate response to what were very targeted, and arguably quite limited, sanctions on Chinese officials linked to Xinjiang. I think it shows that China, first of all, can live without the CAI they signed just three months ago, because they're targeting members of the European Parliament who will be forced to ratify this deal later in the year. Beyond this, the sanctions also send a message to Europe that China views issues like Xinjiang, Hong Kong and Taiwan as completely off-limits, and will respond very forcefully to any attempts by Europe and its allies to push back in a public way.

Who was driving the implementations of the sanctions on the EU side? There must have been an awareness that this had the potential to scupper the CAI...

Well, even after the EU clinched the CAI with China in December, some EU officials were very clear that they were going to be pushing back on other issues. Europe is attempting, and has been attempting for a number of years now, to compartmentalize its relationship with China. So, for example, the EU speaks out on human rights abuses at the same time it pushes ahead with closer economic engagement. I think China's forceful response to these sanctions exposes some of the limits of this compartmentalization strategy. China is essentially saying, it's fine to press ahead with economic engagement, but we see that as incompatible with policy where you're also criticizing us publicly on human rights. That is, I think, a dilemma that the EU, and the new Biden administration, is going to be wrestling with in the months and years ahead.

BIO AT A GLANCE	
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Barkin interviewing Chinese artist and activist Ai Weiwei in August 2015.
Courtesy of Noah Barkin

Do you think the sanctions will be lifted? And if they aren't, is that the end of the CAI?

I don't think we can expect China to lift sanctions unless the EU lifts its own sanctions against the Chinese officials in Xinjiang. And I think the chances of that are zero. Later this year, the deal will come up for ratification in the European Parliament and, when that happens, we can expect those European lawmakers to remain on China's sanctions list. That will make it very difficult for the European Parliament to ratify this deal. Getting approval of this deal was an uphill battle to begin with because of China's refusal to make binding commitments to enforce ILO forced labor conventions. Now,

I think it is looking like Mission Impossible.

In January, you wrote: "European capitals still see value in Chinese promises." I wonder where that European faith in China stems from and why it hasn't evaporated in the way it has perhaps done in the United States?

That's the central difference between the EU and US approach to China. In the US, the idea that Chinese promises are worth something has largely vanished. There's not a great deal of faith that if China says, "okay, there's not going to be any more forced technology transfer", or "we're going to be completely transparent on subsidies", that that is something you can hang your coat on. European companies are deeply ensconced in the Chinese market. And countries like Germany – and their big companies – are heavily dependent on the Chinese market. So there is an obvious desire to keep these economic opportunities alive.

Then, there's a broader issue of it being a choice. Do you confront China? Do you say: we can't believe what China is saying, they are an adversary, we are now going to confront them? Or do you say: we need to exhaust every opportunity we have to try to bind China into the global rules-based system? In Europe, the view is you have to go out of your way to try to do that, because the alternative is a sort of Cold War 2.0, or a world of different blocks, perhaps even a hot war at some point in the future. If that's your starting point, then you're going to do everything you can to work with China and show that China can be a responsible member of the global community. After these sanctions, that underlying belief that one needs to try and bind China to certain rules hasn't changed, but I think it puts wind in the sails of the critics of China who have been expressing doubts about whether China can be bound into the global-rules based order.

The starting point you mention has given birth to the EU's so-called "strategic autonomy", a term whose meaning has become increasingly nebulous. What does it mean to you? And what does it mean to different European leaders?

This is one of the problems with strategic autonomy: everybody has their own interpretation of its meaning. For the French, it's really about developing a European pole separate from China and the US. And in Emmanuel Macron's vision, it's about also embracing Russia, and creating a European space between these two superpowers.

I don't think this is shared by Berlin, where the view is limited, and focused more on digital issues. There are concerns about US platforms like Facebook and Google, the need for Europe to develop its own rules, and to not be sucked into this digital world that the US and, increasingly, China have created. That is antithetical to certain European values, and is seen as an underminer of democracy.

But I think the core message is Europe does not want to be bullied and told what to do: whether it's by the US or China. That was the case, for example, with US sanctions that forced European companies to withdraw from Iran, even though the politicians in Europe were committed to the JCPOA agreement. There, US sanctions were essentially determining what European foreign policy was going to look like. But the fundamental rationale for strategic autonomy is Europe does not want to be bullied or told what to do by other powers.

The image is a YouTube video player thumbnail. At the top left is the Hudson Institute (HI) logo. The main title is "Transatlantic Approaches: Europe in an Age of Sino-American Competition". Below the title are five headshots of panelists: Paul Linnarz, Joel Scanlon, Dr. Gudrun Wacker, Noah Barkin, and Peter Rough. Each headshot has their name and affiliation below it. At the bottom left is the Konrad Adenauer Stiftung logo and "Watch on YouTube". At the bottom center is a play button icon and the text "Thursday | 10:00 AM". At the bottom right is the HI logo. There are also "Watch later" and "Share" icons at the top right.

Transatlantic Approaches: Europe in an Age of Sino-American Competition

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Europe in an Age of Sino-American Competition

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Barkin recently spoke on a Hudson Institute panel on EU-China relations.

Is strategic autonomy mistimed? If Trump had never become US president, for example, would we be having this same conversation? And with Biden now in power, is it still wise to pursue the same approach?

Well, I'm not sure we get strategic autonomy without the Trump administration. Strategic autonomy is an idea that has had support in France for quite some time; I think Trump is what convinced the Germans to swing behind the idea. Some have stipulated strategic autonomy as a rationale for doing the CAI: this idea that the EU is going to decide for itself what its interests are, and isn't going to wait around for the Biden administration. Nevertheless, 'strategic autonomy' shouldn't mean "getting back" at the US after four years of very strained relations under Donald Trump.

I think there is a recognition in Europe that you can't adjust policy every four years based on who the US president is. Europe needs to think long-term about what its strategic interests are, and it shouldn't be this à la carte approach: "one day we're with you guys, then one day, we're with the US, then another, we're with China." I think that's what Martin Selmayr (architect of the 'Strategic Outlook' document) tried to explain in my recent podcast: this à la carte approach is not how Europe sees strategic autonomy either. In fact, he questioned whether the CAI was really an example of strategic autonomy.

Who benefits most from the EU's strategic autonomy? Is it necessarily the EU?

Well, it's interesting that Chinese officials have begun talking about European strategic autonomy almost as much as EU officials. The Chinese government clearly supports this idea of strategic autonomy because it means that the EU is in nobody's camp, and that also means it's not in the US camp. And that's all that China wants. China doesn't want to pull the EU into its camp, it will be perfectly satisfied if the EU is "going it alone", so to speak. I think where it becomes more problematic is if strategic autonomy prevents the EU from working with the US on more broader geopolitical issues.

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FAVORITE FILM	<i>Chinatown</i>

China's approach to the EU has sometimes been described as one of 'divide and rule'. Is China exposing the EU as an organisation in which reconciling national and supranational interests is a pipe dream?

One has to remember that the effort to forge a common European policy towards China is still in the infant stages. The 'strategic outlook' document in 2019 was a good first attempt to provide a framework for understanding Europe's approach to China, which is multifaceted: partner, competitor, systemic rival. Since then, one of Angela Merkel's goals has been to get European countries together to think about common policies towards China; but the pandemic got in the way of that. So, although we did have this strategic outlook, we haven't really had a constructive discussion within Europe since then about how to approach China now. You're never going to get perfect agreement among 27 member states, and there are some problem children like Hungary who are always going to be pushing back. But I do think they can sit down and agree on some common approaches.

Does the EU have a coherent strategy for dealing with China's 'red lines,' for example Xinjiang, Hong Kong and Taiwan?

No, I don't think Europe does have a coherent strategy on this. With the sanctions just imposed in response to Xinjiang, I think many in Europe might have thought, "Oh, this is just like imposing sanctions on Myanmar, or other smaller countries." But China's making very clear that's not the case, they're showing that there will be a much bigger price to pay. In a way, this is a sort of clarifying moment for Europe; it's showing very starkly that there is a price for criticizing and sanctioning China on these issues, whether it's Xinjiang, Hong Kong, or Taiwan. So, Europe needs to have an internal debate about what that price is. Is it willing to suffer economic costs, whether that's to German industry, operating in China, on the trade front, or on Chinese investments in Europe? How does the EU react when China is bullying one of its members? In the past, for example, I think there's been a tendency of Europe to avert its gaze when it came to Taiwan, but it's going to be difficult to continue to ignore the risks. This is a debate that Europe has to have, and has not really had yet.

Do you think there's going to be a reset in the EU's China policy post-Merkel?

I don't think we can expect a big reset. But I think we can expect a more vigorous debate about China in Germany – and in Europe – after Merkel has left the political scene. Merkel has been in office going on 16 years now, and China has changed significantly over the course of those 16 years. But during that time, Merkel did not adapt her approach in any fundamental way, so a debate over European policy on China was never really possible. The new German Chancellor, in a new coalition – perhaps with the Green Party – will not have the same baggage as Merkel, who put China at the center of her foreign policy. Still, we're talking about sending different signals, maybe establishing some red lines; we're not talking about a major reset. There's no appetite in Germany, or in Europe, for a major confrontation with or economic decoupling from China. In Europe, the views are gray, whereas in the US, they're very black and white. And that's not going to change no matter who's in power in Berlin.



James Chater is a journalist based in Taipei. His writing on politics, foreign affairs and culture from Taiwan has appeared in *The Guardian*, *New Statesman*, *The Spectator* and *Los Angeles Review of Books*. He is currently completing his masters in Modern Chinese Studies at Oxford University. Between 2017-2018, he also studied at Harvard as the Michael von

● COVER STORY



Pole Position

BY EYCK FREYMANN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China's academic and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.

● THE BIG PICTURE



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BY GARRETT O'BRIEN

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● Q & A



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BY ANDREW PEOPLE

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