

CHINA-EU RELATIONS UNDER XI JINPING: A NEW CHAPTER

Hussain Abbas

Dr. Irfan Hasnain Qaisrani

Abstract

This article addresses the developing state of China-EU relationship under the reign of President Xi Jinping. It maintains that the trajectory is largely being determined by the Belt and Road Initiative (BRI), which is swelling Chinese footprint in the West Asia, and that Beijing has gradually been augmenting its investments through commercial and soft power initiatives. There is no geopolitical rivalry between the two entities. However, Brussels continue to harbor concerns over Beijing's tight control over the domestic political space. The issue of human rights continues to be a substantial divergence. The gradual retreat of Washington also recalibrates the equation of this relationship.

Introduction

China and European Union (EU) are strategic partners. It can be regarded as a partnership encompassing almost all significant areas of relationships. Although China has maintained a cordial and cooperative relationship with the EU since the opening and reform era, the emergent tension between the EU and the United States (US), mainly because of the Trump policies and Brexit, has provided Beijing ample opportunity to pro-actively engage with the EU. On the other hand, the ascension of Xi Jinping has further stimulated the process of engagement at a comprehensive level. China and the EU agreed, in principle to enhance their relationship at the EU-China summit in June 2017.

China's pro-active engagement with EU is regarded as the result of Xi Jinping thought and vision. Xi vision of the 'rejuvenation of the nation' has led him to espouse a comprehensive scheme of initiatives. His thought of peaceful development, inclusive governance, and socialism with Chinese characteristics have paved the way for more enhanced and comprehensive overtures between the two sides. Besides its vision of peaceful and common development, its Belt and Road Initiative (BRI) has also attracted many EU member states. Although Chinese policy towards the EU is based on mutual

respect, cooperation and win-win relations, it, nevertheless, faces few challenges as well. The EU is concerned about the state of human rights in China. On the other hand, China maintains reservations about European interferences in the matters it regards as strictly internal. It is also wary of tight European controls over the transference of technology to China. Hence, the question is how China conducts its relations with the EU amidst such differences. Moreover, what policy measures can mitigate these differences.

Xi's Approach Towards the EU

China has emerged as the major actor on the international diplomatic canvas. As its national power potentials increase, its foreign policy has become more muscular. Once a developing country, operating at the periphery of international politics, it has now fully integrated itself with the international system. Enhanced interdependence, multilateralism, changing dynamics of multi-polarity, globalization have clearly impacted the Chinese foreign policy. Although, its potentials have increased, yet, its status as a great power in the international system is still not recognized. It is still considered as a rising power.

China has chosen the path of cooperation and multilateralism rather than hegemony. It seeks and portrays the notions of peaceful rise, a responsible actor of the international community, peaceful development, and a rightful place in the international system.

In some cases, it has showed firmness on national interests. Its behavior may be regarded as contradictory as various scholars have portrayed,¹ but with exception of South China Sea episode, its overall behavior remains conciliatory in the recent times. Some believe that this contradiction in the actual conduct and discourse is a deliberate act on the part of the national security elite, and that it is mainly a part of greater power diplomacy designed to distract great powers away from disagreements and antagonism.²

¹ David Shambough, "Coping with a Conflicted China," *Washington Quarterly*, (Winter 2011): 01-03.

² Ji Zhiye, "Danguo guanxi chubu dao wei, liangxing hudong shijia chengxiao" (Great Power Relations fulfill Early Expectations, Beneficial Exchanges Show Early Effects, *Chinese Diplomacy* no. 03, (2000): 84-85.

China has espoused new national vision under the leadership of Xi. Its policy paper on the European Union (EU) clearly portrays the approach and direction of its relations with the EU and the world. It states:

“Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China will stay committed to pursuing peaceful development, comprehensively deepening reform and breaking new grounds in opening-up on all fronts, and building a new type of international relations and a community with a shared future for mankind in order to create new opportunities for and make fresh contributions to world peace and development.”³

Peaceful development as a discourse is regarded as an innovative and indigenous idea of China. It had been the foreign policy mantra of Xi's predecessor, Hu Jinn Tao. It is the core idea deeply embedded in Chinese reform and opening and regarded as the core concept of China's grand narrative.⁴ It is believed to be a long-term idea bent on the premise of maintaining positive and beneficial relations with the outside world.⁵ Chinese foreign policy discourse under Xi has underwent a new turn in its approach. In his speeches and writings, Xi has emphasized on the need for a new type of cooperative and win-win relations among the major powers of the world.⁶ He particularly emphasized on the need to avail the historical opportunity to develop common understanding, mutual respect, and benefits by creating a “new model of major-country relations.”⁷ Xi has assured the international community that China believes in peace, does not

³ “Full text of China's Policy Paper on the European Union, December 2018,” Xinhua News, 18 December 2018, http://www.xinhuanet.com/english/2018-12/18/c_137681829.htm.

⁴ Barry Buzan, “The Logic and Contradictions of Peaceful Rise/Development on China's Grand Strategy,” *The Chinese Journal of International Politics*, Volume 7, Issue 4, (Winter 2014): 384.

⁵ Michael Swaine, “Xi Jinping on Chinese Foreign Relations: the Governance of China and Chinese Commentary,” *China Leadership Monitor*, No. 48, <https://www.hoover.org/sites/default/files/research/docs/clm48ms.pdf>.

⁶ Ibid.

⁷ Xi Jinping, *The Governance of China*, (Beijing: Foreign Language Press, 2014), 299.

intend to become a hegemonic or revisionist power, and will not be involved in the power games of the international politics.⁸

China's foreign policy towards the EU is based on the conviction that the former is a vital player in the international system, it has no geo-political conflict with China, and that its cooperation is necessary for the realization of the 'China Dream'⁹ as well as for the peace and development of the world.

"As major participants in and contributors to world multi-polarity and economic globalization, China and the EU share extensive common interests in upholding world peace and stability, promoting global prosperity and sustainable development and advancing human civilization, making the two sides indispensable partners to each other's reform and development."¹⁰

Political Dimensions

China has adopted an enhanced strategy of political engagement with the EU. Although China had established diplomatic relations with the European countries in 1975, engagement at profound levels started in the late 1990s. Furthermore, an enthusiastic spirit followed the China-EU strategic partnership in 2003. China has pro-actively engaged with EU in recent times. Pro-activism is regarded as the part and parcel of China's 'going out' and 'go global' strategy to attain a significant influence in every important region of the world to construct a favorable and conducive environment to facilitate its revival and attainment of a rightful place in the international community. High level visits are the true manifestation of the China's policy of giving the EU an important place. Xi's visits to Europe in 2014, and recently in early 2019, are regarded as the hall mark of the relationship between the two sides. Political engagement is believed to be based on the premise that strategic partnership with Europe will help it managing its tense relations with the US. On the other hand, the EU is also striving for an inclusive system of governance and multilateralism in the international affairs that presents

⁸ Lutgard Lams, "Examining Strategic Narratives in the Chinese Official Discourse Under Xi Jinping," *Journal of China Political Science*, no 23, (2018): 397.

⁹ 'China dream' is a phrase espoused by Chinese president Xi Jinping. It is regarded as a policy vision regarding China's destiny. It is linked with Xi's vision of Chinese prosperity, national unity and integrity, development, attainment of national glory and a rightful place in the international community.

¹⁰ "Full text of China's Policy Paper on the European Union, December 2018," *Xinhua News*, 18 December 2018, http://www.xinhuanet.com/english/2018-12/18/c_137681829.htm.

a converged concept with China. Beijing maintains relations with Europe on bilateral, regional and multilateral levels.

China regards the EU as natural partner. It has no structural or a geopolitical conflict with Europe. In 2015, at the forum of China-EU Business Summit, Premier Li Keqiang described relations with the EU as cooperative based on a win-win equation devoid of any conflict.

He stated:

“The European Union is a major pole on the global political arena... It has a deep impact on the global political and economic landscape and will surely benefit the whole world... China-EU win-win cooperation has remained the defining feature of China-EU relationship. China and the EU have always respected each other and treated each other as equals. There exist no geopolitical conflicts or clash of fundamental interests between the two sides.”¹¹

China and EU have very established cooperative mechanisms with a set of important content matter to discuss and cooperate. The political dialogue between them is urged to discuss, collaborate, and address the issues and matters of interests and concerns linked with two. They have common agenda of cooperation. This agenda covers areas like traditional political and security issues, trade, migration, human rights, illegal immigration, non-proliferation, environmental protection, climate change, conventional arms control exports, transfer of technology, multilateralism, terrorism, and challenges to sovereignty among others. The framework of the EU-China political dialogue is the main mechanism that is comprised of various other initiatives. This framework is comprised of high-level and low-level official structures.

The high-level structure covers the Premier of China, the president of the European Council, and the President of the European Commission, assisted by human resource departments. They held annual meetings to discuss the matter on the agenda set by the executives pertaining to the interests of the two parties. Executive to executive meetings assist the high-ups in setting the agenda and tracing the areas and issues of significant importance.

¹¹ Premier Li Keqiang, “Key Note Speech at China-EU Business Summit,” Brussels, 29 June 2015, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1277193.shtml.

Besides these a high level annual Strategic Dialogue mechanism between the EU's High Representative and Chinese State Councilor of foreign affairs is in practice to collaborate on the issues of strategic interests and concerns. Other official meetings on the lower level are annual meetings of the EU and Chinese Political Directors; annual meetings between the EU Director for Asia Pacific Affairs and his or her Chinese counterpart on Asian and Pacific issues; meetings between the EU's HR and the Chinese Foreign Affairs Minister; the bi-annual EU-China Human Rights Dialogue, the Crisis Management Consultation, and annual meetings between EU and Chinese experts.¹²

In 2013, China and the EU launched a framework of cooperation named as 'the EU-China Strategic 2020 Agenda for Cooperation' that serve as the guide to the enhancement and promotion of relations until 2020. Agenda is believed to be launched on the premise of establishing comprehensive strategic partnership of EU-China like that of US-EU strategic partnership. This agenda is implemented through three levels of EU-China Relations: High-Level Strategic Dialogue, High-Level Economic and trade Dialogue and a bi-annual People-to People Dialogue.¹³ The relationship once started with the framework of economic cooperation has reached a level of strategic dialogue. Now, the EU-China relations have strengthened to the extent that they have around "60 high-level and senior-level dialogues, working groups, and steering committees reflecting the wide-ranging scope of the relationship, including in areas such as cyber, transnational crime, economics, high-tech innovation, tourism, energy, and the environment."¹⁴ Variety of proposals for the development of legal frameworks and exchanges, and enhanced digital connectivity and collaborations are also in the pipe-line.

China's policy of enhanced political cooperation with Europe is not challenge free. Where there is a collaboration and convergences of interests there are also irritants. There is a difference of understanding between the two on the nature of the world order that may emerge when Washington begins to

¹² Emil J. Kirchner & Thomas Christiansen, "The Political Dialogue of EU-China Relations," *UACES Conference Paper*, September 2013, https://www.researchgate.net/publication/272073546_The_Political_Dialogue_of_EU-China_Relations.

¹³ Vincent L. Morelli, "The European Union and China," *In Focus: CRS Report*, January 2019, <https://fas.org/sgp/crs/row/IF10252.pdf>.

¹⁴ Ibid.

retreat. Beijing focuses on the multipolarity and believes that the multipolar world would be better for the stability and peace of the world in which many power-centers practically would influence and shape the international system in which China and Europe can play a greater role. But on the other hand, Europe insist on the multilateralism in which multilateral institutions would play a greater role and no major power of the world would establish a profound position, and decisions would be taken under a consensus-based mechanism.¹⁵ Various European states are critical of the Chinese human right records in Xinjiang and Tibet. Massacre at Tiananmen Square in which Communist Regime brutally suppressed the pro-democracy uprisings still irritate China-EU relations.

Taiwan and Tibet are also points of diversion in the EU-China relationship. China is critical of Europe's relations with the two territories.

"The EU should explicitly oppose Taiwan independence in any form, support China's peaceful reunification, and handle Taiwan-related issues with prudence. Exchanges between the EU and Taiwan should be strictly limited to nonofficial and people-to-people activities, and there should be no official contact or exchanges in any form. The EU should refrain from signing with Taiwan any agreement with sovereign implications or official in nature."¹⁶

Whereas China on the matter of Tibet appreciates the EU position that recognizes it as integral part of China, it expects European countries not to allow Dalai Lama or leaders of Dalia group to visit Europe and assist them in any form.¹⁷ China also has concerns with regards to the EU's export controls and arms embargos that are connected with Chinese human right records. Though these differences cannot structurally derail the positive relations between the China and EU, they can be a hurdle in the way of smooth strategic partnership when evaluating within the context of trans-atlantic relations. Restrained relations between the US and China or any disruptive event can cause a potential damage to the EU-China relations as well.

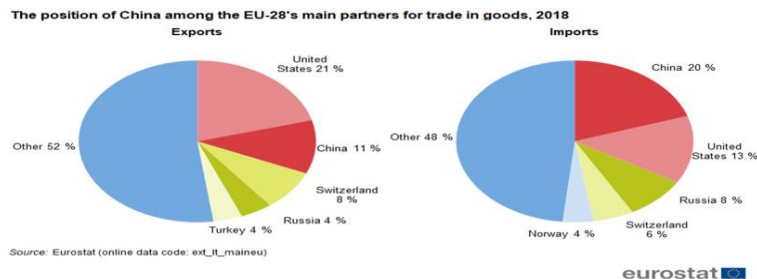
¹⁵ Op Cit., Marcin Kaczmarek.

¹⁶ "Full text of China's Policy Paper on the European Union, December 2018," *Xinhua News*, 18 December 2018, http://www.xinhuanet.com/english/2018-12/18/c_137681829.htm.

¹⁷ Ibid.

Economic Dimensions

China's cooperation with the EU is based primarily on the economic cooperation especially trade and investment. The EU has obtained a significant place in Chinese economic policy. It is regarded as Beijing's biggest economic and trade partner and very helpful in the economic development of China. These two are the biggest trading partners of the world, and their trade volume has exponentially increased in recent times. China and the EU are giant economic powers in terms of GDP. China's GDP count was approximately upwards of \$11 trillion in 2015 while the EU's GDP was around €14 trillion in 2016.¹⁸ Chinese investments in Europe between 2009 and 2017 amounted to around \$300 billion.¹⁹ China's position as a trade partner of Europe has significantly improved. It has become the second largest partner for EU exports and the largest partner for EU imports.²⁰ The following figure illustrates the deep commercial relations between the two:



China regards Europe as a potential peaceful area where it can invest to diversify its financial assets. Its perception of Europe as a low-risk region has encouraged its enterprises to invest and obtain advanced technologies and know-how for the modernization of their endeavors.²¹ China keeps an eye on the openness of Europe and wants to maintain and enhance its exports and investments. Under the economic and development strategy China holds two major goals. These are short term and long-term goals: doubling China's GDP and per capita income by 2020, and making China a "modern

¹⁸ Op Cit., Vincent L. Morelli.

¹⁹ Op Cit., Vincent L. Morelli.

²⁰ Eurostat, "China-EU - international trade in goods statistics," [https://ec.europa.eu/eurostat/statistics-explained/index.php/China-EU - international trade in goods statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/China-EU_-_international_trade_in_goods_statistics).

²¹ Op Cit., Marcin Kaczmarek.

socialist, prosperous, strong country by mid of the 21st century”.²² In realization of these goals China regards the EU important for Chinese companies in Europe and as a base for fair competition.²³

China under Xi has focused on the need to counter the perception in Europe that it will try to monopolize economic space through heavy investments. Xi has articulated the strategy of peaceful development and reiterated that “China has a desire for peaceful development and stability”²⁴, and that China will “never seek hegemony, or commit any kind of expansion, will never seek benefit from others at the expense of others,” and “will uphold to the international trading system, participate in global economic governance and pursue mutually beneficial cooperation and global stability.”²⁵

Mechanisms of trade and investment

China’s entry into World Trade Organization (WTO) in 2001 paved the way for enhanced cooperation in the fields of trade and investment. China and the EU, since then, have adopted various dialogue mechanisms to discuss and coordinate the policies and strategies for cooperation and resolution of disputes and concerns of both the parties over trade and investments. The EU-China summit is regarded as the basic and important mechanism of exchange on enhancing policy coordination on trade, investments and other related areas of interests. Among others, EU-China high-level Economic and Trade dialogue is the mechanism in which second tier leadership meet and discuss the areas of interests. They also hold ministerial-level Joint Committee on Trade as the third pillar of coordination besides director-level Trade and Investment Dialogue and expert-to-expert level Economic and Trade Working Group.²⁶

These Summits, meetings, dialogues and expert-to-expert level coordination and deliberations have expanded the scope of economic interaction, trade volume, and investment between China and the EU. It has paved the way for the EU-China Strategic Agenda for cooperation that has facilitated the way

²² “Full text of Hu Jinn Tao’s Report of 18th Party Congress,” 27 November 2012, http://www.china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm.

²³ Op Cit., Marcin Kaczmarek.

²⁴ Xi Jinping, *The Governance of China*, (Beijing: Foreign Language Press, 2014), 271-73.

²⁵ Ibid., 271-293.

²⁶ “EU and China,” European Commission, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.

for discussion on EU-China Investment Treaty in 2013. Discussion on a comprehensive treaty between the two is regarded as a mile stone achieved in EU-China economic and trade cooperation. Dialogue on the treaty has started on the premise that a comprehensive investment agreement would benefit both the EU and China through surety of open markets and risk-free investments. It will also provide a secure, simple, and predictable legal framework for investors for a fairly long period of time.²⁷ Besides bilateral engagement, the EU and China are also engaged through third party relations. Both as members of WTO also work together through its mechanism and get benefit from its incentives and fora.

China has also advanced “Made in China 2025” strategy through which it aims to attain improvement in the quality of the products through industrial sophistication in production. In this regard Europe is a place where it could invest heavily to attain the space for technology purchase and transfer.²⁸ It endeavors to conclude the investment treaty with the EU besides dealing with the individual states separately. Its final goal in this regard is establishment of a free trade area with Europe.

BRI and Europe’s response

The signature development under Xi’s leadership is global connectivity manifested as ‘One Belt One Road (OBOR)’ initiative. OBOR is regarded as the Xi’s personal initiative that is comprised of diplomatic and developmental conceptions for the realization of ‘China Dream.’ It was proposed in 2013 and is renamed as Belt and Road Initiative (BRI) as its scope and participation expanded. Chinese authors and leaders have hailed the project and regarded it as a game changer. Zhong Sheng described the BRI initiative as “a masterstroke of deepening China’s reform and opening up and furthering peripheral diplomacy.”²⁹ The BRI represent Chinese new

²⁷ “EU and China begin investment talks,” *European Commission News Archive*, Brussels, 20 January 2014, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1013&title=EU-and-China-begin-investment-talks>.

²⁸ Op Cit., Marcin Kaczmarek.

²⁹ Zhong Sheng, “Epoch-Making Significance of ‘Silk Road Economic Belt and 21st Century Maritime Silk Road’ Proposal,” *People’s Daily*, 25 February 2014, Quoted in Michael D. Swaine, “Chinese Views and Commentary on the One Belt, One Road Initiative,” *China Leadership Monitor*, No. 47, <https://www.hoover.org/sites/default/files/research/docs/clm47ms.pdf>.

discursive thinking about “open development and going-abroad.”³⁰ This project is believed to be based on the concept of ‘inclusive development.’³¹ It is a grand vision. It is hoped that it will “reposition China in the world through investment initiatives, trade agreements, and infrastructure projects on an enormous scale.”³²

BRI consists of two major components namely, ‘Silk Road Economic Belt’ and a ‘New Maritime Silk Road’. These potential notions paved the way for a highly “integrated, cooperative, and mutually beneficial set of maritime and land-based economic corridors linking European and Asian markets.”³³ Though BRI is served as a project for ‘inclusive development’, it is offered to Europe to get enhanced access of Chinese products to European markets. As a collaborative venture, on the other hand, it is expected to support the developmental needs of the central and western regions of the Europe. It is expected that Germany would be the rail transport and Greece as the maritime hub.³⁴ Some European powers along with the US are skeptical of the Chinese initiative and consider it a project that would result in a debt-trap for the participating countries. Italy and Greece have shown great interests in participation of BRI and related projects.

Recent visit by Xi Jinping to Europe in March 2019 was significant as it paved the way for the opening of Europe to BRI. Italy has finally joined amid criticism from the US and reservations from various European countries. It has become Europe’s first developed economy to sign the BRI project.³⁵ A total of 29 agreements amounting \$ 2.8 billion were signed during Xi’s visit to Rome.³⁶ The US and EU have expressed concerns over this expansion of

³⁰ W. Liu & M. Dunford, “Inclusive globalization: Unpacking China’s Belt and Road Initiative,” *Area Development and Policy*, Issue 1 no. 3 (September 2016): 325.

³¹ Lutgard Lams, “Examining Strategic Narratives in the Chinese Official Discourse Under Xi Jinping,” *Journal of China Political Science*, Vol. 23, (2018): 397.

³² Jing Xin & Donald Matheson, “One Belt, Competing Metaphors: The Struggle Over Strategic Narrative in English Language News Media,” *International Journal of Communication*, Vol. 12, (2018): 4249.

³³ Michael D. Swaine, “Chinese Views and Commentary on the One Belt, One Road Initiative,” *China Leadership Monitor*, No. 47, <https://www.hoover.org/sites/default/files/research/docs/clm47ms.pdf>.

³⁴ Op Cit., Marcin Kaczmarek.

³⁵ “Italy joins China’s New Silk Road project,” *BBC News*, 23 March 2019, <https://www.bbc.com/news/world-europe-47679760>.

³⁶ Ibid.

Chinese influence in the region.³⁷ Though reservations exist, yet, Chinese policy towards eastern and western Europe has been deemed as a success. China has finally started an era of desired entry into Europe for its exports and investment through BRI.

China has assured the BRI parties for a peaceful, inclusive and fair partnership. To better clarify the code of the conduct and governance of the project, Wang Yi, foreign minister of China, had already assured that “we will be sensitive to the comfort level of the other parties, ensure transparency and openness, align the initiatives with the development strategies of other participants, and create synergy with the existing regional cooperation mechanisms.”³⁸

China believes that existing global governing system inherits a clear disparity and gap between the developed and developing, and inland and maritime nations. It believes that the need is to rectify the anomaly and to rebalance and reorder it.³⁹ BRI has created an innovative platform for all the nations without discrimination through which they can utilize their energies and attain their socio-economic and developmental goals.

China’s Great Neighborhood Diplomacy And 16+1

Alongside China’s cooperation through EU-China dialogues and summits, it has also maintained a separate 16+1 forum with Central and Eastern European countries (CEE) in 2011. Eleven countries are the EU members and five are aspirants of EU membership.⁴⁰ It is believed to be established for cooperation in the fields of investments, transport, finance, science, education, and culture.⁴¹ Some Western skeptics also regard it as a forum of political significance for China. They believe that through this mechanism China has adopted a strategy of dividing the EU’s strength by weakening its cohesive response.⁴²

³⁷ Ibid.

³⁸ “Foreign Minister Wang Yi Meets the Press,” 8 March 2015, quoted in Michael D. Swaine, “Chinese Views and Commentary on the One Belt, One Road Initiative,” China Leadership Monitor, No. 47, <https://www.hoover.org/sites/default/files/research/docs/clm47ms.pdf>.

³⁹ Kerry Brown and Jinping, “Making Sense of China’s One Belt One Road: Understanding Chinese Views,” *China Briefing*, 21 April 2016, <https://www.china-briefing.com/news/making-sense-chinas-one-belt-one-road-understanding-chinese-views/>.

⁴⁰ “About 16+1,” <http://ceec-china-latvia.org/about>.

⁴¹ Ibid.

⁴² Op Cit., Vincent L. Morelli.

In Xi's vision, Europe comes under the Chinese Greater Neighborhood Diplomacy (GND). In his speech at the College of Europe in 2014 he said, "China and Europe may seem far apart geographically, but we are in fact in the same time and the same space. I even feel that we are close to each other, as if in the same neighborhood. Both China and Europe are in a crucial stage of development and facing unprecedented opportunities and challenges. As I just said, we hope to work with our European friends to build a bridge of friendship and cooperation across the Eurasian continent."⁴³

The upgradation of Europe in the GND is regarded as a strategic move to balance its issue in the Pacific and also to create a pro-China lobby within EU.⁴⁴

China-CEE relations through 16+1 suggest a new model of interaction with dual purpose. On the one hand, it is a forum for economic and trade cooperation which "show appreciation for partners, extend areas of cooperation and 'tie' CEE countries to China. The PRC also intends to change the structure of trade with CEE countries so that Chinese exports would consist mainly of products with high-technology input. The PRC concentrates on foreign direct investments in CEE countries as a way to circumvent the EU's trade barriers (e.g., antidumping procedures, high import tariffs, etc.)."⁴⁵ On the other hand, China aims strategic gains. Through creating mutual dependence of the CEE countries with that of China through investment and trade, it will be able to avoid opposition to Chinese policies and interests in Europe. Lucrative offers to these countries through BRI are serving both purposes.

On the European side it is reiterated that the separate mechanism in Europe for economic and trade cooperation and dominance of China over the forum poses challenges for the participating European countries. China's interaction with a separate group may put the transparency and openness at risk and challenge the conformity to the EU law and regulations. It may cause friction among the European states.⁴⁶ Realizing the gravity of the

⁴³ "Xi Jinping Speech at the College of Europe," *Bruges*, 1 April 2014, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1144230.shtml.

⁴⁴ Op Cit., Marcin Kaczmarek.

⁴⁵ Justyna Szczudlik-Tatar, "China's Policy towards Central and Eastern Europe," *Bulletin*, No. 44, (2011): 488.

⁴⁶ Op Cit., Vincent L. Morelli.

concerns, Chinese new leadership has institutionalized the 16+1 cooperation mechanism. It has established its Secretariat committing to standard operating procedures, rules and norms. China has also carefully communicated to Europe that 16+1 is a forum that supplements China-EU relations, and should not be viewed as a competitor.

Public Diplomacy and Socio-Cultural interaction

As China embraces soft power as a component of aggregate national power, it has pursued various strategies to promote cultural and socio-economic themes. China under Xi Jinping has pro-actively emphasized on the promotion of cultural values, traditions, culture and socio-economic model on the premise to win hearts and minds of the foreign public and their leaders. It is believed that China spends more than \$10 billion annually on soft power promotion projects.⁴⁷ China invest a larger part of the soft power budget on the European projects. China has spread a network of Confucian institutes, heavily invested in the media networks for propagation of the narratives, and strengthened and enhanced people-to people contacts.

Establishment of Confucianist Institutes (CIs)

The worldwide establishment of Confucian Institutes (CIs) is regarded as the notable manifestation of China's cultural diplomacy. According to the Confucian Institute Annual Development Report, "By the end of 2017, there had been 525 Confucius Institutes and 1,113 Confucius Classrooms established in 146 countries (regions). Confucius Institutes now have 46,200 full-time and part-time native Chinese and indigenous teachers, 1.7 million students of all kinds and 621,000 online registered students. Throughout 2017, the Institutes held a total of 42, 000 various cultural events with 12.72 million audience worldwide."⁴⁸

The purpose of these CIs is primarily to promote Chinese language and culture and promote harmony among people, and also to assist in setting educational programs.⁴⁹

⁴⁷ David Shambough, "China's Soft-Power Push: The Search for Respect," *Foreign Affairs*, (July/August, 2015), <https://www.foreignaffairs.com/articles/china/2015-06-16/china-s-soft-power-push>.

⁴⁸ <http://www.hanban.org/report/2017.pdf>.

⁴⁹ Hanban Website, "About Us," http://english.hanban.org/node_7716.htm.

	Asia	Africa	Europe	Americas	Oceania
Confucian Institutes (CIs)	118	54	173	161	19
Confucian Class Rooms (CCRs)	101	30	307	574	101
Total Number CIs + CCRs	219	84	480	735	120

Source: <http://www.hanban.org/report/2017.pdf>

China has established a large number of CIs and CCRs in Europe as compared to other regions of the world. As per the Hanban website, it has established 173 CIs and 307 CCRs in Europe. It prioritizes influencing the European public opinion. But these are the exceptions rather than the rule. Between 2013 and 2016, “Confucian Institutes in Campuses of Europe increased by 14 percent... The Confucius Classrooms grew 92 percent in Europe.”⁵⁰

Most of the CIs are operated through collaborative ventures with locals in different universities, secondary and primary schools in almost all the regions of the world. The major junk of audience is young public and specifically the students. These institutes are aimed to embark the role of a platform that can create an affection towards the Chinese culture through various activities and through encouraging the students to participate in cultural and educational exchange programs. This effort is aimed at the European audience especially the younger segment to create a situation in which they can regard Chinese culture as distinctive, peaceful and value-laden,⁵¹ hence, hold a positive and soft image of China.

People to People Contacts

China has created many forums to promote its culture, language and traditions to Europe through cultural exchange programs that include sports, performing art, music, film and literature. It also provides a platform for the countless governmental and non-governmental seminars, conferences and dialogue centers for the interaction, cooperation and discussion of the Chinese people with the European Countries. These forums are believed to

⁵⁰ Diego Torres, “China’s soft power offensive: Beijing’s Confucius Institutes are part of its plan to become a top world power,” *Politico*, 26 December 2017, <https://www.politico.eu/article/china-soft-power-offensive-confucius-institute-education/>.

⁵¹ Joe-Tin-Yau Lo and Suyan Pan, “Confucius Institutes and China’s Soft Power: Practices and Paradoxes,” *Compare*, Vol.46, no. 04 (2016): 512-532.

be helpful in generating a kind of dialogue, condition of understanding and harmony among the Chinese and the outer world, resultantly, building a positive image for China.⁵²

China has also heavily invested in educational exchanges, scholarships and research collaborations with European institutions. The Chinese scholarship council offers plenty of scholarships to the European students and researchers annually,⁵³ on variety of subjects from science and technology to arts and social sciences. More specifically, scholarships for learning of Chinese language, literature and culture are more enthusiastically provided in China as well as in different European countries through the Confucian Institutes.⁵⁴

Tourism and Travel

China has also attracted a large number of travelers and visitors to China and has encouraged the Chinese people to visit and interact with Europeans. China and the EU have established a working mechanism of encouraging sustainable tourism.⁵⁵ The tourism consolidation efforts manifested when China and the EU held a tourism year in 2018. The event sought to increase interaction between the public and local companies operating in the tourism sector. It is claimed that the event brought approximately 10% increase in visitors, and that local companies signed around 200 new agreements of investments.⁵⁶ It is claimed that the initiative has stimulated the already established mechanism of public interaction and facilitated the improvement in the EU-China Dialogue.

Conclusion

Chinese foreign policy under Xi Jinping has ushered a new era of relationship with the EU. Now, the relationship covers all areas ranging from economic and trade to political and strategic to people to people contacts. In Chinese foreign policy discourse, Europe is regarded as an important, peaceful, and low-risk region that has convergence of interests with China. To attract the

⁵² David Shambaugh, "China's Soft-Power Push: The Search for Respect," *Foreign Affairs*, (July/August, 2015), <https://www.foreignaffairs.com/articles/china/2015-06-16/china-s-soft-power-push>.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Op Cit., Vincent L. Morelli.

⁵⁶ "2018 EU-China Tourism Year," <https://ecty2018.org/>.

EU member states and counter 'China threat' notion, Xi has espoused discourses of 'peaceful and inclusive development' and 'Community of Common Destiny.' It is held that China maintains its relations on the principles of peaceful co-existence and cooperation on win-win outcomes devoid of any coercion or threats. It regards the EU as a strategic partner that has no geo-political conflict with China. They both strive for an inclusive system of governance and multilateralism in international politics, though differences remained between the two on the nature of post-American world order, and values like human rights and democratization.

China's relations with Europe has remained potentially focused on commercial cooperation. Exponential growth in trade, the success of Strategic Agenda 2020, Europe's entry into BRI, and institutionalization of the CEE and China' 16+1 forum can be regarded as a success of Chinese foreign policy towards Europe. Besides, Chinese economic and trade initiatives, its soft power strategy has helped it reducing unfavourability in Europe by winning the hearts and minds of the European public and leadership. China's miraculous economic growth and foreign policy activism under Xi has set China on the dominating side of the EU-China relationship equation. European countries are, now, more interested in trade, investment and economic and financial cooperation than getting exhausted on the political issues with China. Xi's narratives have found traction in Europe. The China-EU strategic relationship has reached a more advanced level amid US criticism and policy measures like imposing more tariffs on EU and China. President Trump's protectionist policies have brought China and the EU closer. Europe seemed to have discredited US concerns about enhanced Chinese engagement and investments in the EU.

It can be opined here that the relations between China and the EU would flourish more if they were to properly address the concerns of the existing status quo powers and manage political differences through dialogue and other peaceful mechanisms.