Promoting a European China Policy France and Germany Together

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Paris, November 26, 2020 - It is urgent for European member states to join forces and to agree on priorities that are necessary to defend their values and norms. Europe, in particular through a joint Franco-German effort, must build its own policy toolbox towards China.

To define common priorities for building a self-confident and forward-looking Europe, the Hertie Foundation (Gemeinnützige Hertie-Stiftung) and Institut Montaigne have brought together French and German decision-makers and experts to reflect on challenges faced by Europe.

The primary results of the project were presented to **Ursula von der Leyen**, President of the European Commission, by Frank-Jürgen Weise, Chairman of the Board of the Hertie Foundation, and Henri de Castries, President of Institut Montaigne.

The joint project led to the publication of today's position paper, "*Promoting a European China policy – France and Germany together*", by François Godement, Senior Advisor for Asia to Institut Montaigne, and Gudrun Wacker, Senior Fellow in the Asia Division at the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik, SWP).

Facing a fast-growing and assertive China, European governments and the EU have increasingly acted with realism, adapting to China's "new normal" with what is often called "the end of naivety" in the last 4-5 years. However, conceiving and implementing a China policy for Europeans comes with a hefty price tag. The EU still has to agree on priorities that are necessary to defend values and norms, and implement these priorities to obtain changes on the part of China. It also has to work together with major regional actors, such as Australia, India and Japan, and with the US in order to gain leverage to China.

"Europeans must accept the notion of leveraging strategies, either in the domestic realm (we must achieve more by ourselves in order to compete with China or to reduce our dependencies and build resilience) or internationally (reaching policy goals with other nations and regions that also serve to balance China)", François Godement, and Gudrun Wacker explain.

To enable coherent and unified policies vis-à-vis China at the EU level, our authors propose seven action points:

• Push for Qualified Majority Vote on foreign and security issues, welcome coalitions.

Push together for Qualified Majority Vote, at least on foreign/security issues and sanctions (as Ursula von der Leyen has proposed). But as long as this is not achieved, adopt 27 minus 1 or 2 or 3 resolutions whenever possible. If this is not possible, pursue smaller/different coalitions, including in other frameworks like G7 and with partners outside the EU.

• Enhance solidarity among Europeans and with others.

Improve the show of support for countries within and outside the EU who are targets of China's bullying practices and "wolf warrior diplomacy".

• Create a "red list" and a "green list" for EU-China economic relations.

Work together on supply chains and critical dependencies, reducing the grey zone by drawing up a "red list", i.e. interactions that have to be controlled/monitored or even stopped, and a "green list", i.e. interactions that do not have implications for security or unfair competition.

• Finalize the defensive toolbox.

Strengthen competition law, promote the international procurement instrument, counter state subsidies to companies. Implement reciprocity as a criterion for public markets. Strictly apply privacy and cyber-security rules to PRC digital platforms, and eventually exclude them for reasons of reciprocity.

• Create common and informal discussion channels on European policy towards China within the EU 27.

Make China a regular topic in established formats. Improve/regularise information and coordination mechanisms, briefings/de-briefings in and between EU capitals. The summit of EU leaders to discuss China policy initially planned for November 16, 2020 should be held as soon as possible and even be made a regular event.

• Achieve common negotiating strategies for Europe in the US-EU-China triangle.

Work towards resolving disputes with the United States, which requires mutual support from France and Germany to their respective interests and proposals. At the same time, refuse requests for alignment and work towards strategic autonomy, which would in this case rest on the European capacity to state its own preferences and needs in the transatlantic dialogue.

• Implement the "complementarity" concept between France and Germany.

Provide German logistical support on Indo-Pacific strategic theatres, work to link up these two national strategies with Europe's connectivity platform, the US Blue Dot Network initiative and Japan's, India's, Korea's and Taiwan's overseas aid and connectivity initiatives. Integrate public and private representatives from France and Germany in government visits to and from China.

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