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Post-Corona Europe: Challenges from the Far East

by Dr. Sebastian von Münchow

Introduction

The coronavirus crisis is severely impacting European Union member states' medical sector, economy, national welfare systems and societies in general. It is premature to judge whether governmental restrictions will flatten the curve of infected citizens, thus providing hope for a return to European business as usual. At present, the virus has caused human tragedy, a stock market meltdown of around 40 %, severe trade restrictions and has led to complete lockdowns of regions and metropolitan areas.

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It does not take a lot of foresight to see that any “after” the coronavirus will be much different. For obvious reasons, current attention focuses

on enhancing disaster management, developing a vaccine, producing COVID-19 test kits and adjusting supply chains for pharmaceutical products. And, of course, developing economic recovery measures - such as earmarking billions of euros to cope with an unprecedented rise in unemployment.

This paper intends to examine the impact of the coronavirus on the EU from an International Relations perspective. It will attempt to shed light on a post-Corona Europe and the challenges emanating from beyond its Eastern flank. It will revisit the state of affairs in Europe at the turn of the decade and examine China's behavior during the pandemic.

Looking back

When Ursula von der Leyen assumed the Commission's Presidency in late 2019, a long and complex to-do list was already lying on her desk. Retrospectively, Brussels already felt cold winds blowing from the East. The annexation of Crimea in 2014 and the proxy war in Donbass taught Charlemagnean leaders that armed conflict and redrawing European borders were possible.

As far as Russia's reemergence in global power politics, its campaign against the West in general and its attempt to divide and destabilize the EU through a myriad of hybrid means is concerned, Moscow continued its malign practices during

the coronavirus crisis. There was a malicious offer to host the entire UEFA European Football Championship, a dubious relief operation for Italy and less-enchanted activities like troll-generated disinformation campaigns. The European External Action Service warned: "The overarching aim of the Kremlin's disinformation campaign is to aggravate the public health crisis in Western countries ...in line with the [...] broader strategy of attempting to subvert European societies". Moscow's persistent attempts to portray the West as incapable of protecting its citizens and to instigate an uncertain public to call for robust Putin-style leadership were partly successful when judging the propaganda effects. No doubt, Moscow does do well in speaking to many inner-European frustrations.

But as far as Europe's immediate Eastern flank is concerned, it seems that Brussels is dealing with a *quantité négligable*. Moscow's trolls appear clumsy to discredit the current crisis management of European governments while the number of infected Russian citizens rises or disturbing pictures of empty supermarket shelves leak. The Kremlin suffers from its long-standing lack of soft power and in this particular case, Europeans will hardly acknowledge Russia's health care system as a superior player in mitigating the COVID-19 crisis.

Meanwhile China, since the financial crisis of 2009, has been on a shopping spree from Piraeus to Rotterdam. It was able to grab parts

of Europe's critical infrastructure like harbors, the manufacture of industrial robots and nuclear power plants through questionable investments. When China's appetite for European companies generated debt traps along the so-called *One Belt One Road Initiative* and its overall economic and political ambitions became blatantly obvious, Brussels reacted.

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In March 2019, a Joint Communiqué by the Commission and the High Representative for Foreign Affairs labeled China as “a systemic rival promoting alternative models of governance”. Around that same time, the EU introduced a framework policy for screening foreign direct investments. It was determined that certain investments may pose a threat to the security and public order of member states. In essence, this new instrument was directed against China's buying agents. It was generally understood as a first signal that Brussels would not naively stand by and watch further Chinese meddling - like with the 17 + 1 format; an arrangement used by Beijing to divide the EU into a Western and Eastern (apparently more China-friendly) groups of states. This screening

mechanism did not, however, become legally binding on member states.

The spread of the coronavirus then added another dimension to the Sino-European relations. The crisis and its catastrophic impact on the economy provides the opportunity for Beijing to ultimately penetrate the Union's resilience and change its fate for an unforeseeable future.

Beyond East

To understand China's full potential and how it intends to position itself in a post-Corona world, Beijing's crisis-management needs to be revisited.

Looking back on a record of having mismanaged the SARS pandemics in 2002 and 2003, the way the Communist Party reacted to early warnings by Wuhan-based physicians on December 27 and 30, 2019 was not surprising. Instead of immediately taking active steps to quarantine the infected, authorities went after the experts and forced them to sign secrecy declarations. The government only imposed a lockdown in Wuhan on 23 January. This step was taken seven weeks after the virus first appeared. Back then, it probably originated from the Huanan Seafood Wholesale Market in Wuhan. This market is a so-called “wet market”, selling dogs, chickens, pigs, snakes, civets and bats. The last of these species may have been the origin of this zoonotic

disease, meaning that the virus jumps from animals to humans. Speaking to the time frame for non-pharmaceutical interventions, a study by the University of Southampton claims that early, coordinated and targeted measures could have significantly reduced the spread of the coronavirus by 95 %. Instead, security services not only silenced Chinese whistleblowers, they also began to expel critical western journalists from the country.

In parallel, the Chinese Communist Party has started huge media, diplomatic and political campaigns to advance three ends. First, the Party intends to spin optimism. This activity was primarily meant to address the domestic population. News reports, tweets and media broadcasts seemed to resurrect propaganda techniques from the Maoist era. Chinese measures to combat the coronavirus are being portrayed as timely and effective. The live-streamed assembly of a hospital within a few short days falls into this category. Deficits or popular discontent with the drastic methods being employed by the government have fallen victim to Chinese censorship. The main objective besides boosting national morale is to whitewash the regime's own failures.

Second, China's propaganda apparatus quickly ramped up its efforts to protect their image abroad. While remaining relatively modest in tone during the height of the crisis in Hubei and other effected provinces, Beijing changed

its tone when COVID-19 hit Europe with full force. In late March 2020, European numbers surpassed the amount of Chinese infected by the disease. And just when the crisis forced European capitals to lockdown entire segments of their social and economic activities, Beijing reappeared on center stage lecturing Europe on how a crisis is to be managed. It started relief shipments of protective gear and respirators to countries like Serbia and Italy, presenting itself as a partner and generous donor for those in need. Along with those shipments came self-confident comments about China being well aware of its responsibilities as a global power. Miraculously Beijing's "One Belt – One Road "project turned into the "Health Silk Road" project.

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The previous lines of attack were complemented by a final feature: disputing the origin of the COVID-19 outbreak. Through all possible channels, Beijing is diffusing global audiences with its spin on the origin of the virus, delayed responses, neglected warnings and the continuation of flights to the rest of the world. This led to an early rhetorical battle with the

White House as to whether the pandemic could be called “China virus” or “Wuhan flu”. Chinese diplomacy, however, prevailed. The G7 Summit could not formulate a final declaration due to controversies on that subject. The Director of the World Health Organization was tricked to applaud Beijing for its strict measures to fight COVID-19. Separately, another disinformation campaign went public when President Xi’s regime claimed that US soldiers had spread the virus in Wuhan when they attended the World Military Games.

What could this mean for a post-Corona Europe? Two challenges may lie ahead. The first could be an economically ever stronger China. The second challenge is political, if not philosophical, in nature: the specter of an autocracy dying to swallow a smaller alliance build on values. Both challenges are intertwined.

The first confrontation is related to the essential question of how Europe manages to survive months of lockdown. What is China going to find at the end of it all? A devastated Europe with a destroyed industrial sector, a shrunk service sector, bankrupt companies, exploding social welfare budgets and ultimately bankrupt states? If so, China’s investors, directed by the Communist Party, will enjoy a windfall. Once Chinese entities own critical shares of western European companies, economic executives will proceed to execute their political masters’ will. Take the Samaritan-labelled donations of some

respirators. Today’s donations may turn into tomorrow’s credits. Credits will turn into debts. And debts will create dependency. The result would be a completely changed business and societal model for Europe.

To this end, Beijing’s spin doctors were well-advised to erase memories of how the virus started in the first place and China’s inability to cope with the crisis from the very beginning. The same applies to the propagandists’ attempts to cover up the harsh methods China employed to silence whistleblowers and keep them from going global. This in turn ties into the political/philosophical context. China is using its momentum and success in scaling down the number of infections to present its system as an alternative to the Western way of life. Beijing’s ultra-capitalistic, though centralized interpretation of Communism, thus appears to trump the West’s liberal market, rule-based, individual freedoms-focused representative democracies.

Looking ahead

The biggest challenge for “the day after” seems to be China. Its state coffers to take over European businesses are full to the brim. Its economic power and political influence could be a threat to Europe’s way of life. The future state of affairs seems grim. Yet Beijing’s strategic thinking may be built on certain misperceptions.

Economic developments may not necessarily turn in China's favor. A debate about re-Europeanizing businesses sparked between Tallinn and Lisbon. Yes, there is a dire need for masks, disinfection liquids and a variety of products related to the pandemic. But confronted with these shortfalls, merchants have to disclose these days that the deficits result in supply bottlenecks. Bottlenecks caused by closed production sites in China or due to disruptions in Sino-European air or maritime traffic. Furthermore, CEOs are being asked why they outsourced production in the first place, how factories could return to Europe and why critical commodities like pharmaceuticals have to be produced in the Far East. All of a sudden, trade with China is being questioned by the larger public.

Mastering the challenges of maintaining the supply chain, by the end of March 2020, German companies were refocusing their production efforts as they had not done in the past 75 years. Within days, large and medium-sized enterprises had developed entire mechanized assembly lines to produce goods needed to fight the virus holistically. China's appeal as a production site for such goods might fade. In parallel, the German parliament passed a historic € 750 billion aid package. Its aim is to bolster the economy in the face of coronavirus-related shocks. And hopefully, the package

also discourages Chinese craving to swallow medium-sized business in temporary distress.

Policy-makers and major business executives should now calmly consider how they might re-Europeanize manufacturing on the continent. The screening mechanisms mentioned above should become binding for all EU members. Last but not least, Europe needs to earmark additional funds to assist suffering enterprises with their recovery after all of this is over. By the end of this year, Europe will be facing millions of bankrupt enterprises and millions of unemployed. But even this should not pave the way for Beijing to take Europe as a dessert.

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Is the momentum for "less China" building? If so, it will come at a cost. European leaders will be well advised to honestly communicate to their publics that future local production will result in higher prices. But a post-Corona Europe, recalling the shock of running out of simple products like rubber gloves, may be willing to make the investments necessary to avoid a repeat of 2020.

Sparing over rivalling philosophies, the EU and its member states should formulate a strong

narrative towards Beijing. Yes, containing the virus in European countries is hard. But unlike China, European governments' crisis management tools have always had to balance the need for public safety and the requirement to maintain human and civil rights.

And yes, China's help is generous. But Beijing should also be reminded that European governments also sent donations to Hubei Province at the height of the crisis. The overall post-Corona Chinese attitude towards Europe must be branded for what it is: coquettish, if not blunt.

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