



Battle of the hearts: China's aim to become a soft (super)power and Europe's response

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Abstract

While China has made remarkable advances in its economic, technological and military development over the past decades, its perceived influence and reputation are declining in some parts of the world. This poses a problem for Chinese decision-makers as the country's self-proclaimed goal to become a leading global power relies on its build-up of soft power, that is, the ability to influence others by persuasion rather than coercion. The article examines why China, despite the increasingly nationalist tendencies at home, will continue its international push to become a soft (super)power, and discusses how the EU should react.

Keywords

China, EU, Soft power, Influence, Trade, Global Gateway

Introduction

On 1 July 2021 Chinese President Xi Jinping made a speech during the celebrations for the one hundredth birthday of the Chinese Communist Party (CCP). During the carefully orchestrated ceremony, President Xi announced that 'through tenacious struggle, the Party and the Chinese people showed the world that the Chinese people were capable of not only dismantling the old world, but also building a new one' (*Xinhua* 2021). Indeed, since the reform and opening up policies of Chairman Deng Xiaoping, China has challenged the leading role of the US and Western countries in military and economic power, as well as by shaping global institutions. China now has the biggest army and navy in the world (US, Department of Defense 2020) and is on track to become the largest economy

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globally during the next decade. Moreover, China has been able to leverage its growing economic weight both within the UN system, in terms of securing top positions in several UN agencies and institutions, and by establishing new international institutions that support the country in its global policies and initiatives, one such example being the new Asian Infrastructure Investment Bank.

Many scholars see the increase in China's military, economic and international institutional power as a challenge to the current world order. In 2019 the EU emphasised this narrative by classifying China as a 'systemic rival', while also including the terms 'economic competitor' and 'cooperation partner' in its strategic outlook on the country (European Commission 2019). However, if China seeks to end the Pax Americana and become the hegemon of the twenty-first century, it needs more than mere military force, economic output and influence in international institutions. It will have to develop into a soft superpower. This was acknowledged in 2014 by Chinese President Xi Jinping, when he stated that China should 'give a good Chinese narrative, and better communicate China's message to the world' (Biswas and Tortajada 2018).

For European actors it is crucial to understand why and how China aims to build its soft power, and what kind of options it has to achieve this aim. This article argues that Europe should adapt its approach to China by clearly defining its red lines and speaking with one voice. Simultaneously, EU decision-makers should learn from modern history and refrain from generally branding 'Made in China' as something negative, as this might be counterproductive for countering Chinese influence.

China's desire to build up its soft power

As tensions between the US and China have been rising, China has been using increasingly nationalistic tones both at home and abroad. Recently, hawkish Chinese officials have become known as 'wolf warriors' on social media channels such as Twitter—which are, ironically, banned from operating within China. Alongside limiting its citizens' access to social media channels, China has gone further, banning teaching materials and textbooks which are considered to promote Western ideals or views of history (*Reuters* 2018). Instead pupils now learn 'Xi Jinping thought', thus ensuring that 'red genes' are passed down through the generations (*Bloomberg* 2021).

While these examples of hawkish diplomacy and a tighter grip on the education sector might suggest that China is turning inwards instead of outwards, this will not be the case in the long run. From China's perspective, there are several reasons to further increase its soft power and influence abroad.

First, soft power is the ability to obtain preferred outcomes by attraction rather than coercion or payment (Nye 2017). This is every country's aim in international relations. Moreover, in a digitalised world with long value and supply chains, it is often the image of a country, or of a company perceived to represent a country, that attracts promising talent and investment, or sells products. Thus, looking at soft power from a geopolitical

perspective, the battle to win hearts and minds will be just as important as developing the newest technology or the most modern fighter jets. If China succeeds in becoming a soft superpower, inspiring and influencing leaders and citizens around the world, it will be able to set the agenda and decide on standards in the new world order.

Second, like many European countries, China is facing the challenge of an ageing population and a declining labour force. To diffuse these developments, it will need to remain open. According to China's official census data from 2020, population growth is rapidly declining, while the number of people over 65 is increasing (China, National Bureau of Statistics 2021). This continuing demographic shift to a declining labour force, combined with a low fertility rate and a rapidly ageing society, is expected to weigh on the country's economic progress. Moreover, while the Chinese population is living longer, the average retirement age has not followed suit. The average retirement ages, 60 for men and 55 for women, will burden the national pension system (Lee and Wang 2021). Alongside the economic factors, these developments are putting pressure on society and families. It is unlikely that the recent policy changes and the abolition of the one-child policy will reverse the trend of an ageing population.

It is more likely that China will have to rely on a foreign workforce to boost its economic growth and its international innovation capacity, at least in the long run. Currently the number of foreigners living in China is still miniscule, despite the overall increase in population. According to the 2020 national census, there were 845,697 foreigners living in China, up about 250,000 from a decade ago, out of a total population of 1.4 billion (Li 2021). As a comparison, in 2020 more than one million foreigners were living in Belgium (*Statista* 2021), a country with around 11 million inhabitants.

Third, China relies on international markets. The Chinese economy is currently not self-sufficient nor will it be so in the near future, despite the new 'dual circulation' economic model, which has its root in the fourteenth five-year plan (2021–25). An example from the agricultural industry: China is the world's largest importer of agricultural products. In 2020 it imported \$133.1 billion worth of agricultural products (US, Department of Agriculture 2020). Even though President Xi (2015) has declared that 'the rice bowls of the Chinese people must be held by themselves', this goal will not be easily achieved. China possesses around 10% of the world's total arable land, but in per capita terms the acreage available for crops was less than half of the global average as of 2006 (Wang 2020). Moreover, China also needs export markets for its products and the international finance market for its own development. The Chinese export industry is one of the nation's economic pillars. In 2020 China exported products worth more than \$2,591 billion, almost twice as much as the US (\$1,432 billion) or Germany (\$1,380 billion) (*Statista* 2020).

Fourth, China openly recognises the need to work together with the international community on issues perceived as mutually beneficial. Most importantly these include the battle against climate change and biodiversity loss. The reasons behind China's international engagement are similar to those in Europe. On the one hand, the Chinese

population has become aware of the global problems related to climate change, and this awareness is pushing the climate agenda within the country. In a sign that the climate topic had reached national politics, in 2015 the country's censors decided to pull a critical Chinese environmental documentary from the Internet after it had been viewed 150 million times in just three days. On the other hand, the global market for climate- or sustainability-related technology will likely become a major source of innovation and offer export possibilities for domestic companies.

Lastly, in terms of size and economic geopolitics, China might not remain the most populous country or biggest economic market in the long run. India's population is expected to surpass China's by the end of this decade. In 2015 and 2016 India's annual GDP growth rate also exceeded that of China. However, measured by most development indicators, such as the UN Development Programme's Human Development Index, China is likely to remain ahead of its regional rival in the near future. Recent tensions between the two countries have shown that both are taking their neighbour more seriously in economic, political and military terms. As India is increasingly engaging in partnerships perceived as hostile by Beijing, such as the Quadrilateral Security Dialogue or Quad, tensions are likely to remain strong.

China's perceived influence is declining in parts of the world

Layne (2018, 91) argues that soft power, which is needed for political influence, is built on ideological, ideational and cultural appeal. In these domains in particular, China's perceived influence has taken a hit in recent years. This tendency is especially clear in advanced economies: while in 2002 most citizens in Australia, the UK, the Netherlands, South Korea and Japan had favourable views of China, by 2020 the public's view had become unfavourable in all of these countries. Even in Germany, which has historically been an advocate for dialogue with Beijing, 71% of the respondents had an unfavourable view of China in 2020 (Silver et al. 2020). At the same time, China is also losing its influence in some developing countries. In a recent Afrobarometer study conducted in 16 countries, China was trailing the US as Africans' preferred development model (Appiah-Nyamekye Sanny and Selormey 2020). Moreover, the study revealed a possible link between soft power and economic opportunities: while a majority (55%) of those surveyed in the 16 African nations said that China's economic activities in their country had had an influence on the local economy, this number had dropped sharply from 71% five years ago. The possible link between China's soft power (ideological, ideational and cultural appeal) and the effect on its economic activities, especially in developing countries, should thus be a subject of further study.

The reasons for the declining positive perceptions of China are multifaceted. They include what have widely been considered negative developments linked to Hong Kong, Taiwan and Xinjiang. But this decline also stems from China's handling of the outbreak of the novel coronavirus (COVID-19) pandemic.

Analysing these trends from a Chinese perspective, two new challenges seem especially acute. First, it was easier for China to promote its own agenda during former US President Donald Trump's administration, as he claimed to put 'America first' and openly withdrew from parts of the international arena. This approach left the door open for increased Chinese economic and political influence, as even traditional US allies had to reassess the US's commitment. President Joe Biden has announced that the US will re-enter the international arena and build democratic alliances, and has also used a hawkish tone when speaking of China. Second, while China's outbound foreign direct investments increased yearly between 2005 and 2016, since 2017 they have been decreasing (MERICS 2021). As the current pandemic enters its third year, a rapid increase in these investments seems unlikely. This trend might lead to disappointment among partnering Belt and Road (BRI) countries, which are expecting lucrative trade deals and investments from China. The closest examples of disenchantment with the BRI can be found in Central and Eastern Europe, where several governments have publicly raised their disappointment (Kapitonenko 2021). Lithuania has even taken things a step further by leaving the Chinese-led 17+1 cooperation format and has allowed Taiwan to open a 'representative office' on its soil, despite objections from Beijing.

In summary, these developments mean that China now has to operate in a more contested international arena alongside a (re-)engaged US and a more cautious EU, while it has fewer economic options at its disposal. In this situation, soft power based on perceptions and narratives becomes an even more important tool in its foreign-policy tool-box.

Finding a balance between nationalism and building international partnerships

In light of China's push for further international engagement and the drop in influence abroad on the one hand, and the increasingly indoctrinated home audience on the other, China finds itself in a balancing act between two potential ways of moving forward. It can either soften its international outreach by toning down some of its rhetoric and focusing on building up alliances of its own, or it can (re-)focus on its domestic audience while continuing to fuel anti-Western sentiments in a select small group of countries where these sentiments prevail. Most probably it will choose a mix of both approaches.

After public opinion turned against China in the aftermath of the COVID-19 outbreak, China's leadership to some extent moderated its tone. 'We must focus on setting the tone right, be open and confident but also modest and humble, and strive to create a credible, lovable and respectable image of China,' Xi Jinping told cadre members in June 2021 (Lee Meyers and Bradsher 2021).

As one example of this, China has toned down its mask and vaccine diplomacy, which might be partly due to the lower effectiveness of the Chinese COVID-19 vaccines compared to those made in the US and Europe (McGregor 2021). Like the EU, China has

recently announced that it will build up its local vaccination production capacity, instead of simply selling or donating vaccines. Most notably it announced that it would build a large vaccine production plant in Indonesia, the biggest country in South-East Asia. China will also most likely increase its efforts to build good ties with emerging leaders around the world through educational exchanges and programmes that target political leaders and other social influencers. Examples of this can be found in the outreach programmes of the CCP in South-East Asia (see Reiss 2021), in the founding and upgrading of Chinese language and culture centres, and in the planned first campus of a Chinese university in Hungary.

While China is building its soft power, it might find it difficult to find a balance between a soft approach on the one hand, and maintaining and communicating absolute positions on the other. As these self-defined ‘red lines’ are deeply rooted in the increasingly nationalistic Chinese education system, Chinese decision-makers will be able to count on, and might even feel pressured by, popular support. Most notably these red lines include issues such as Taiwan, Tibet, Xinjiang, Hong Kong and the country’s position on the South China Sea, where China has overlapping territorial claims with several other nations. One example of the diplomatic balancing act Beijing faces occurred in August 2021, when the Chinese Ministry of Foreign Affairs asked Germany to clarify the intentions of a German naval vessel in the South China Sea before rejecting its previously planned port call in Shanghai. The EU’s intentions with regard to applying a coordinated maritime presence mechanism in the Asia-Pacific region will likely be met with similar caution.

Conclusion

Knowing that China will aim to increase its influence and soft power, the EU has several options in terms of how to react. Learning from the past, the EU should not fall for the ‘Made in Germany’ trap. In 1887 the UK forced foreign products to be marked with their country of manufacture. This was done to protect local production by clearly marking products which did not originate in the UK. Subsequently, Germany was able to benefit from the ‘Made in Germany’ tag, as it became synonymous with quality. Drawing conclusions from this, it is important that EU decision-makers acknowledge the technological advances of Chinese companies as such when drafting relevant trade or value-chain legislation. Branding ‘Made in China’ as something purely negative will be counterproductive.

Instead, the EU and its member states should focus on further developing its greatest assets: its own soft power and, in cooperation with likeminded partners, the power to define common values-based standards.

For skilled people around the world, including many Chinese, Europe and the US remain attractive places to study, work or settle. In an extreme example, between 2012 and 2020 the annual number of asylum seekers from China rose from 15,362 to 107,864, according to the UN High Commissioner for Refugees (*Economist* 2021). During

President Xi's reign more than 600,000 Chinese nationals have sought asylum, most of them in the US.

Building one's own soft power based on liberal values does not mean giving up one's principles. The EU should get better at forming consensus, while clearly defining its own red lines. Internally, the EU and its member states should continue to define both the Union's standards and the mechanisms for dealing with possible breaches of them. Consider the following example from the field of education, a domain considered crucial for building soft power and fostering innovation. Like the foreign direct investment screening mechanism, the EU and its member states should take steps to ensure the continuance of academic freedom and the freedom of speech. This does not mean limiting the number of Chinese students, as President Trump did in May 2020, but that there should be checks and balances in place to ensure academic freedom is guaranteed. Recent reports about CCP cells in North American universities, whose members report on or intimidate staff members and students, should act as a warning.

In its external relations the EU should have a clear division of labour and transparent decision-making processes in place to enable it to speak swiftly and with a single voice. EU policies and instruments should also build up local capacities and offer real alternatives to developing countries. In July 2021 the European Council announced the new 'Globally Connected Europe' initiative, which builds on the 2018 Strategy for Connecting Europe and Asia and will be finalised by spring 2022. The initiative and the 'Global Gateway' connectivity strategy are widely seen as Europe's response to the Chinese-led BRI as they aim to (1) identify and implement high-impact and visible projects and actions, (2) present financing schemes to incentivise investments, (3) mobilise the private sector and (4) ensure the EU's visibility (Council of the EU 2021).

In order for this and other initiatives to be successful in building European soft power, there are many open questions that need to be addressed. These include the following:

- Who will be the leading European figure(s) to enable the EU to compete with China in terms of worldwide recognition?
- How will future projects, activities and their target groups be decided on within the EU? How can a swift and transparent decision-making process which includes different voices from the partner country be secured?
- How will the EU secure its visibility and intended impact, especially in projects that are funded by the private sector, and how will it ensure that these projects and actions are built on the values and principles that it claims to uphold?

If the EU wants to counter Chinese influence and expand its own soft power, then alongside economic and connectivity projects, it should also focus on people-to-people dialogues and capacity-building programmes which raise awareness of the Chinese and European development approaches among students, civil society, the media and young

decision-makers. The focus should be on long-term programmes which enable mutually beneficial development and aim to shape international norms and standards together with the partner country involved. Through an inclusive and proactive approach, flanked by a commonly agreed upon and output-oriented monitoring and evaluation scheme, the EU has the power to simultaneously increase its own soft power and counter Chinese influence.

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