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DOI:

[10.1093/cjip/poz019](https://doi.org/10.1093/cjip/poz019)

*Document Version*

Peer reviewed version

[Link to publication record in King's Research Portal](#)

*Citation for published version (APA):*

Tsimonis, K., & Rogelja, I. (2020). Narrating the China Threat: Securitising Chinese economic presence in Europe. *The Chinese Journal of International Politics*, 13(1), 103-133. <https://doi.org/10.1093/cjip/poz019>

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# Narrating the China Threat: Securitising Chinese economic presence in Europe

Keywords: Chinese investment, securitisation, think tanks, Europe

## Introduction

This paper responds to an emerging practice of securitising Chinese presence in Europe that increasingly defines the way European media, citizens, academics and state officials perceive and speak about China's expanding economic activities on the continent. This practice resembles the 'China threat' thesis in the US since the late 1980s<sup>1</sup>, primarily concerned with national security and trade imbalances, and more recently in Australia, where the debate has centred on the corrupting influence of Chinese money in domestic politics<sup>2</sup>. At the forefront of securitisation in Europe, we find think tanks advocating a narrative on Chinese presence not only as a challenge to the EU's economic interests and diplomatic cohesion, but also as an existential threat to European unity and democracy. A recent report by German think tanks GPPi and MERICS, titled 'Authoritarian Advance: Responding to China's Growing Political Influence in Europe'<sup>3</sup>, is the most comprehensive attempt so far to construct China as a threat, yet it is just one example of a broader trend towards the *securitisation* of Chinese presence in Europe. By employing the concept of security as a 'speech act', we argue that the construction of a China threat is based on the ontological criticism of the CCP's authoritarian regime that is used to cast a shadow of suspicion onto the conduct of Chinese companies, associations and citizens, as well as their European partners.

This European version of the 'China Threat' scenario is constituted by three discursive pillars identified in the reports examined here: a) the politicisation of Chinese investments through a downgrading or denial of the decentralised decision-making *agency* of the Chinese and European actors involved, b) the notion that European *unity* is undermined over disagreement on how to engage China, and c) the *othering* of Chinese actors and their 'enablers' as agents of a hostile political, social and economic order. These complementary pillars thoroughly politicise Chinese presence in Europe, thereby setting the conditions for the final securitising move: the framing of China as an existential threat requiring emergency measures on behalf of the EU.

In building our argument, we have reviewed reports, policy briefs, articles and

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<sup>1</sup> Denny Roy. 'The 'China threat' issue: Major arguments.' *Asian Survey* Vol. 36, No. 8, 1996, pp. 758-771.

<sup>2</sup> Hamilton, Clive, *Silent Invasion: China's Influence in Australia* (Hardie Grant Books, 2018).

<sup>3</sup> Thorsten Benner, Jan Weidenfeld, Mareike Ohlberg, Lucrezia Poggetti and Kristin Shi-Kupfer, 'Authoritarian Advance: Responding to China's Growing Political Influence in Europe', *Global Public Policy Institute and MERICS* (February 2018), [https://www.merics.org/sites/default/files/2018-02/GPPi\\_MERICS\\_Authoritarian\\_Advance\\_2018\\_1.pdf](https://www.merics.org/sites/default/files/2018-02/GPPi_MERICS_Authoritarian_Advance_2018_1.pdf)

other English-language literature by think tanks across Europe. To ensure selection from a pool of policy-relevant sources, we chose publications that had been routinely circulated to Members of the European Parliament (MEPs) through official parliamentary channels. The reports we discuss vary significantly in their scope, severity, urgency, and language, but many share a securitising narrative directed at the various levels of executive power, from subnational levels to national and EU-level audiences. The aim was to examine how advice for a major policy shift is being substantiated within the discursive space of European think tanks. Our intention was not to provide a representative sample of *all* think tank writing, but to analyse a purposefully sampled selection of reports which we identified as constructing a threat narrative. Among them, many exhibit the distinguishing rhetorical structure of securitisation as defined by Buzan, Wæver and de Wilde<sup>4</sup>: ‘if the problem is not handled now it will be too late, and we will not exist to remedy our failure’. This tone of deliberate dramatisation is particularly prominent in the GPPI-MERICS report:

China is not just at ‘Europe’s Gates’ - it is now already well within them. Its rising influence and self-confident promotion of its authoritarian ideals are not only a direct challenge to liberal democracy and Europe’s values and interests; they also call into question key assumptions that many have held about Europe’s role in the world.<sup>5</sup>

The securitising discursive tactics employed in some of the reports reveal a polemical attitude to an issue that requires a careful, fact-based analysis. When caught in the ‘China Threat’ frame, we cannot discuss how to best socialise third-country investors in the European business context and enforce compliance with EU norms and regulations. Instead, we end up tilting at windmills, chasing dragons that do not exist. The result is not only a sacrifice of analytical depth, informed evaluation and thorough identification of actual opportunities and challenges. Exclusively assigning political motives to Sino-European interactions leads to the practice of wholesale securitisation of *everything* and *everyone* that is supportive of developments accompanying Chinese investment: companies, organisations, politicians, employees, scholars, students, and citizens that its proponents claim to protect.

We organise the argument of this article as follows. First, we discuss the academic literature on securitisation to theorise think tanks as securitising actors and explain the selection criteria of the reports we base our analysis on. Following that, we analyse the securitising discourse structured around three main discursive pillars: ‘centralising agency’, ‘sanctity of unity’ and the ‘authoritarian other’. We then explain how the ‘existential threat’ prism, the essential final component of any securitisation attempt, rests on these pillars, giving an air of credibility to a discourse that contains many erroneous assumptions as well as logical and factual fallacies. We conclude by calling for an alternative analytical approach that would contribute to a pluralistic and fact-based debate on Chinese FDI in Europe.

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<sup>4</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde, *Security: A New Framework for Analysis* (Boulder, CO: Lynne Rienner Publishers, 1998), p. 26.

<sup>5</sup> Thorsten Benner et al, ‘Authoritarian Advance,’ p. 5.

## Analytical framework: Think tanks as securitising actors

That China's presence in Europe is a problem requiring policy intervention is almost axiomatic in the writings of the think tanks under review. More interesting is how the increased presence of Chinese entities and individuals came to be conceived of as a problem, given that the global liberal order envisages a lively exchange of goods, capital, ideas, and people. This context, built on values and norms of free-market economics and political liberalism, mitigates against the outright targeting of 'undesirable' presence by Chinese economic actors. In order to resolve this contradiction, a 'state of exception'<sup>6</sup> to the norm of openness is necessary. Since the liberal economic order and the reality of competition in market economies cannot be problematised, what is problematised instead is China's abuse of Europe's openness and lack of reciprocity in market access, as well as concerns over forced technology transfers. This is a discursive exercise through which a policy issue is reframed as evidence of a wider, more pressing and more worrying problem.

It is crucial to underline the difference between problematisation of bilateral investment, and the securitization of Chinese economic presence. There are matters relating to trade that the two sides need to solve bilaterally or within international dispute resolution mechanisms. Equally, as the EU negotiates an investment treaty with China, so the attention of policy-makers will inevitably fall on examples of Chinese 'free riding' or unfair trading practices. Some reports assessed for this article raise such valid concerns over trade, competition and market access in EU-China relations in an analytically useful language and tone<sup>7</sup>. Yet, especially in the last three years, the problematisation of Chinese economic presence has taken a different direction, raising existential concerns over European security and cohesion even when we find scant evidence to support such claims. As such, it is a problematisation which is becoming increasingly securitised.

Buzan, Wæver and de Wilde's (hereafter BWV) re-articulation of security chimes with our focus on the problematisation of Chinese presence in Europe and its logical outcome, a state of exception allowing politicised managing of China's access. BWV's work stems from a concern over what security issues are and what they are not, i.e. what can be discussed as if it is an existential threat, thus justifying the adoption of emergency and extraordinary actions which break the rules of normal political procedure<sup>8</sup>. Their interest is not merely academic; they believe there are 'intellectual and political dangers in simply adding the word security to an ever-wider range of issues'<sup>9</sup>.

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<sup>6</sup> Giorgio Agamben, *State of Exception*, vol.2 (Chicago, IL: University of Chicago Press, 2005), p. 3.

<sup>7</sup> Examples of a fact-based analysis of problems and imbalances in EU-China trade relations include earlier reports by Friends of Europe, 'EU-China Relations' (Summer 2016) <https://euagenda.eu/upload/publications/untitled-60272-ea.pdf> and Clingendael, Maaïke Okano-Heijmans and Daniel Lanting, 'Europe's Response to China's Activism' (October 2015) <https://www.clingendael.org/sites/default/files/pdfs/2015%20-%20Europe's%20Response%20to%20China's%20Activism%20-%20Clingendael%20Report%20MOH-DL.pdf>

<sup>8</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde, *Security*, p. 24.

<sup>9</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde, *Security*, p. 1.

We concur by calling for a scrutiny of the securitising discourse concerning Chinese presence in Europe and a careful consideration of its potential dangers.

This article's departure point is BWW's conceptualisation of securitisation and its four elements: a) the referent object, which must survive; b) the securitising actor, which seeks to make the referent object into an existential issue, c) the securitising move, the attempt by the actor to securitise the object, and d) the audience, whose response ultimately decides the success or failure of a securitising move<sup>10</sup>. Methodologically, our investigation concentrates on the securitising move, analysing the discursive construction of the 'China threat' in the European context by looking at how leading think tanks create a narrative which has also come to be echoed by decision makers in key EU states.

The first step is to identify the role and space of think tanks in a securitisation move. In this regard, Sjöstedt<sup>11</sup> proposes an empirically observable conceptualisation of the securitising move as 'the public framing of an issue as a national threat, accompanied by a strategy for action'. She further draws our attention to the initial stages of this framing process<sup>12</sup> – what Kingdon calls the elusive 'pre-decision processes' that lead to the adoption of proposals by policy-makers<sup>13</sup>. Sjöstedt and Kingdon thus offer a more nuanced view of the securitisation process that permits us to pin down the think tank's role and importance. Think tanks are not decision makers, yet participate as securitising actors in the process of idea formation and bidding, ultimately helping to articulate a securitising frame of reference which resonates with decision makers. In our case, think tanks operate as securitising actors to an audience of EU and national-level decision-makers, whose involvement is necessary for the securitising move to be carried forward. The success or failure of such a securitising move depends, according to Sjöstedt, on decision makers 'internalising' idea-frames that constitute something as a threat<sup>14</sup>. Here, she gainfully redeploys the concept of 'idea entrepreneurs' who use their authority to give credence to the idea frame and insert it in the discursive space around an issue initiating the internalisation process by decision makers<sup>15</sup>. Sjöstedt's understanding of the securitisation move, however, is somewhat linear and can therefore miss the complexity of agency involved.

In Balzacq's analysis, the success of securitisation depends on the audience's predisposition to a securitising narrative on one hand, and the securitising actors' competency on the other<sup>16</sup>. For both these processes to work, the 'idea entrepreneurs' must therefore not just 'say' security, but also possess a recognised level of expertise and have access to an audience that is positively predisposed to their message – in our case the institutional cachet accorded to top think tanks and their inclusion in internal briefing papers for MEPs. What is more, the 'idea entrepreneurs' of the 'China threat' argument

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<sup>10</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde, *Security*, p. 25.

<sup>11</sup> Roxanna Sjöstedt, 'Ideas, Identities and Internalisation: Explaining Securitising Moves', *Cooperation and Conflict*, Vol. 48, no.1, 2013, pp. 143–164.

<sup>12</sup> Roxanna Sjöstedt, 'Ideas, Identities and Internalisation', pp. 146–47.

<sup>13</sup> John W. Kingdon, *Agendas, Alternatives, and Public Policies*, 2nd edition (Harlow, UK: Pearson, 2014), p. 1.

<sup>14</sup> Roxanna Sjöstedt, 'Ideas, Identities and Internalisation', p. 156.

<sup>15</sup> Roxanna Sjöstedt, 'Ideas, Identities and Internalisation', pp. 148–50.

<sup>16</sup> Thierry Balzacq, 'The Three Faces of Securitisation: Political Agency, Audience and Context', *European Journal of International Relations*, Vol. 11, no.2, 2005, p. 192.

do not operate in a vacuum, nor are their audiences passive recipients of their message. Instead, we identify a process of securitisation that is bidirectional and discursive, involving agency by decision makers and securitising actors. This allows us to conceptualise the securitisation move not only as a final outcome of a linear process but as a dialectical construction of a common frame of reference. In this frame, policy entrepreneurs and decision makers sharing a certain predisposition to an issue start to discuss it in the same language, what Balzacq conceptualises as ‘congruence’<sup>17</sup>. Essentially, think tanks offer specialist narratives that enable decision makers to crystallise their policy preferences, explaining the credence given to the European ‘China Threat’ variant. That several European leaders including Angela Merkel, Emmanuel Macron, Sigmar Gabriel and Jean-Claude Juncker have made pronouncements congruent to the output of the think tanks does not mean they were ‘convinced’ by a unidirectional process, but that a common interpretive platform is emerging that understands Chinese economic presence as a threat, requiring extraordinary responses.

As a result of this congruence, the European ‘China threat’ discourse is already legitimising policy initiatives targeted against China. It also continues to fuel policy debates in Brussels and other European capitals that call for further action in the form of economic protectionism or more direct interventions by security apparatuses to Chinese companies, in effect producing what Hanneman and Huotari call ‘downward convergence’<sup>18</sup> with China. But the most disquieting element in this discursive congruence is that it is becoming increasingly axiomatic and thus ‘blinds’ the parties involved from alternative explanations that empirical evidence may suggest. The screening mechanism’s single-minded focus on security and public order<sup>19</sup> also ignores legitimate areas of concern such as environmental protection and sustainability. We believe that the emergence of such a unidimensional discursive space around Chinese investment is ultimately harmful to the EU’s ability to respond to the challenges arising from China’s expanding economic presence and may have negative implications on its traumatised cohesion.

## Methodology

Our analysis of the securitisation of Chinese economic presence in Europe examines policy reports, briefs and articles that were regularly circulated to MEPs through newsletters and research digests compiled by the European Parliamentary Research Service (EPRS), self-described as ‘the in-house research service and think tank of the European Parliament’<sup>20</sup>. These circulars include comprehensive lists of policy-relevant publications on EU-China relations, that according to the EPRS are compiled ‘for and addressed to Members and Staff of the European Parliament as background material to

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<sup>17</sup> Thierry Balzacq, ‘The Three Faces of Securitisation’, p. 192.

<sup>18</sup> Thilo Hanemann and Mikko Huotari, ‘EU-China FDI’. p. 17.

<sup>19</sup> Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (21 March 2019) <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0452&from=EN>

<sup>20</sup> European Parliament, European Parliamentary Research Service (EPRS), <https://www.europarl.europa.eu/at-your-service/en/stay-informed/research-and-analysis>

assist them in their parliamentary work'<sup>21</sup>.

The reports we review here were published between October 2014 and September 2018, a period characterised by the emergence of an alarmist, China threat discourse in both think tank work and in public speeches by European leaders. Essentially, the period covered begins after the official launch of the Belt and Road Initiative (September 2013) and ends with the introduction of the EU's Investment Screening Mechanism (November 2018, in force since April 2019), which is widely understood as targeting Chinese investment<sup>22</sup>. In this period, the EPRS flagged a total of 200 think tank reports in six circulars<sup>23</sup>. The EPRS stepped up the frequency of its think tank digests to two per year from 2018, and has additionally published in-depth analyses on issues identified by think tanks, such as China's political influencing and other activities in Eastern and Central Europe.

There is a significant increase in think tank publications on EU-China relations between 2016 and 2018, which is mirrored in the circulars published in 2017 and 2018 (total of 136 out of the 200 selected by the EPRS). Apart from the number of reports, the securitising discourse also intensifies after 2017. This increased interest corresponds with a concerted 'China threat' EU rhetoric in the same period: in August 2016, German Chancellor Angela Merkel called industry leaders 'naive' to believe that Chinese investment was just business-oriented<sup>24</sup>; in June 2017 French President Emmanuel Macron urged European leaders not to be 'naive' in their business relations with China<sup>25</sup>; in September 2017 the President of the European Commission Jean-Paul Juncker introduced the idea of an EU foreign investment screening mechanism on the basis that 'we are not naive free traders'; and finally, German Foreign Minister Sigmar Gabriel demanded that China follows an 'One Europe Policy' in its dealings with EU countries<sup>26</sup>. Our selected time frame captures this peak of 'China threat' discourse and a corresponding political turn in Europe that, although still on-going, has already produced policy results: the rapid introduction of an EU screening mechanism in November 2018

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<sup>21</sup> EPRS, 'EU-China Relations' (July 2015),

[https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/558349/EPRS\\_ATA\(2015\)558349\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/558349/EPRS_ATA(2015)558349_EN.pdf)

<sup>22</sup> Thilo Hanemann and Mikko Huotari, 'EU-China FDI: Working towards Reciprocity in Investment Relations with China', *Rhodium Group (RHG) and the Mercator Institute for China Studies (MERICS)* (April 2018), p. 18. [https://www.merics.org/sites/default/files/2018-08/180723\\_MERICS-COFDI-Update\\_final.pdf](https://www.merics.org/sites/default/files/2018-08/180723_MERICS-COFDI-Update_final.pdf)

<sup>23</sup> We include the following reports: EU-China Relations: What Think Tanks are thinking, 3 July 2015; China and Europe: What Think Tanks are thinking, 11 March 2016; Foreign Direct Investment Screening A Debate in Light of China-EU FDI Flows, May 2017; The EU and China, What Think Tanks are thinking, 16 June 2017; China: What Think Tanks are thinking, 23 March 2018; China's foreign influence operations in Western liberal democracies: an emerging debate, 15 May 2018; China, the 16+1 format and the EU, September 2018. All published by EPRS, Brussels, available at <http://europarl.europa.eu/thinktank/en/home.html>

<sup>24</sup> Tom Mitchell, 'Angela Merkel Can Coach Theresa May in Realpolitik with China', *Financial Times* (11 August 2016), <https://www.ft.com/content/90d3edb6-5fa5-11e6-ae3f-77baadeb1c93>.

<sup>25</sup> Robin Emmott, Michel Rose, 'At EU summit, Macron pleads for limits to foreign takeovers', *Reuters* (22 June 2017), <https://www.reuters.com/article/us-eu-summit-macron/at-eu-summit-macron-pleads-for-limits-to-foreign-takeovers-idUSKBN19D2HY>

<sup>26</sup> Lucrezia Poggetti, 'One China – One Europe? German Foreign Minister's Remarks Irk Beijing', *The Diplomat* (9 September 2019), <https://thediplomat.com/2017/09/one-china-one-europe-german-foreign-ministers-remarks-irk-beijing/>

and various national-level decisions to block Chinese FDI projects<sup>27</sup>.

Our purposeful sampling of reports published in this period involved two rounds of selection. In the first round we shortlisted 69 publications out of a total of 200 circulated via EPRS, which addressed the particular issue of Chinese economic presence in Europe and were published by European, rather than US or other think tanks. As such, we excluded reports on China's domestic politics and human rights that were not directly related to the issue of Chinese investment. In the second round, we excluded descriptive reports which documented investment and trade relations without offering any policy analysis and recommendations. Thus, we selected a total of 33 policy-prescriptive publications, which call upon EU and national authorities to respond to increased Chinese economic activities in Europe. Among these, we identified 20 reports (in their majority published between 2017 and 2018) that conceptualise Chinese economic activities as an actual or potential threat, by using one or more of the three discursive pillars of the emerging securitising discourse analysed in this article. The EPRS devoted an entire brief on the most widely discussed of these reports, GPPi-MERICS' 'Authoritarian Advance', giving special attention to its hard securitising logic<sup>28</sup>. Our sampling, therefore, captures the securitisation of Chinese investments and business deals.

The publications circulated via EPRS come from think tanks across the continent, but exhibit a strong bias towards those based in Western Europe. Out of 200 entries, only 5 originated from Eastern Europe (Poland and Czech Republic) and 9 from South Europe (Italy and Spain), despite the EU's focus particularly on Chinese activities in Europe's eastern and southern regions. Moreover, the selection made by the EPRS may have created an additional bias through the exclusion of think tanks from states such as Greece, where positive interpretations of Chinese economic presence have also been published<sup>29</sup>. While it is entirely feasible that think tanks outside of the EPRS' field of vision may represent views which favour China's investment, these were not circulated to MEPs and therefore do not form part of our sample. In the next pages, we deconstruct the think tanks' securitising discourse and organise our analysis around its main components.

### **The discursive pillars of the European 'China Threat'**

The Copenhagen School, and the wider field of related security approaches, focus on discourse because securitisation, and phases that precede it, occur through a discursive process lead by securitising actors. While the European 'China threat' argument is multifaceted and cannot be pinned down to a single author or institute, we have identified three discursive pillars on which the force of the securitising argument on China's

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<sup>27</sup> Arne Delfs, 'Germany Toughens Stance and Blocks China Deal', *Bloomberg* (1 August 2018), <https://www.bloomberg.com/news/articles/2018-08-01/germany-said-to-block-company-purchase-by-chinese-for-first-time>; Zak Bentley, 'Germany Blocks China State Grid for 50Hertz, citing 'national security' fears', *Infrastructure Investor* (27 July 2018) <https://www.infrastructureinvestor.com/germany-blocks-china-state-grid-investment-50hertz-citing-national-security-fears/>

<sup>28</sup> Thorsten Benner et al., 'Authoritarian Advance'

<sup>29</sup> Ίδρυμα Οικονομικών & Βιομηχανικών Ερευνών (Foundation for Economic & Industrial Research) 'Οικονομικές επιδράσεις από την ιδιωτικοποίηση του Οργανισμού Λιμένος Πειραιώς' ('*The Economic Impact of Piraeus Port Authority Privatisation*') (March 2016) [http://iobe.gr/docs/research/RES\\_03\\_08032016\\_REP\\_GR.pdf](http://iobe.gr/docs/research/RES_03_08032016_REP_GR.pdf)



existential threat to Europe rests as an architrave. The pillars represent narrative strands which complement and reinforce each other, producing a credible-seeming account of Chinese expansionism, yet taken apart, they hardly warrant the alarmist tone typical of some of the publications we analysed.

Before we turn to the investigation of the three constituting themes, a disclaimer on ‘intentionality’ is necessary. This paper will not unmask the motives of the securitising actors. Lobbying on behalf of business interests, political parties or governments and strategically positioning ones’ organisation in a debate to establish credibility for reputational and funding purposes may explain a think tank’s engagement with securitisation. Common sense may also suggest think tanks and policy analysts look for problems anyway, so raising concerns over security is part of their job description. Yet what is relevant here is the harmonisation of the discourse that goes beyond the pale of the think tank profession and includes journalists, politicians and academics. What think tanks are thinking, the policies policy-makers make and where leaders lead has become increasingly similar, producing an echo chamber where disagreement is labelled as dissent or naivety. This emerging congruence is analytically more important than attempting to divine the motives of think tanks – if indeed such an exercise is even possible. An investigation of intentions and motives is also unnecessary methodologically, since we adopt a bottom-up, interpretive approach examining the think tanks’ discourse and measuring it against factual analyses of several key cases in order to show the gap between the securitising discourse and more empirical approaches. Therefore, we approach the European version of the ‘China Threat’ scenario in good faith, articulating a thorough criticism on the manner certain think tanks speak about Chinese presence in Europe with the hope of contributing to a more pluralistic debate.

### ***Pillar 1: Centralising Agency***

The rapid rise in Chinese outward FDI into Europe reached a historic point and has surpassed the reverse annual flows of capital since 2010, yet in cumulative terms, EU-held investments in China exceed those of Chinese entities by a factor of 2.6, while US-held FDI stock in the EU dwarfs China’s by a ratio of 35:1<sup>30</sup>. Rather than size, what is problematised by the ‘China threat’ discourse is the *nature* of Chinese investment, which is said to be centrally controlled and subject to the Chinese state’s geostrategic considerations<sup>31</sup>. Moreover, as Tingley et al. have shown, opposition to incoming Chinese

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<sup>30</sup> Eurostat, ‘Foreign Direct Investment - Stocks’ (July 2019), [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign\\_direct\\_investment\\_-\\_stocks](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign_direct_investment_-_stocks)

<sup>31</sup> John Seaman, Mikko Huotari, Miguel Otero-Iglesias (eds), *Chinese Investment in Europe: A Country-Level Approach*, ETNC (December 2017), <https://www.ifri.org/en/publications/publications-ifri/ouvrages-ifri/chinese-investment-europe-country-level-approach> ; Gisela Grieger, ‘Foreign Direct Investment Screening A Debate in Light of China-EU FDI Flows’, European Parliament (May 2017), p. 4. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/603941/EPRS\\_BRI\(2017\)603941\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/603941/EPRS_BRI(2017)603941_EN.pdf); Michal Makocki, ‘China in the Balkans: Battle for principles’ (ECFR, 6 July 2017), [https://www.ecfr.eu/article/commentary\\_china\\_in\\_the\\_balkans\\_the\\_battle\\_of\\_principles\\_7210](https://www.ecfr.eu/article/commentary_china_in_the_balkans_the_battle_of_principles_7210)

FDI on grounds of national security is often a vehicle for other grievances<sup>32</sup>, while Nyman explains that the securitisation of US energy policy relies on similar, simplistic accounts of strategic competition<sup>33</sup>. In this manner, Chinese investment as a whole is transformed into a security threat *even when* the evidence to support security concerns in individual cases is scant.

Establishing privatisations and foreign acquisitions as a threat to economic security in a liberal economic context that promotes the role of businesses vis-à-vis the state in economic activity, can be ‘intellectually incoherent’, as BWW note<sup>34</sup>. Therefore, securitisation depends on identifying or constructing spill-over effects in politics, military security, society, environment by ascribing the agency of various actors involved in these deals up the command chain to Beijing. This is not to say China, especially under Xi Jinping, has not promoted narratives of Chinese exceptionalism and reassertion of the party’s control, but such propaganda should not be taken at face value, as it obscures the complex decision-making processes in China proper.

‘Centralising agency’ involves two discursive tactics: a) subsuming all commercial rationality of Chinese firms into a political frame, and b) negating informed rationality on part of the host states or host business partners. In the first instance, centralising agency allows securitising actors to attribute all Chinese economic activity to the machinations of the CCP without the need to factually establish such a link on a case-by-case basis and without considering the full set of relevant contingencies, interests and dynamics. Chinese firms, regardless of ownership status, are cast as agents of the Chinese state, unable to make their own financial decisions and beholden to their political masters in Zhongnanhai. This view of China as a singular entity does not take into account a growing body of literature that understands the Belt and Road Initiative as an inherently decentralised endeavour, in which SOEs, local governments, different bureaucracies and private companies pursue their own interests, often competing with each other to pull the centre’s attention<sup>35</sup>. The assumption that initiatives such as the Belt and Road constitute a centrally executed conspiracy has a major impact on the way we analyse Chinese economic presence abroad.

Because the securitisation of investment relies on establishing ‘spill-overs’, so-called critical infrastructure is especially prone to such a biased interpretation. Thus, in the field of maritime logistics, companies like COSCO are presented as CCP agents

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<sup>32</sup> Dustin Tingley, Christopher Xu, Adam Chilton, Helen V. Milner, ‘The Political Economy of Inward FDI: Opposition to Chinese Mergers and Acquisitions,’ *The Chinese Journal of International Politics* Vol. 8, No. 1, 2015, pp. 27–57.

<sup>33</sup> Jonna Nyman, ‘“Red Storm Ahead”: Securitisation of Energy in US–China Relations,’ *Millennium*, Vol. 43, No. 1, 2014, pp. 43–65.

<sup>34</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde, *Security*, p. 106.

<sup>35</sup> Ching Kwan Lee, *The Specter of Global China* (Chicago, IL: University of Chicago Press, 2017); Zeng Jinghan, ‘Narrating China’s Belt and Road Initiative,’ *Global Policy*, Vol. 10, No. 2, 2019; Tim Summers, ‘China’s ‘New Silk Roads’: Sub-National Regions and Networks of Global Political Economy,’ *Third World Quarterly* Vol. 37, No. 9, 2016, pp. 1628–43.; Kerry Brown, *The World According to Xi* (London, UK: I.B. Tauris, 2018) Jie Yu, The belt and road initiative: domestic interests, bureaucratic politics and the EU-China relations, in Kerry Brown and Ramon Pacheco Pardo (eds), *The Belt and Road: Security Dimensions Asia Europe Journal* September 2018, Volume 16, Issue 3, 223-236

taking over Europe's port infrastructure<sup>36</sup> while emphatically ignoring alternative business explanations. The focus on security achieved through centralising agency, no matter how tenuous, differentiates Chinese from other (state-led) port investment companies such as Dubai's DP World without proposing comparative insights between the effect of investment from different authoritarian states such as UAE or Saudi Arabia. Furthermore, one should consider that during a time of falling profits for shipping operators, port operations remain a very profitable aspect of the logistics business. In addition, terminal operations globally are predicted to have significant overcapacity in the coming years<sup>37</sup>, meaning European ports will engage in a fierce competition for market shares. Therefore, particularly for less established ports, a tie-in with a large carrier/port operator like COSCO presents a viable strategy as the top eight big carrier groups largely determine global cargo flows. Italy's IAI accurately notes that the takeover of Piraeus will increase competition for ports in countries of the 'Northern range' such as Belgium and the Netherlands, but nevertheless frames it as a 'political and commercial threat'<sup>38</sup>. Seen from Piraeus however, both the 2008 (concession of container Piers II&III) and 2016 (Piraeus Port Authority privatisation) deals had a clear commercial logic<sup>39</sup>. COSCO got involved in Piraeus as it was looking for a faster transportation channel for Chinese products and gradually solidified its commitment to the Greek port, especially since its investment in Naples became unsustainable.

An even stronger attempt at securitisation is seen in the comparison of Piraeus to Chinese-run ports outside Europe, where the People's Liberation Army Navy (PLAN) has occasionally been granted access – with the host country's permission<sup>40</sup>. Absolutely no indications exist that Piraeus will become a 'double use' port hosting the PLAN, but framing a Chinese takeover of a port authority as an existential threat to Europeanness is less plausible without linking it to a military ('a base for Chinese warships') or political ('control over host government') issue. These reports disregard that Piraeus often hosts foreign navies both from NATO and third countries including Russia, and that the latter do not have access to facilities or services that could sustain military action of any kind. The PLAN visits in Piraeus have taken place either under the UN anti-piracy mandate or as part of the evacuation operation of Chinese civilians from Libya. In addition, ECFR's 2017 report<sup>41</sup> makes the unsubstantiated claim that Japanese ships have experienced

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<sup>36</sup> Alexandr Lagazzi and Michal Vít, 'The Good, the Bad and the Ugly: Chinese Influence in the Western Balkans,' *Europeum Institute for European Policy* (2017), p. 3.

<http://europeum.org/data/articles/policy-paper-en-4.pdf>; Garrie van Pinxteren, 'China's Belt & Road Initiative: Nice for China, Not for Europe', *Clingendael Asia Forum* (2017), p. 2.

[https://www.clingendael.org/sites/default/files/2017-07/Opinie\\_One\\_Belt\\_China\\_GvP\\_CAF.pdf](https://www.clingendael.org/sites/default/files/2017-07/Opinie_One_Belt_China_GvP_CAF.pdf), 3; François Godement and Abigaël Vasselier, 'China at the Gates: A New Power Audit of EU-China Relations', *European Council on Foreign Relations* (2017), pp. 15, 50. [https://www.ecfr.eu/page/-/China\\_Power\\_Audit.pdf](https://www.ecfr.eu/page/-/China_Power_Audit.pdf)

<sup>37</sup> United Nations Conference on Trade and Development, *Review of Maritime Transport*, 2017, p. 11. [https://unctad.org/en/PublicationsLibrary/rmt2017\\_en.pdf](https://unctad.org/en/PublicationsLibrary/rmt2017_en.pdf)

<sup>38</sup> Nicola Casarini, 'Is Europe to Benefit from China's Belt and Road Initiative?', *Istituto Affari Internazionali* (2015), p. 9. <https://www.iai.it/sites/default/files/iaiwpl540.pdf>

<sup>39</sup> Thanos Dokos, 'Who Lost Greece? The Geopolitical Consequences of the Greek Crisis', *ELIAMEP Policy Paper*, No.18, 2012, pp. 9, 14.

<sup>40</sup> François Godement and Abigaël Vasselier, 'China at the Gates', p. 50.

<sup>41</sup> François Godement and Abigaël Vasselier, 'China at the Gates', p. 50.

difficulties when docking in Piraeus, to argue that there is no clear distinction between taking over the management and sovereign control of the Port<sup>42</sup>.

The logic of centralising agency paints any Chinese investment as a security risk at worst, and as a political one at best. The creation of such intersubjective meanings in the representation of Chinese companies as agents of a malevolent state blurs the boundary between ‘technical’, ‘economic’, ‘environmental’, and ‘political’ matters, as well as between sectors and regions, in effect politicising any and all incoming investment. This is especially important because there are clear and valid concerns about the entry of Chinese investors who might fail to comply with EU laws on competition, labour standards or environmental protection for example. Yet the securitising logic which clumps disparate Chinese investments and projects together obfuscates rather than illuminates their contingent and complex nature.

For example, when Croatia awarded the €270m Pelješac Bridge contract to China Road and Bridge Corporation (CRBC) in early 2018, it did not do so out of direct political pressure or by circumventing public tender rules. Quite the opposite, this moment marked the first successful bid by a Chinese company for an EU-funded project and the culmination of a decade-long effort by the CRBC to get better at public bids in developed countries. The losing parties’ allegations of price dumping were rejected by the Croatian authorities, because even the Chinese offer was significantly over the expected tender value set by the Croatian road authority.<sup>43</sup> More than the issue of price dumping - a longstanding concern of European industry - what is curious about the case is that the Austrian complainant specifically cited the interest of the Chinese state in entering the EU market as a key argument in its complaint. Accordingly, the bridge regularly features in articles discussing China’s attempts to ‘divide’ the EU<sup>44</sup> or spread its influence to Western Balkan states<sup>45</sup>. CRBC’s choices however, seem consistent with the literature on Chinese outgoing investment which emphasises the efforts of companies to leverage their

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<sup>42</sup> The authors of the ECFR report do not cite any sources to support this claim. Our email request to clarify their sources was never answered. To verify the validity of this claim, we contacted the Japanese Embassy in Athens and representatives of PPA employees and they all confirmed that there were no delays or problems affecting specifically Japanese vessels. It should be noted that in June 2019, Nippon Yusen Kaisha (NYK) the world-leading Japanese logistics enterprise and biggest car carrier, gave an award for excellent services to the Car Terminal of the Piraeus Port Authority. See: Piraeus Port Authority, ‘A Significant Award for PPA’s Car Terminal’, (27 June 2019), <http://www.olp.gr/en/press-releases/item/4599-a-significant-award-for-ppa-s-car-terminal>

<sup>43</sup> State Commission for Supervision of Public Procurement Procedures, ‘Rješenje povodom žalbe na odluku o odabiru u ograničenom postupku javne nabave, predmet nabave: izgradnja mosta kopno-Pelješac s pristupnim cestama’ (‘Decision on the appeal in case ‘Construction of the mainland-Pelješac bridge with access roads’) (2018) Decision number: 2016/S 002-0013743, UP/II-034-02/18-01/59: p. 9. <http://pdf.dkom.hr/17646.pdf>

<sup>44</sup> Böge F, Kafsack H, Löwenstein S, et al. (17 October 2018) ‘Chinas Macht wächst: Wer anderen eine Brücke baut’ (‘China’s Power Increasing: Who’s building a bridge to others’). Frankfurter Allgemeine Zeitung.

<sup>45</sup> James M Gomez and Jasmina Kuzmanovic, ‘China’s Reach and Europe’s Money Meet in Balkan Outpost.’ *Bloomberg.com*, May 29, 2018. <https://www.bloomberg.com/news/articles/2018-05-29/china-s-reach-and-europe-s-money-meet-in-remote-balkan-outpost>.

firm-specific assets to gain market share in advanced economies<sup>46</sup> - a relatively typical pattern of behaviour with few discernible security aspects.

Similarly, COSCO obtained gradual control of Piraeus following two international tenders (in 2008 and 2016), both scrutinised by EU institutions. In fact, COSCO was the sole contender for the 2016 privatisation of the Piraeus Port Authority, one of Greece's commitments under its 2015 bailout agreement with the EU. China's construction and infrastructure acquisition spree in SE Europe was thus more about Chinese actors pursuing their business interests *within* the legal framework of the EU rather than changing the rules of the game. This is not to say the entanglement of politics and economics in China is irrelevant, yet denying Chinese firms' economic rationale provides a singular account of what is a complex form of decision-making.

The second thread of centralising agency concerns the role of European states, companies or other actors, treating them as naive or selfish and dismissing their rational calculations for insufficiently considering China's 'true' intentions. In this vein, the 2016 acquisition of German robotics firm Kuka by the Chinese Midea caused a stir in the German political class and is heavily used in think tank narratives as an example of technology-stripping by Chinese actors, with the ECFR report even calling it a 'raid'<sup>47</sup>. However, executives from Midea and Kuka emphasised the business rationale for the deal, giving Kuka access to a huge market ripe for automation in manufacturing<sup>48</sup>. Still, in a meeting with German industrialists, Chancellor Merkel reportedly told them they were 'naive' about Chinese intentions<sup>49</sup>. Essentially, by negating the business rationale of the deal, the German state politicised competition. In the race towards 'Industrie 4.0', both corporate and state actors pursue strategies to ensure their continued competitiveness; these strategies may come into conflict but they are decided by autonomous and rational European actors.

The Belgrade-Budapest 'high-speed' railway is another case of allegedly naive governments being 'duped' into paying for China's grand schemes. In this narrative, the railway built using preferential loans given by Chinese banks to Serbia serves the purpose of creating a logistical corridor from Piraeus to the markets of central Europe at the expense of Serbian and Hungarian taxpayers<sup>50</sup>. In fact, the rail line in question was set to be upgraded by Serbian authorities before the idea of a Chinese corridor from Piraeus existed<sup>51</sup>. The importance of the line to Serbia can be traced to decisions made not in Beijing but in Brussels. The TEN-T corridor from Athens to Hamburg bypassed the direct

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<sup>46</sup> Peter J. Buckley, L. Jeremy Clegg, Adam R. Cross, Xin Liu, Hinrich Voss and Ping Zheng, 'The Determinants of Chinese Outward Foreign Direct Investment', *Journal of International Business Studies*, Vol. 38, No. 4, 2007.

<sup>47</sup> François Godement and Abigaël Vasselier, 'China at the Gates', p. 15.

<sup>48</sup> Guy Chazan, 'German Angst over Chinese M&A', *Financial Times*, 9 August 2016, <https://www.ft.com/content/e0897e24-598e-11e6-8d05-4eaa66292c32>.

<sup>49</sup> Tom Mitchell, 'Angela Merkel Can Coach Theresa May in Realpolitik with China', *Financial Times*, August 11, 2016, <https://www.ft.com/content/90d3edb6-5fa5-11e6-ae3f-77baadeb1c93>.

<sup>50</sup> Garrie van Pinxteren, 'China's Belt & Road Initiative: Nice for China, Not for Europe' p. 2.

<sup>51</sup> Republic of Serbia, 'Strategija Razvoja Železničkog, Drumskog, Vodnog, Vazdušnog i Intermodalnog Transporta u Republici Srbiji Od 2008 Do 2015 Godine' ('Strategy for the Development of Rail, Road, Water, Air and Intermodal Transport in the Republic of Serbia from 2008 to 2015') (Official Gazette of RS, no.44/2008).

route via Serbia and Macedonia to favour member states Bulgaria and Romania. Facing isolation from EU-funded infrastructural connectivities explains why Belgrade advocated for rail upgrading since the mid-2000s. China wasn't even the preferred lender, given that plans originally envisaged the participation of the World Bank, while the current upgrading is partly financed by a Russian loan.

Rather than being naive, Balkan countries are using what leverage they have in suboptimal surroundings: the flexibility to accommodate bilateral deals, balancing Western and other funders. Unable to rely on EU support, Serbia is a good case since it should be particularly susceptible to Chinese pressure and become a 'Trojan Horse' in Europe<sup>52</sup>. Yet Chinese influence has so far resulted in only one symbolic gesture<sup>53</sup>, which illustrates the limitations of Chinese 'sharp power'<sup>54</sup> rather than its reach.

Elsewhere, the 'selfishness' of European entities is emphasised, as with Italy's premier shipbuilder Fincantieri. Using suggestive language, a report by the ECFR attempts to tie Fincantieri's takeover of French shipyard STX, its joint venture in Shanghai, and the acquisition of a minor Italian yacht maker (Ferretti) by a Chinese SOE, into a web of conspiracy without putting forward any evidence whatsoever. It correctly points out that Fincantieri agreed to share cruise ship production technology, but it is not clear why the business decisions of one Italian firm are subsequently tied to the takeover of another (Fincantieri was not a shareholder in Ferretti), nor why Fincantieri's takeover of a French shipyard is considered a 'still apparently unrelated development'<sup>55</sup> rather than a genuinely unrelated one. The report then goes as far as characterising Fincantieri's takeover bid for STX as being done '...in a very Chinese way'<sup>56</sup>. While we deal with the rhetorical tool of 'othering' in a subsequent section, the ECFR report questions the economic rationality of this major (and incidentally, state-owned) Italian shipbuilder, suggesting it is selling out cruise ship technology in pursuit of corporate profits. But as this charge is not sufficiently alarmist, so the case of Ferretti's military speedboat arm is loosely associated with Fincantieri and thus, the securitising loop is complete: European corporate profit-seeking leads to military technology leaking to China.

Kuka, Serbia and Fincantieri were following their own agenda – as were the Greek shipowning elite and the Greek government. Greek shipowners promoted the idea of COSCO's presence in Piraeus to both sides, lobbying the Greek government in favour of the 2008 Concession and playing a crucial role in its successful conclusion<sup>57</sup>. The appeal of Piraeus for COSCO increased due to the active support by this key constituency, who

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<sup>52</sup> Alexandr Lagazzi and Michal Vít, 'The Good, the Bad and the Ugly', p. 8.

<sup>53</sup> Serbia's Foreign Minister did not attend Liu Xiaobo's Nobel Peace Prize ceremony, sending the country's human rights ombudsman instead.

<sup>54</sup> National Endowment for Democracy, *Sharp Power: Rising Authoritarian Influence*, 2017. <https://www.ned.org/wp-content/uploads/2017/12/Introduction-Sharp-Power-Rising-Authoritarian-Influence.pdf>

<sup>55</sup> François Godement and Abigaël Vasselier 'China at the Gates', p. 41.

<sup>56</sup> François Godement and Abigaël Vasselier, 'China at the Gates', p. 41.

<sup>57</sup> Asteris Huliaras and Sotiris Petropoulos, 'Shipowners, Ports and Diplomats: The Political Economy of Greece's Relations with China', *Asia Europe Journal* 12, no.3, September 2014: p. 215–30

were clients of Chinese shipyards and banks<sup>58</sup>, and trusted providers of services for COSCO and other Chinese companies<sup>59</sup>. Since then, the financial benefits for Greek shipowners, the Piraeus Port Authority and the Greek economy have been considerable<sup>60</sup>. Similarly, for all Greek governments since 2008, companies like COSCO constitute an important source of investment, especially at a time of financial crisis when privatisation tenders risk resulting in low offers. Having a Chinese company bid in international tenders creates additional competition, which raises the value of the deal for the Greek state. What is more, COSCO has diverted container traffic from other European ports to Piraeus, which could bring technological upgrading of the Port's facilities, job growth and spill-over effects in other sectors of the economy<sup>61</sup>.

Issues of reciprocal market access are a long-standing and valid concern of European businesses operating in China. Indeed, the future of EU-China relations will be largely defined by the ability of the two sides to solve these issues either through bilateral negotiations or dispute resolution instruments. Yet the discourse presented in the analysed reports does not stop there, advocating an upgrading of such concerns to a full-blown panic about Europe's strategic industries and assets being either bought, stolen or neutralised by actors associated with the Chinese Communist Party. This level of analysis conveniently ignores the agency of firms, interest groups and host states, concentrating all agency in the hands of the Chinese state. Yet Chinese companies have adapted to deal with the many practices, voices, legal and business environments, and individual agents across Europe. In a similar vein, European states, companies and elites have shown a remarkable propensity to think about their own bottom line or national interest. Paradoxically, the centralising agency narrative portrays Chinese actors as subsuming their economic rationality to the state's political concerns, while European actors are faulted for following particularistic economic concerns instead of collective political interests. As the next section will clarify, the identification of 'collective' interests vis-à-vis China is a contested field and we can ill-afford to assign the spectres haunting the politics and economy of Europe to Chinese agency or present them as a threat to European security through a one-size-fits-all contextualisation of Chinese investment.

### ***Pillar 2: Sanctity of Unity***

The second discursive pillar concentrates on EU's 'unity' as the referent object allegedly under threat by Chinese economic expansion. The fragility of the EU's integration, its current and future unity, has traditionally been an area of anxiety for European leaders, so sounding this alarm strikes a chord. In this discourse, 'unity' is similar to the 'one

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<sup>58</sup> Ilias Belos, 'Κινεζική κυριαρχία στα ναυτιλιακά δάνεια' ('Chinese Dominance in Shipping Loans'), *Kathimerini Newspaper*, July 24, 2016. <https://www.kathimerini.gr/868617/article/oikonomia/ellhnikh-oikonomia/kinezikh-kyriarxia-sta-naytiliaka-daneaia>

<sup>59</sup> Frans-Paul van der Putten et al. 'The Geopolitical Relevance of Piraeus and China's New Silk Road for Southeast Europe and Turkey', *Clingendael Report*, December 2016, p. 11 [https://www.clingendael.org/sites/default/files/pdfs/Report\\_the%20geopolitical\\_relevance\\_of\\_Piraeus\\_and\\_China's\\_New\\_Silk\\_Road.pdf](https://www.clingendael.org/sites/default/files/pdfs/Report_the%20geopolitical_relevance_of_Piraeus_and_China's_New_Silk_Road.pdf)

<sup>60</sup> Foundation for Economic & Industrial Research, 'The Economic Impact of the Piraeus Port Authority Privatisation', p. 54.

<sup>61</sup> Foundation for Economic & Industrial Research, 'The Economic Impact of the Piraeus Port Authority Privatisation', pp. 54-5

voice mantra'<sup>62</sup>, a criticism to the polyphony and slow pace that characterise EU decision-making, occasionally leading to inaction. The 'one voice' argument, often repeated by EU leaders, officials and analysts, essentially involves the gradual replacement of polyphony with a unified voice, especially in matters relating to external affairs. But while the necessity of internal 'unity' within a state is taken for granted, the unity of a 'multi-layered' and 'multi-centred' polity<sup>63</sup> like the EU is elusive and the benefits of pursuing a unified stance across different issue areas need to be thoroughly considered against the costs. As the EU motto *United in Diversity* suggests, unity emanates from the nature of the EU as a non-hegemonic and consensual polity comprised of sovereign states. As such, internal negotiation and consensus building, efforts to reach common positions and synthesise views, but also disagreement, frustration and inaction, are part of the EU's normal functioning. Indeed, pursuing a unified voice at all costs may divert energy and political capital from achieving common goals, reduce the 'collective weight' of the EU and the benefits for its members, and may weaken diversity as a source of creative strength in negotiations<sup>64</sup>. Imposing a unified voice under majority rule at the cost of the individual interests of member-states may also strengthen Euroscepticism, allowing populist and far-right parties to justify their discourse on 'lost' (as opposed to 'pooled') sovereignty.

This elusive notion of EU unity is constantly negotiated and open to conflicting interpretations. In this context, think tanks have significant leeway to set the unity benchmark in a way that promotes their agenda. The securitisation of Chinese FDI is argued through the assumption that the EU needs 'to speak with one voice' in all fields of interaction with China and that member states have to adhere to the European China policy<sup>65</sup>. This policy refers to broad principles agreed by the EU Council<sup>66</sup> and does not prohibit current or aspiring member states from pursuing their own developmental objectives within the legislative framework of the EU. To clarify, certain think tanks speak about EU-China relations as if it was either an area of exclusive EU policy competence or as if there existed a comprehensive agreement among member states specifically targeting relations with China. The fact that neither is the case renders accusations against individual members of 'breaking ranks on European China policy'<sup>67</sup> and 'growing dissent ... over the Union's policy towards China'<sup>68</sup> misleading.

If such 'dissent' existed, it would either take the form of a violation of EU laws and regulatory standards, for instance, a breach of competition rules or through undermining agreed positions in the context of the EU's common foreign and security

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<sup>62</sup> Kalypso Nicolaïdis, 'The JCMS Annual Review Lecture Sustainable Integration: Towards EU 2.0?', *JCMS: Journal of Common Market Studies* Vol. 48, No.1, 2010, pp. 21–54

<sup>63</sup> Gjovalin Macaj and Kalypso Nicolaïdis, 'Beyond "One Voice"? Global Europe's Engagement with Its Own Diversity', *Journal of European Public Policy*, Vol. 21, No.7, 2014, p. 1072

<sup>64</sup> Gjovalin Macaj and Kalypso Nicolaïdis, 'Beyond "One Voice"?', pp. 1072–74.

<sup>65</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 16.

<sup>66</sup> Council of the European Union, 'Outcome of Proceedings - EU Strategy on China' (Council of the European Union, July 2016).

<sup>67</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 14.

<sup>68</sup> Stephan Klose, Astrid Pepermans, and Leia Wang, 'An Uphill Struggle? Towards Coordinated EU Engagement with China's Belt and Road Initiative', *European Policy Brief-EGMONT Royal Institute for International Relations* (November 2017), p. 1.



policy. Regarding the first, it should be noted that the securitising discourse on the assumed impact of Chinese investment on unity does not concentrate on breaches of EU legislation. If common market rules or the *acquis communautaire* were eroding due to member states' preferential relations with China, this would constitute an alarming trend. Similarly, weakening a commonly agreed foreign policy could trigger reasonable concerns. However, despite having no evidence of either, the responses of think tanks range from cautious warnings to alarmism. IAI modestly suggests that 'a scramble for Chinese money could further divide EU member states and make it difficult for Brussels to fashion a common position vis-à-vis Beijing'<sup>69</sup>. ETNC points out that 'China's increased investment presence in the EU might also have political and geopolitical implications' accusing certain member states of 'an attitude of complacency with China because this will bring rewards: more Chinese investment and perhaps more access to the Chinese market.'<sup>70</sup> Scaling up the gravity of the perceived danger, Clingendael warns that 'if we join in on the Chinese Belt & Road instead, we will lose out in the end. We will be serving Chinese needs rather than European ones. ... But most importantly: it will lead to more tensions and divisions in an already divided Europe while China's influence in Europe grows stronger'<sup>71</sup>. Lastly, in a significantly more dramatic tone, the GPPi-MERICS report notes that 'EU unity has suffered from Chinese divide and rule tactics, especially where the protection and projection of liberal values and human rights are concerned'<sup>72</sup>. China, according to the authors, is '[b]uilding political leverage through economic investments and aligning with leaders willing to break EU unity'<sup>73</sup>.

Such statements are supported by examples that emphasise member states' different understandings on how to engage China or depict European governments occasionally acting opportunistically. A report by EGMONT, commenting on the investment screening mechanism, paints a routine disagreement during internal negotiations - a hallmark of European politics - as illustrative of 'new lines of division'<sup>74</sup>. Similarly, a report by CIDOB portrays different views over anti-dumping measures targeting Chinese solar panels, the decision by certain EU countries to join the Asian Infrastructure Investment Bank<sup>75</sup> (AIIB) and the debate on granting market economy status to China as applying Sun Tzu's 'divide and conquer strategy... on itself'<sup>76</sup>. ISPSW also concludes that the alleged 'divide and rule' tactics of Beijing drove EU countries to

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<sup>69</sup> Nicola Casarini, 'Is Europe to Benefit from China's Belt and Road Initiative?', p. 1.

<sup>70</sup> John Seaman et al., *Chinese Investment in Europe: A Country-Level Approach*, p. 13.

<sup>71</sup> Garrie van Pinxteren, 'China's Belt & Road Initiative: Nice for China, Not for Europe', p. 3.

<sup>72</sup> Thilo Hanemann and Mikko Huotari, 'Record Flows and Growing Imbalances - Chinese Investments in Europe', p. 7.

<sup>73</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 13.

<sup>74</sup> Stephan Klose, Astrid Pepermans, and Leia Wang, 'An Uphill Struggle?', p. 4.

<sup>75</sup> For an excellent discussion on the decision of Western economies to join and institutionally shape the AIIB see Jan Knoerich, Francisco Urdinez, Contesting Contested Multilateralism: Why the West Joined the Rest in Founding the Asian Infrastructure Investment Bank, *The Chinese Journal of International Politics*, Volume 12, Issue 3, 2019, Pages 333-370

<sup>76</sup> Christina Müller-Markus, 'One Belt, One Road: The Chinese Dream and its Impact on Europe', *Barcelona Centre for International Affairs (CIDOB)* (May 2016), p.4.

[https://www.cidob.org/en/publications/publication\\_series/notes\\_internacionales/n1\\_148\\_one\\_belt\\_one\\_road\\_d\\_el\\_sueno\\_chino\\_y\\_su\\_impacto\\_sobre\\_europa/one\\_belt\\_one\\_road\\_the\\_chinese\\_dream\\_and\\_its\\_impact\\_on\\_europe](https://www.cidob.org/en/publications/publication_series/notes_internacionales/n1_148_one_belt_one_road_d_el_sueno_chino_y_su_impacto_sobre_europa/one_belt_one_road_the_chinese_dream_and_its_impact_on_europe)

join the AIIB without reaching an agreement or coordinating first<sup>77</sup>. ECIPE concurs, adding that the ‘petty rivalries’ among EU member states and their ‘short-term national opportunism’ allows China to treat them as ‘tributary states’<sup>78</sup>. Lastly, a Clingendael report uses many examples from the rather modest, in speed and financial commitment, institutionalisation of the 16+1 group to claim that China is not only threatening EU cohesion but also future enlargement and integration<sup>79</sup>. Generalisations, examples taken out of context and essentialist language are all employed to produce the desired impression.

Other evidence of China’s assumed corrosive effect to EU unity include the softening of a joint statement on the South China Sea ruling by the Permanent Court of Arbitration and the blocking of two official EU condemnations of China’s human rights records. The initial disagreement on an EU investment screening mechanism was also attributed to Chinese economic influence<sup>80</sup>. These examples are framed repeatedly as instances of European disunity to demonstrate the negative effect of Chinese money on European politics, presenting polyphony and diversity as a failure/weakness. Alternative explanations highlighting the necessity to attract FDI at a time of crisis and austerity, the possibly uneven effect a screening mechanism may have on smaller EU countries, the fact that member states have traditionally pursued their own foreign policy and economic agendas in the EU context, as well as the need to assess the actual, as opposed to the assumed, spill-over effect in the realm of politics, are all side-lined when applying the ‘threat to unity’ prism.

The case of Greece is illustrative in this regard. Sino-Greek relations, until recently of marginal political importance, have now been given a fair amount of attention due to the rapidly expanding economic cooperation between Beijing and Athens in the last decade. Greece was cautious on the effect of an EU screening mechanism on much-needed FDI and exhibited a softer diplomatic stance towards China in relation to the UNHRC declaration and the Permanent Court of Arbitration ruling on the South China Sea. But do these examples represent a threat to EU unity? The securitising actors argue that Greece’s stance is the product of increasing dependency on China, an argument based on the deeply problematic suggestion that Greece is becoming politically dependent on a foreign power that is only the seventh largest investor in the country, well behind Germany, France, Cyprus, Switzerland, Canada and the US<sup>81</sup>. Chinese FDI opens

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<sup>77</sup> Volker Stanzel, ‘China divides the West’, *Institute for Strategic, Political, Security and Economic Consultancy* (March 2015), p. 3. [https://www.files.ethz.ch/isn/189361/335\\_Stanzel.pdf](https://www.files.ethz.ch/isn/189361/335_Stanzel.pdf)

<sup>78</sup> Guy de Jonquières, ‘The European Union’s China Policy: Priorities and Strategies for the New Commission’, *European Centre for International Political Economy (ECIPE)* (2015), p. 2-3. <https://www.econstor.eu/bitstream/10419/174792/1/ecipe-pb-2015-03.pdf>; ECIPE’s 2016 report repeats accusations over China using its ‘chequebook’ to undermine EU unity: Guy de Jonquières, ‘The EU and China: Redressing an Unbalanced Relationship’, *ECIPE* (2016), p. 2. <https://ecipe.org/wp-content/uploads/2016/01/Policy-Brief-012016-The-EU-and-China.pdf>

<sup>79</sup> Francesco Saverio Montesano and Maaïke Okano-Heijmans, ‘Economic Diplomacy in EU–China Relations: Why Europe Needs its Own “OBOR”’, *Clingendael* (June 2016), p. 4. <https://www.clingendael.org/sites/default/files/pdfs/Policy%20Brief%20Economic%20Diplomacy%20in%20EU%E2%80%93China%20relations%20-%20June%202016.pdf>

<sup>80</sup> Thorsten Benner et al., ‘Authoritarian Advance’, p. 16.

<sup>81</sup> Chinese FDI is approximately six times smaller than Germany’s, 3 times smaller than France’s and less than half of Cyprus’ investment in Greece. Enterprise Greece, ‘Ξένες Άμεσες Επενδύσεις 2008-2018’

opportunities for cooperation with Greek companies, brings potential bids in international tenders for public assets privatised under EU pressure, and has rejuvenated the domestic logistics sector. Despite this, Greece continues to purchase Western arms and strictly follows EU and NATO in foreign policy decisions and military operations. In addition, it has successfully privatised its railways to Ferrovie dello Stato Italiane, its airports to German Fraport, the Thessaloniki port to a consortium by Deutsche Invest, France's Terminal Link SAS and Cyprus-based Belterra Investments. When we compare Chinese with European investment in Greece, the former is an important newcomer but not a power that can challenge Greece's political commitment to the EU through economic incentives. In the worst-case scenario, Greece may behave opportunistically in face-saving gesture politics with no repercussions for EU cohesion. Also, China strongly opposed a 'Grexit' from the Eurozone in 2015<sup>82</sup> as this would reduce the profitability of its investment in Piraeus. Paradoxically, the only threat to EU unity involving Greece came from schemes by certain European political actors on a punitive Grexit, not China or any other third states.

To conclude, 'sanctity of unity' is the second discursive pillar of the securitising move under investigation. **By assuming that governments of the periphery are not in a position or are unwilling to address the Chinese challenge to 'unity', think tanks call for extraordinary measures from stronger member states and supranational institutions on behalf of the EU. Thus, every disagreement on how to engage with Chinese investors can be reframed as a security concern requiring intervention.** This discourse underestimates that unity in the EU rests on its ability *to not reach* a unified voice when conditions do not permit it without falling apart, to accommodate diversity in some areas while moving collectively in others, to escape from hierarchical or majority-based perceptions of order and allow for the promotion of both individual and collective interests. In fact, some think tank reports appear to adopt an underlying hegemonic and monolithic vision of EU unity as univocal and disciplined, which is the exact opposite of the spirit of the European project.

### ***Pillar 3: The authoritarian 'other'***

The third discursive pillar in the construction of Chinese FDI as a threat concentrates on the authoritarian polity of the PRC. Of course, the CCP's authoritarian rule, its poor human rights and civil liberties record and the subordination of the judiciary and legislative branches to the executive, are the defining characteristics of the PRC's political system that render it the exact opposite of 'Europeanness'. At the international level, as Holslag has eloquently described, the EU's liberal agenda and China's state-centred foreign policy making has led to a 'normative incongruence' between China and

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('Foreign Direct Investment 2008-2018') <https://www.enterprisegreece.gov.gr/h-ellada-shmera/giati-ellada/ksenes-ameses-ependyseis>

<sup>82</sup> Chris Buckley, 'China says it hope Greece will remain in Eurozone', *New York Times*, July 6, 2015, <https://www.nytimes.com/live/greek-debt-crisis-live-updates/chinese-says-it-hopes-greece-remains-in-eurozone/>; Yannis Varoufakis, *Adults in the Room* (London, UK: The Bodley Head, 2017); Tiezzi, Shannon, 'Can China Save Greece - and the EU?', *The Diplomat*, June 30, 2015, <https://thediplomat.com/2015/06/can-china-save-greece-and-the-eu/>

Europe which has affected their strategic cooperation<sup>83</sup>.

The ‘authoritarian other’ logic, however, assumes that China’s behaviour in the international scene can never be compatible with the interests of liberal, democratic European states, or the EU as a whole. We need to point out that the GPPi-MERICS report is the most explicit effort so far to use identity as a basis for threat construction and serves as the main point of reference in this section. This report stands out as an illustrative example of the erroneous assumptions and potentially harmful implications that ‘othering’ can have in the context of understanding Chinese FDI in Europe. We concentrate on this case because we would like to record the transition from a fact-based approach to a discourse of securitising everything - and everyone - Chinese.

The most basic function of ‘othering’ in the GPPi-MERICS report is to establish China as a threat not because of what it *does* but for what it *is*. This crucial element of the securitising discourse draws attention away from an evidence-based discussion to a vague interpretation of ‘motives’ based on the CCP’s essential characteristics as an authoritarian entity. In turn, this interpretation provides the prism through which various incidents can be reconstructed as a threat. It is a tactful logic, which gives an aura of credibility to an essentially non-falsifiable argument that can be summarised as follows: *China is an authoritarian state, so whatever it does is potentially harmful*. Let’s consider the following passage:

...from the perspective of liberal democracies, all areas of interaction with China are potentially problematic and deserve scrutiny. After all, China’s political model is based on an authoritarian regime intent on strengthening a deeply illiberal surveillance state at home while also exporting - or at least trying to popularise - its political and economic development model abroad.<sup>84</sup>

Ergo, all areas of Europe’s interaction with China have strong political undertones. This ‘othering’ is distinct from recognising what has been described as ‘pluralisation and diversification of the global ideoscape’<sup>85</sup>, China’s normative impact at a global level. For the authors of this report, China is a threat because of its domestic politics, which the CCP is allegedly exporting. Being deprived of agency, according to the first discursive pillar, and with their economic activities presented as a threat to EU unity, according to the second, Chinese actors are now villainised as possible tentacles of authoritarianism. This is a key step in the process of reframing Chinese FDI as an existential issue which requires extraordinary action. But assigning ulterior, dark motives to Chinese actors on the basis of the PRC’s authoritarian system of government is not contained to SOEs as the report unfolds a logic of limitless securitisation. Indeed, in their effort to substantiate ‘authoritarian advance’, GPPi-MERICS target not just the activities of Chinese intelligence services or companies, but also that of Chinese think tanks,

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<sup>83</sup> Jonathan Holslag, ‘The Strategic Dissonance Between Europe and China’, *The Chinese Journal of International Politics*, Vol. 3, No. 3, 2010, p. 326

<sup>84</sup> Thorsten Benner et al., ‘Authoritarian Advance’, p. 6.

<sup>85</sup> Anastas Vangeli, ‘Global China and Symbolic Power: The Case of 16 + 1 Cooperation’, *Journal of Contemporary China*, 27:113, pp. 674-687

scholars, students and associations who are all treated as ‘influencing’ tools<sup>86</sup>. In doing so, the report makes the dubious leap of assuming perfect success rates for any campaigns by the Chinese government aimed at their citizens abroad. Although the report warns in its introduction against ‘a campaign targeting Chinese citizens’, its framing of the problem and suggested policy solutions achieve exactly that: the creation of an environment of suspicion that can legitimise future extraordinary action against individuals.

Constructing Chinese activities as a threat is pursued through the instrumentalisation of institutional initiatives and individuals. The activities of Chinese think tanks are discussed under the label ‘Tool:1 China sets up research exchange mechanisms and think tanks in Central and Eastern Europe to influence perceptions and agendas’<sup>87</sup>. The first example is the creation of SiLKS (Silk Road Think Tank Network) by CASS (Chinese Academy of Social Sciences), a network engaging European think tanks that includes, among others, Chatham House, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the France China Committee, the Fundación Alternativas, the Institute of Development Studies, and the OECD Development Centre. The report does not explain how the creation of a loose network will influence the research impartiality and integrity of these reputable institutions, nor why engagement of this type is a source of concern. After all, interactions between think tanks from democratic and authoritarian states are neither new nor a China-specific phenomenon. What is more, the institutional affiliations of Chinese think tanks are well-known and are taken into consideration by European counterparts when developing joint projects.

The example of SiLKS is followed by a consideration of the China-Central and Eastern European (China-CEE) Institute, a think tank known for openly promoting China’s BRI in the 17+1 framework. The authors of the GPPi-MERICS report claim that the China-CEE pursues ‘track 1.5 exercises’, involving ‘exchanges tak[ing] place behind closed doors’. The lack of evidence to substantiate the effectiveness of these activities and the presentation of routine public diplomacy as harmful to EU interests demonstrate that these reports offer a *discourse* for policy consumption, rather than fact-based analysis. Similarly, the section on knowledge production and lobbying (‘Tool 2’) uses random examples that fail to amount to more than a set of standard practices, such as employing lobbyists and local ‘experts’ to promote Chinese interests in the EU’s multifarious policy-making process. In an effort to provide some evidence to support their discourse, the authors refer to events organised by the Chinese Mission to the EU, the annual Europe-China forum and the involvement of China Daily in broadcasting them<sup>88</sup>. However, once more, the reader needs to try hard to discern how these activities, involving official actors openly affiliated to the Chinese government, constitute anything more than standard public diplomacy efforts, similar to those undertaken by many third countries within the EU.

The third institutional tool, titled ‘China shapes academic programs’, discusses the CCP’s alleged determination to ‘control how China is taught and studied in Western

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<sup>86</sup> Thorsten Benner et al., ‘Authoritarian Advance’, p. 26.

<sup>87</sup> Thorsten Benner et al., ‘Authoritarian Advance’, pp. 27–29.

<sup>88</sup> Thorsten Benner et al., ‘Authoritarian Advance’, pp. 30–31.

academic institutions'. The authors refer to controversies surrounding Confucius Institutes (CIs hereafter) in the US and Europe, particularly their clumsy censorship attempts. The problematic nature of the CIs is a well-discussed topic that has indeed drawn considerable criticism. Many studies have shown that there is significant variation of experiences with the operation of CIs, and attempts to use them as anything more than their stated role have been confronted with the recipient universities' determination to protect academic freedom<sup>89</sup>, particularly when CIs have been egregiously ham-fisted, as was the case at the EACS conference in Portugal in 2014.<sup>90</sup> As Hartig<sup>91</sup> has argued in his examination of CIs in Europe, Oceania and Africa, by attempting to project a state-sponsored image of China, CIs are compromising their effectiveness in increasing China's soft power. Hubbert<sup>92</sup>, in an ethnographic study of CIs as soft power tools, reaches the same conclusion: when teachers side-lined official teaching guidelines and material, putting aside propaganda content, they were more effective in communicating an appealing image of China. Put differently, the more political CIs are, the less effectively they operate as soft power mechanisms. Yet, the GPPi-MERICS report makes no mention of these important findings in relation to CIs, as this would weaken the sense of urgency it aims to create.

'Othering' is ultimately extended to Chinese nationals (the fourth 'tool'), particularly university students, who are identified as potential agents of the CCP. The report concentrates on the activities of the Chinese Students and Scholars Associations (CSSAs), a network developed under the auspices of the Overseas Chinese Affairs Office that has gained visibility in the US and Australia with high-profile (counter-) protests during visits of the Dalai Lama, the 2008 Olympic torch relay and demonstrations by dissidents on minority rights<sup>93</sup>. The authors employ the same tactic of putting together non-EU related examples with some minor incidents within EU member-states to create an exaggerated sense of imminent threat. Characteristically, they confound probability with intent:

While there have not been as many cases of CSS-related retaliation in Europe as in the US, it is possible that this trend might feature more prominently at European institutions in the future. These incidents represent an escalation of Chinese government tactics...<sup>94</sup>

These descriptions are accompanied with a map titled 'The CCP Could Mobilise a Critical Mass of Europe-Based Nationals Organised in Chinese Students and Scholars Associations' that shows the number of CSSAs in European countries, essentially

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<sup>89</sup> Joe Tin-yau Lo and Suyan Pan, 'Confucius Institutes and China's Soft Power: Practices and Paradoxes', *Compare: A Journal of Comparative and International Education*, Vol 46, No. 4, 2016, pp. 512–32

<sup>90</sup> Roger Greatrex, 'Report: The Deletion of Pages from EACS Conference materials in Braga (July 2014)' *European Association for Chinese Studies*, August 1, 2014, <http://chinesestudies.eu/?p=584>

<sup>91</sup> Falk Hartig, 'Communicating China to the World: Confucius Institutes and China's Strategic Narratives', *Politics*, Vol. 35, No. 3–4, 2015, pp. 245–58

<sup>92</sup> Jennifer Hubbert, 'Ambiguous States: Confucius Institutes and Chinese Soft Power in the U.S. Classroom', *Political and Legal Anthropology Review*, Vol. 37, 2014, pp. 329–49.

<sup>93</sup> Thorsten Benner et al., 'Authoritarian Advance', pp. 33–34.

<sup>94</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 33.

instrumentalising members of these associations as CCP tools. We are not oblivious to the fact that the CSSA has been involved in controversial activities. However, such examples are scarce (very few have taken place within the EU<sup>95</sup>) and cannot justify the exaggerated threat perception advocated by the authors of this report. What is more, research on the role of Chinese students' associations as 'soft power' mechanisms<sup>96</sup>, demonstrates they face significant limitations, similarly to the CIs. However, GPPi-MERICS operates under the assumption that Chinese nationals have a significantly enhanced potential for political action than others. This is evident in the polemic language used, with references to China's assumed 'retaliation' and 'escalation', especially since 2012. The authors do not take into consideration that many student societies are formed on the basis of nationality and engage in political activities on European campuses, even in coordination with their respective embassies. GPPi-MERICS imposes the authoritarian other lens which renders even inconsequential acts – for instance, Chinese students formally complaining about an invitation to a Falun Gong practitioner and Human rights activist to give a talk at Durham<sup>97</sup> – as evidence of China's authoritarian advance. Under such an interpretative context, providing evidence on the actual influence and effectiveness of these 'tools' becomes unimportant.

Lastly, 'othering' is also applied in relation to European actors: governments, businesses, news agencies, academic and research institutions and individuals. **Already in 2009, the first version of the 'China Audit' ECFR reports, categorised EU governments according to their China-policy preferences<sup>98</sup>**, while the recent GPPi-MERICS study identified 'willing enablers' within European elites and opinion setters<sup>99</sup>. These references do not only include justified criticism against populist politicians who use China to legitimise their illiberal views. They target European newspapers and agencies as vehicles of Chinese propaganda, accusing them of carrying content that is 'prepared and controlled by China's party-state media', thus "spread[ing] China's concept of journalism"<sup>100</sup>. The evidence provided is, once more, incoherent including lists of European media carrying the supplement ChinaWatch, and various media forums organised on a national basis. The authors represent every instance of engagement as evidence of China's instrumentalisation of European media, disregarding their critical reporting on China's domestic affairs.

Going a step further, the AMO study, funded by the National Endowment for Democracy, presents a ranking of domestic 'opinion setters' in the Czech Republic, Slovakia and Hungary, including journalists, political scientists, economists,

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<sup>95</sup> Many of the examples are drawn from experiences in Australia, see Thorsten Benner et al., 'Authoritarian Advance', pp. 36-37.

<sup>96</sup> James To, 'Beijing's Policies for Managing Han and Ethnic-Minority Chinese Communities Abroad', *Journal of Current Chinese Affairs*, Vol. 41. No. 4, 2012; Ane Bislev, 'Student-to-Student Diplomacy: Chinese International Students as a Soft-Power Tool', *Journal of Current Chinese Affairs* Vol. 46, No. 2, 2017, p. 32.

<sup>97</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 33.

<sup>98</sup> John Fox and François Godement, 'A Power Audit of EU-China Relations,' *European Council on Foreign Relations* (2009), p. 4. [https://www.ecfr.eu/page/-/ECFR12\\_-\\_A\\_POWER\\_AUDIT\\_OF\\_EU-CHINA\\_RELATIONS.pdf](https://www.ecfr.eu/page/-/ECFR12_-_A_POWER_AUDIT_OF_EU-CHINA_RELATIONS.pdf)

<sup>99</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 3, 8.

<sup>100</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 24.

businessmen, business analysts, artists, publicists, translators, sinologists according to their positive or negative attitudes towards China<sup>101</sup>. But whereas elected politicians and businessmen need to be scrutinised, the targeting of non-political and non-business actors as pro-China opinion setters raises concerns on the perceptions created, including potential damage to one's professional reputation. This labelling, the ultimate practice of 'othering', is a worrying development that we expect to see in a more intensified form as Chinese FDI in Europe is increasingly discussed in security terms. Lastly, the GPPi-MERICS's continuous distinction between 'independent' and 'dependent' China expertise in Europe creates the impression that sectors of the academic and research community on the continent perform propaganda functions<sup>102</sup>. Without providing any further justification for this claim this repeated statement casts an unacceptable shadow of suspicion on the entire scholarly community of Chinese Studies in Europe.

Overall, the othering discourse on China's institutional initiatives glues together incidents of limited importance disregarding both their actual (in)effectiveness and the resilience of European democracy. Ultimately, there is no justification for such an alarmist tone. On the contrary, we are concerned that if othering practices are adopted widely, they may fuel Sinophobic policies and social attitudes that will challenge the already repeatedly questioned liberal foundations of the EU and limit the debate on EU-China relations to a speculation regarding motives of the involved parts. For the time being, the vast majority of think tanks examined are careful in this regard. However, the GPPi-MERICS and AMO cases demonstrate that the transition from fact to extreme discourse-based policy discussion is simple once the securitising prisms are applied. Indeed, considering the hardening political discourse of (mainly north-) European leaders in the last few years, it is not difficult to imagine that 'othering' will be used more extensively in efforts to securitise Chinese investment.

### **The Existential 'Architrave'**

The three pillars of the securitising discourse analysed in the previous pages politicise the assumed importance and function of Chinese FDI in Europe. Yet as the process of securitisation is a discursive one, not every politicised issue is automatically securitised through its construction as a threat to a referent object's existence<sup>103</sup>. For instance, one could hardly find a more vexing situation for the EU than the planned exit of the United Kingdom. At a stroke, 15% of its total GDP and 13% of its population will be gone<sup>104</sup>, along with one of its strongest military forces. Yet, this loss has mainly resulted in manifestations of unity as Brussels basks in the glory of leading a successful negotiation with a politically weakened, divided, and increasingly repentant Britain. On the other hand, Chinese investment on the European continent at a time of crisis and austerity is

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<sup>101</sup> Ivana Karásková et al., 'Central Europe for Sale: The Politics of China's Influence,' *AMO* (April 2018), p. 11. [https://www.amo.cz/wp-content/uploads/2018/04/AMO\\_central-europe-for-sale-the-politics-of-chinese-influence.pdf](https://www.amo.cz/wp-content/uploads/2018/04/AMO_central-europe-for-sale-the-politics-of-chinese-influence.pdf)

<sup>102</sup> Thorsten Benner et al., 'Authoritarian Advance', pp. 3, 7, 39, 40.

<sup>103</sup> Barry Buzan, Ole Wæver, and Jaap De Wilde. *Security*.

<sup>104</sup> Eurostat, 'GDP and main components', (2019).



systematically portrayed as an existential threat even though still only accounting for only 0.9% of total extra-EU stocks held by foreign investors<sup>105</sup>. This begs the question: why should Europe feel more threatened by Chinese investment? What is it about China's presence in Europe that might endanger the foundations of the continent's political, economic, and social structure?

A straightforward answer proposed by certain European think tanks is that China is engaged in an expansion of its political and economic model or is, at the very least, attempting to normalise it, thus challenging the prevalence of the liberal-democratic norms-based order, particularly when it has been weakened from within<sup>106</sup>. Essentially, having constructed Chinese investment as a politically important issue, certain think tanks attempt to make the last and necessary step of their securitisation effort: the elevation of Chinese economic presence as an existential danger. BWW explain that we do not need to observe the adoption of emergency measures to talk of securitisation, but to demonstrate that a discourse on a suggested existential threat has 'gain[ed] enough resonance for a platform to be made from which it is possible to legitimise emergency measures' that would not have been contemplated or taken otherwise. For instance, we see a degree of *congruence* between the securitising discourse and pronouncements made recently by European leaders such as former German Foreign Minister Sigmar Gabriel, who appealed to identical themes of a China endangering Europe's economic position, internal cohesion and identity<sup>107</sup>. This platform, albeit distinct from the three pillars identified above, is the existential prism that rests on them, thus completing the discursive construct of China as a 'threat' to Europe.

A successful securitisation move establishes a threat to the very existence of a referent object, in our case, 'Europeanness'. We approach Europeanness as an emic term constructed in the discursive space of the examined think tank reports and policy-makers' pronouncements. Although fluid and open to interpretation, the notion of Europeanness under threat is distinct from the three discursive pillars. Its core perspective is the EU as a normative superpower<sup>108</sup>, a crucial component of European exceptionalism and related perceptions of order within the continent and globally. China, more than any other power, is seen as encroaching on areas where the EU has traditionally seen itself as a leader: rules and norms. These encompass elements of the Western liberal order (market economics, transparency, separation of state and business), and some facets of Europe's fading commitment to social democracy (welfare state, labour and environmental protections). They sometimes overlap with values of democracy, human rights and various political

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<sup>105</sup> Eurostat, 'Globalisation patterns in EU trade and investment, Chapter 4: Foreign Direct Investment - Stocks' (July 2019), [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign\\_direct\\_investment\\_-\\_stocks](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign_direct_investment_-_stocks)

<sup>106</sup> Xuetong Yan, 'Chinese Values vs. Liberalism: What Ideology Will Shape the International Normative Order?', *The Chinese Journal of International Politics* Vol.11, No. 1, 2018, pp. 1–22.

<sup>107</sup> Sigmar Gabriel, 'Europäische Union: Gabriel warnt Europäer vor Spaltung durch China', 2017 <https://www.handelsblatt.com/politik/international/europaeische-union-gabriel-warnt-europaer-vor-spaltung-durch-china/20260368.html>.

<sup>108</sup> Ian Manners, 'Normative Power Europe: A Contradiction in Terms?', *JCMS: Journal of Common Market Studies*, Vol. 40, No. 2, 2002, pp. 235–258; Ian Manners, 'Normative Power Europe Reconsidered: Beyond the Crossroads', *Journal of European Public Policy* Vol. 13, No. 2, 2006, pp. 182–199.

liberties, while at other times they fit in a realist conception of measurable power (soft, hard, sharp or smart). Thus, the architrave that the three pillars support securitises the EU's domestic order and its global role as a normative superpower, suggesting they are existentially threatened by China's rise. This constitutes an important escalation of the perceived challenge from China, which is portrayed to threaten not only the EU's political unity but also what Europe *stands for* domestically and internationally.

Domestically, the threat is conceptualised by merging examples of Chinese companies doing the bidding of their political masters and infiltrating European societies as unfair competitors, challenging Europe's technological edge and leveraging corporate greed to serve political purposes. The narrative of Europe's eroding influence vis-à-vis China is perhaps most visible in its peripheries, from austerity-ravaged countries of its South, the Eurosceptic governments of Central and Eastern Europe, to the waiting room of the Western Balkans. Many reports suggest China is capitalising on a power vacuum created post-2008 as the EU was in the midst of a debt crisis. China is thus described as not following 'the EU model of market-based decision criteria'<sup>109</sup>, as 'corrupt[ing] a free and open tendering process'<sup>110</sup> and 'promoting its own model of infrastructure construction'<sup>111</sup>. It is said to have Greece pivoting towards it<sup>112</sup>, encouraging Viktor Orbán's political agenda in Hungary through his 'sympathy for China's alternative illiberal-authoritarian model of governance'<sup>113</sup>, as well as providing no-strings-attached loans which undermine the EU agenda in Southeast Europe<sup>114</sup>. Most of these cases are either opportunistic moves or examples of limited 'spill-over' effects of Chinese investment and the attendant business practices and incentives which they allegedly bring.

China's activity in Europe's 'peripheries' only gains a sense of urgency when combined with the global level of analysis. This enables the existential prism to present China as 'the bigger long-term challenge to Europe's values and interests'<sup>115</sup>, heading 'towards a systemic clash'<sup>116</sup> with the EU. It is on the global stage that concerns over Chinese investment and influence blossom into a notion of China as a revisionist power positioning itself as a successor to the Western liberal-democratic paradigm. Again, the authors of the GPPi-MERICS report reach for the most dramatic expressions, leaving no doubt that Chinese leaders not only regard their political and economic order as superior but are actively promoting it<sup>117</sup>. Moreover, this promotion is targeted at more 'susceptible' (eastern and southern) member states and their elites<sup>118</sup> in order to compete

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<sup>109</sup> Alexandr Lagazzi and Michal Vít, 'The Good, the Bad and the Ugly', p. 7.

<sup>110</sup> Garrie van Pinxteren, 'China's Belt & Road Initiative: Nice for China, Not for Europe', p. 3.

<sup>111</sup> Michal Makocki, 'China's Road into Eastern Europe,' *Paris: Institute for Security Studies* (2017), p. 2. [https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief\\_4\\_China\\_Eastern\\_Europe\\_0.pdf](https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_4_China_Eastern_Europe_0.pdf)

<sup>112</sup> François Godement and Abigaël Vasselier, 'China at the Gates', p. 109.

<sup>113</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 18.

<sup>114</sup> Michal Makocki. 'China's Road into Eastern Europe.' p. 2.

<sup>115</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 6.

<sup>116</sup> François Godement and Abigaël Vasselier 'China at the Gates', p. 11.

<sup>117</sup> Thorsten Benner et al., 'Authoritarian Advance', pp. 2, 7.

<sup>118</sup> Thorsten Benner et al., 'Authoritarian Advance', p. 37.

with the EU<sup>119</sup> or ‘sponsor an alternative model’<sup>120</sup> that questions the liberal market economy model, as the first discursive pillar argues. Standing alongside is the discursive pillar of ‘unity’ connecting China’s ‘divide and rule tactics’<sup>121</sup> with the survival of liberal values not just in Europe and its periphery, but globally. This sets China’s grand strategy against a backdrop of a Europe left adrift by a world transitioning towards an illiberal future<sup>122</sup>. Here, the role of the third discursive pillar, that of othering, is instrumental in cementing an idea of European exceptionalism threatened by enemies foreign and internal. And finally, by making Chinese presence essentially and intractably noxious to liberal values (‘all areas of interaction with China are potentially problematic and deserve scrutiny’), the architrave of the existential prism designates what is meant to be at stake, namely the democratic values and liberalism as the basis of the EU project and of Europe’s self-perceived contribution to world order.

### Concluding remarks

The structure is thus complete. In this securitising narrative, China’s actions in Europe are wholly political, designed to sow dissent and discord and aided by a number of collaborators and sleeper agents. Yet as we have argued, the securitising discourse rests on rhetorical devices, de-contextualised cases and a callous disregard for alternative, more convincing and falsifiable explanations which do not take CCP propaganda at face value. The resulting image of Chinese companies, associations and individuals as the long arms of the Chinese state is a distortion and one can easily identify many areas of overlap with the original version of the 1990s China Threat scenario in the United States.

What is missing in these reports is, first, a case-by-case examination of the deals, the agency and the degree of involvement of different actors, the behaviour of Chinese companies within existing regulatory frameworks, and a contextualisation through comparison with companies from other third countries. This would include fine-grain academic research on Chinese-financed projects, analysing their actual impact and assessing their individual and collective implications without recourse to disparaging comparisons to so-called ‘banana republics’<sup>123</sup>. An analytical approach that gives precedence to facts over perceptions would also contribute to a calmer assessment of the broader issues of EU-China trade reciprocity and market access which need to be resolved. In this regard, the ‘China Threat’ frame advocated by many think tanks, journalists and politicians, risks transforming these issues into a zero-sum game, thereby reducing the political space for negotiation and compromise.

Another common problem in these reports is that think tanks widely disregard areas of immediate concern for European citizens, such as the impact of Chinese SOEs

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<sup>119</sup> François Godement and Abigaël Vasselier, ‘China at the Gates’, p. 68.

<sup>120</sup> Alice Ekman, ‘Three Years of China’s New Silk Roads’, *IFRI* (February 2017), p. 21.

[https://www.ifri.org/sites/default/files/atoms/files/ekman\\_et\\_al\\_china\\_new\\_silk\\_roads\\_2017.pdf](https://www.ifri.org/sites/default/files/atoms/files/ekman_et_al_china_new_silk_roads_2017.pdf)

<sup>121</sup> François Godement and Abigaël Vasselier, ‘China at the Gates’, pp. 33, 64, 65, 90.

<sup>122</sup> François Godement and Abigaël Vasselier, ‘China at the Gates’, p. 90.

<sup>123</sup> Garrie van Pinxteren, ‘China’s Belt & Road Initiative: Nice for China, Not for Europe’, p. 1.

on industrial relations, environmental standards, and local economies and societies. This bottom-up problematisation is missing in the top-down securitising narrative, possibly because the negative impact of Chinese investment in these areas is sometimes in accord with the dominant developmental paradigm of the EU and its members states. In addition, a more careful line of analysis would need to consider how current and prospective EU member states can best benefit from the availability of Chinese investment and financing at a time when austerity and economic stagnation put the European project in question. In this regard, the EU investment screening mechanism must not prioritise the interests of high-tech sectors of the wealthy North over the labour-intensive industries of economically weak countries, or risk further discord among member-states.

Lastly, the securitising discourse ultimately reveals an underlying hegemonic assumption that a 'core' of one or two major European powers will decide the EU's terms of engagement with China, according to their own economic interests and domestic political mood changes. This assumption runs the danger of entrenching divisions among EU states on an issue that does not represent a threat to European unity. In response, a balanced analysis of the challenges and opportunities that Chinese investment brings, needs to emphasise the EU's tested ability to synthesise different views and interests, which is a fundamental promise to its members.