

EU–China relations at a crossroads, Vol. IV: *Fifty-Fifty*

Ivano di Carlo (ed.)



Table of contents

About the project	3
About the contributing organisations	4
Foreword	10
Preface	11
List of acronyms	12
1 EU-CHINA AT 50: LESSONS FROM THE SUMMIT	15
Post-Summit China-EU relations: Shared responsibility for the future	16
Jin Ling, Xu Zhaoying	
EU-China relations post-Summit: Inflection point or reflection point on China's narratives?	20
Una Aleksandra Bērziņa-Čerenkova	
2 EU-CHINA COOPERATION FOR CONFLICT DE-ESCALATION IN GLOBAL HOTSPOTS	25
China-EU Cooperation in de-escalating global hotspots	26
He Zhigao	
EU and China on global hotspots: Opportunities and barriers to joint action	30
Mario Esteban, Cristina de Esperanza	
3 FROM TRUST EROSION TO CONFIDENCE- BUILDING MEASURES (CBMS): MAPPING THE NEW NORMAL IN EU-CHINA RELATIONS	37
China-Europe relations amid a deficit in global trust	38
Long Jing	
Joint EU-China confidencebuilding measures fora: Rationale and potential scenarios	42
Aurelio Insisa	
4 FROM COMPETITION TO COORDINATION? GOVERNING THE GLOBAL GREEN SUBSIDY RACE	47
Navigating the green subsidy race: Time for a multilateral governance mechanism	48
Yan Shaohua	
From Mexican standoff to economic disarmament	51
Victor De Decker	
5 RESEARCH SECURITY: TOOLS, RISKS AND PATHWAYS FOR COOPERATION	57
China-EU innovation cooperation: Opportunities for a renewed partnership	58
Wei Shen, Jun Lu	
Telling stories well: Challenges and opportunities for research security in the EU-China relationship	63
Rosaline Lantink, Ties Dams	
6 DIGITAL REGULATION: PATHWAYS TO EU-CHINA COOPERATION ON AI RULES AND FRONTIER MODEL GOVERNANCE	69
AI governance and national security: Building fair and cooperative frameworks for cross-border data governance	70
Center for China and Globalization (CCG)	
A pragmatic approach to EU-China cooperation on frontier AI governance	76
Rebecca Arcesati	

About the project

The context of EU–China relations has changed dramatically in recent years. While cooperation with China continues to offer significant opportunities, it also presents growing challenges. Diverging perceptions, strategic interests and approaches to global and domestic affairs increasingly risk undermining the effectiveness of bilateral dialogue. Minimising misperceptions and addressing gaps in understanding is therefore more important than ever.

This new cycle of the **EU & China Think-Tank Exchanges**, a project funded by the European Union and coordinated by the European Policy Centre (EPC) in cooperation with EGMONT – The Royal Institute for International Relations, the Elcano Royal Institute and the Center for China and Globalization (CCG), seeks to strengthen and revitalise dialogue among think tanks and research institutes across the EU and China. The project also brings together a core group of organisations, including: the Istituto Affari Internazionali (IAI), Mercator Institute for China Studies (MERICS), Institute of European Studies – Chinese Academy of Social Sciences (IES-CASS), China Institute of International Studies (CIIS), Shanghai Institutes of International Studies (SIIS), Fudan University and Zhejiang University.

Over its two-year cycle, the project promotes structured exchanges among experts, analysts and policymakers from Europe and China on issues of shared relevance. Through a series of focused discussions among leading thinkers and strategic analysts, the initiative aims to foster constructive EU–China dialogue, enhance mutual understanding and support collaborative action across a range of relevant and cross-cutting policy areas.

DISCLAIMER

This publication was produced under the EU & China Think-Tank Exchanges project. The input papers contained in this publication are the sole responsibility of the authors and do not necessarily reflect the views of the EU or the EPC. The EU's financial support to the project does not constitute any EU endorsement of the contents of the project events or any papers and publications produced. Supporters and partners cannot be held responsible for any use that may be made of the information contained therein.

This work was made possible by the editorial contributions of Julian Hale, Jessica Moss, Almut Möller and Jon Wainwright, and the managerial contributions of Elixabete Arrieta and Simona Lusuardi.

About the contributing organisations

Center for China–Europe Relations, Fudan University

Fudan University is one of China’s leading institutes in European studies with a long-standing role in shaping research on Europe in East China and nationwide. In 2013, the Center for China-Europe Relations (CCER) evolved out of the former Center for European Studies and is now affiliated with Fudan’s Institute of International Studies. CCER’s core research areas include China–EU relations, European integration, EU external relations and EU member states issues, particularly German, British and French Studies. Its scholars undertake projects funded by the Shanghai Social Science Foundation, National Social Science Foundation of the People’s Republic of China’s Ministry of Education and contribute to the *EU and the World* publication series. The CCER maintains extensive academic cooperation with leading institutions, including the London School of Economics and Political Science (LSE), and delivers policy advice.

China Institute of International Studies (CIIS)

China Institute of International Studies (CIIS) is the think tank of China’s Ministry of Foreign Affairs. It conducts research and analysis on medium- and long-term strategic issues, focusing on international politics and the global economy, and provides studies and policy recommendations on major international developments.

Founded in 1956 as the Institute of International Relations under the China Academy of Sciences, it adopted its current name in 2014. In 2020, after being reviewed and approved by the Central Committee for Comprehensive Deepening Reform, CIIS was designated as a pilot unit for the development of national high-end think tanks.

CIIS employs nearly 200 researchers and professionals, including senior diplomats, leading area specialists, and experts in key fields of foreign affairs. Its younger scholars hold advanced degrees in international relations or related disciplines.

The Institute hosts a professional library with over 260,000 volumes, one of China’s strongest collections in international affairs. CIIS publishes *International Studies*, a bimonthly journal, and *China International Studies*, the country’s first English-language academic journal on diplomacy and international politics.

The Center for China and Globalization (CCG)

The Center for China and Globalization (CCG) is a non-governmental think tank based in Beijing, founded by Dr. Henry Huiyao Wang and Dr. Mable Lu Miao in 2008. CCG was granted special consultative status by the Economic and Social Council of the United Nations (ECOSOC) as an accredited non-governmental organisation. In the 2020 Global Go To Think Tank Index, CCG ranked 64th worldwide and among the top 50 best independent think tanks. CCG now has more than 10 branches and overseas representatives and employs over 100 full-time researchers and staff working on globalisation, global governance, international economy and trade, international relations and global migration. CCG has built an international research network of leading experts and publishes more than 10 books and numerous research reports each year. Its proposals and recommendations are regularly considered by relevant state authorities. CCG also maintains long-term cooperation with many international organisations and think tanks.

Egmont Institute (The Royal Institute for International Relations)

The Royal Institute for International Relations is an independent think tank based in Brussels. Its interdisciplinary research is conducted in the spirit of full academic freedom and aims to provide policy-relevant analysis and operational recommendations. Drawing on the expertise of its research fellows as well as that of external Belgian and international specialists, the Institute contributes to informed debate on foreign policy, security and international affairs. Benefiting from Brussels' central role in European and global diplomacy – and from the prestigious setting of the Egmont Palace – the Institute offers a unique forum for visiting Heads of State and government, representatives of international organisations, foreign ministers and other senior figures. Its conferences, colloquia and seminars nurture the work of the research fellows and give participants the opportunity to exchange views with other specialists and a well-informed public made up of representatives of the political, economic, academic, media and civil society circles. Along with research and meetings, the Institute provides specialised training activities in Brussels and abroad.

About the contributing organisations

Elcano Royal Institute

The Elcano Royal Institute is Spain's leading think tank on international and strategic affairs, with over two decades of experience analysing global dynamics and Spain's role in the world, particularly within Europe. Its mission is to deliver innovative, rigorous and inclusive analysis that supports informed responses to major global challenges and examines their impact on Spanish society. Anchored in the values of independence, dialogue, sustainability, equality and transparency, the Institute brings together diverse perspectives through interdisciplinary research teams and sustained engagement with public institutions, the private sector, academia, civil society and international organisations. Its work contributes to advancing sustainability, peace and security, prosperity, democracy, human rights and gender equality. Founded in 2001 as a private foundation, Elcano's governance structure balances public and private interests in a plural and independent environment. All research outputs are made available through open-access publications. The Institute is named after Juan Sebastián Elcano, the navigator who completed the first circumnavigation of the globe.

Institute of European Studies (IES), Chinese Academy of Social Sciences (CASS)

The Institute of European Studies (IES) is China's leading research institute dedicated to the study of European politics, economy, law, society, culture, international relations and countries. IES was founded in May 1981 as a successor to the former Institute of Western European Studies. Now, IES comprises several specialised divisions, including the Division of European Economy, European Politics, EU Law, European Society and Culture, European History, International Relations, European Major Countries Studies, and Central and East European Studies. IES also operates the China-CEE Institute in Budapest, the first think tank in Europe registered by CASS. IES publishes the *Chinese Journal of European Studies*, a flagship academic periodical on European Studies in China.

Istituto Affari Internazionali (IAI)

The Istituto Affari Internazionali is an independent, private and non-profit think tank founded in 1965 on the initiative of Altiero Spinelli. It promotes the understanding of international politics and contributes to advancing European integration and multilateral cooperation. IAI is part of a broad network of research institutes and think tanks specialising in international relations, and it actively engages with government institutions, public administrations, European and international bodies, universities, major national economic actors, the media and leading global think tanks. Its envisions a world grounded in democratic freedoms and in fair and sustainable development, enabled by deeper European integration and strengthened through international cooperation. In pursuing this vision, IAI works as an independent research institute committed to deepening understanding, fostering informed debate and developing evidence-based solutions to the challenges faced by European and international policymakers.

Latvian Institute of International Affairs (LIIA)

The Latvian Institute of International Affairs (LIIA) conducts analytical and policy-oriented research on Latvia's foreign policy trends, development scenarios, international and regional security, and political and economic systems. The Institute conducts research, issues publications, and organises lectures, seminars and conferences related to international policy issues, collaborating with Latvian and foreign partners on its projects. LIIA's activities are currently financed through individual projects; the Institute does not receive core funding from any governmental or non-governmental organisation. Established in 1992, LIIA has become Latvia's most recognized think tank on international affairs, known for its long-standing cooperation with regional and global partners and for its contribution to debates on foreign and security policy.

About the contributing organisations

Mercator Institute for China Studies (MERICS)

The Mercator Institute for China Studies (MERICS) was founded in 2013 by Stiftung Mercator to strengthen knowledge and debate about China in Germany and Europe. With about 20 full-time international researchers from Europe, the United States and Australia, MERICS is the largest European research institute focusing solely on contemporary China and its relations with Europe and the wider world. Its specialists bring extensive expertise, scientific qualifications and methodological skills. Based in Berlin, with an office in Brussels, the institute provides a collaborative platform for cutting-edge research through cooperation with national and international institutions. Since its foundation, MERICS has become Europe's leading think tank on China, offering independent, fact-based analysis that deepens understanding of China's global role, informs public debate and supports decision-makers with insights shaping European China policy. Committed to democratic values, the institute promotes nuanced perspectives, challenges stereotypes and critically reflects on how China research influences broader societal perceptions.

Netherlands Institute of International Relations “Clingendael Institute”

The Netherlands Institute of International Relations ‘Clingendael’ is an independent think tank and academy dedicated to the study and practice of international affairs. As one of Europe's leading institutes in this field, Clingendael contributes to a secure, sustainable and just world through rigorous research, high-quality training programmes and active engagement in public debate. For over 40 years, Clingendael has supported policymakers, diplomats, security professionals, civil society actors and the private sector with policy-relevant analysis and practical training. The Institute is an independent foundation, unaffiliated with any political, activist, commercial, or religious movement, and is recognised for its objective, policy-oriented approach. Established in 1983 through the merger of five organisations active in international relations, Clingendael has since become a leading centre for strategic insight and capacity development, helping governments and institutions navigate an increasingly complex global environment.

The Shanghai Institutes for International Studies (SIIS)

The Shanghai Institutes for International Studies (SIIS) was established in 1960 as a comprehensive research institution, one of the earliest government-affiliated think tanks in China dedicated to international studies. Mr. Jin Zhonghua, then Vice Mayor of Shanghai, was the inaugural president. Over the past six decades, SIIS has played a crucial role in conducting strategic research, providing policy recommendations and contributing to the understanding of international politics, economics, security and other related fields. It has evolved into an important institution informing and shaping China's foreign policy and global engagement, and has been accredited as one of the most influential think tanks in China and around the world. SIIS comprises six institutes: the Institute for Global Governance Studies, Institute for Foreign Policy Studies, Institute for World Economic Studies, Institute for International Strategic and Security Studies, Institute for Public Policy and Innovation, and Institute for Taiwan, Hong Kong & Macao Studies; and eleven centres for area studies.

Zhejiang University

Zhejiang University is a world-class, comprehensive, research-intensive and innovative institution committed to the development of China and the wider world. Guided by its vision, the university seeks to cultivate future leaders and responsible global citizens, promoting education grounded in international awareness and social responsibility. Its mission emphasizes interdisciplinary and innovative research aimed at addressing the most pressing challenges of our time, while ensuring that knowledge and creativity are translated into tangible benefits for both local and global communities. Through its academic excellence, research capacity and societal engagement, Zhejiang University plays a significant role in advancing global understanding and fostering sustainable progress. It is affiliated with the Ministry of Education.

Foreword

It is with great pleasure that I introduce the fourth compendium of the EU & China Think Tank Exchanges project, entitled *Fifty-Fifty*. The compendium is published in the year of the 50th anniversary of EU–China relations, a significant time to reflect on how the relationship has evolved and how to address the challenges of today.

Over 50 years, the scale of EU–China trade and cooperation has grown immensely, but so have imbalances, which urgently need to be addressed. The breadth and complexity of issues involved in EU–China relations has also multiplied. The papers included in this compendium make an important contribution to our reflection, ranging from broad assessments of post-summit relations to focused explorations of economic security and AI regulation.

Now in its second phase, the EU-funded Think Tank Exchanges project continues to serve as a valued platform for dialogue and cooperation among experts in the EU and China. Such sustained connections are essential for strengthening mutual understanding and translating the outcomes of think tank and academic exchanges into practical ideas.

As you read this volume, I encourage you to consider both the challenges and the opportunities presented in these pages. The analyses contained here are not simply the results of an academic exercise, but contribute to an ongoing conversation intended to put forward practical insights and recommendations. Let us reflect on their implications for decision-making, in support of defining a more sustainable, mutually beneficial EU–China relationship for the next 50 years.

Jorge Toledo Albiñana

Ambassador of the European Union to China
Beijing, December 2025

Preface

The publication of this fourth volume in our compendium series coincides with a symbolic year: the 50th anniversary of EU–China diplomatic relations. Half a century on, the relationship continues to evolve at a remarkable and often unpredictable pace.

This anniversary also marks the beginning of a new project cycle for the EU-funded EU & China Think Tank Exchanges project, now engaging a larger network of leading think tanks and research organisations across the EU and China. This expanded collaboration provides fresh opportunities for dialogue and joint reflection on how to address the challenges – and seize the opportunities – shaping the bilateral relationship. Special thanks go to the co-beneficiaries – the Center for China and Globalization (CCG), EGMONT – The Royal Institute for International Relations and the Elcano Royal Institute, – as well as to the core group of contributing organisations: the Instituto Affari Internazionali (IAI), Mercator Institute for China Studies (MERICS), the Institute of European Studies – Chinese Academy of Social Sciences (IES-CASS), China Institute of International Studies (CIIS), Shanghai Institutes of International Studies (SIIS), the Center for China-Europe Relations (CCER), Fudan University, and Zhejiang University.

This volume also arrives at a time of persistent uncertainty and rapid transformation of the post-WWII global order. The lines between competition and cooperation are increasingly blurred, with the future often obscured by a dense fog of geopolitical unpredictability. Against this backdrop, the 12 input papers from leading European and Chinese experts included in this compendium help shed light on what both European and Chinese experts consider pressing issues in the bilateral relationship. Readers may gain insights not only from the opinions and policy recommendations presented, but also from what is left unaddressed.

To that end, the contributions are presented as independent expert views, closer in spirit to op-eds than to coordinated policy papers. They reflect the diversity of analytical traditions and systems in which European and Chinese scholars work, and for this reason received minimal editorial intervention. In some cases, this results in differences of terminology or emphasis. These variations are not edited out; rather, they are retained to reflect the spectrum of viewpoints and the realities of conducting research and dialogue across contexts.

While the EU & China Think Tank Exchanges project has remained a consistent fixture over the years, (we just recently held our 30th event) the world around us has been anything but static. Geopolitical realignments, global economic uncertainty, ongoing wars and conflicts, and intense technological competition continue to shape the environment in which Europe and China operate.

Launched during a challenging period for the bilateral relationship, the EU & China Think Tank Exchanges have nonetheless succeeded in establishing a stable platform for dialogue, enabling meaningful conversations even when official channels are strained.

It would be naïve to suggest that the path ahead is straightforward, especially since geopolitical fault lines continue to constrain academic exchanges and policy dialogues. Yet, this project has always rested on a simple premise: when relations are strained, dialogue becomes not only valuable but urgent. These exchanges do not – and will never – claim to resolve disagreements overnight, but they offer a rare venue in which different perspectives can be expressed directly, without intermediaries or the illusions of immediate breakthroughs.

The title of this volume, *Fifty-Fifty*, captures both a historical milestone and a guiding principle. It reflects how far the EU–China relationship has come, while pointing to the broader challenges that lie ahead. At a time when mutual trust is fragile and misunderstandings are easily amplified, progress depends on the ability to find a balance – to navigate the middle ground even when common interests are difficult to find. It is a reminder that neither side can advance the relationship alone; attempting to do so would come at a cost not just for the parties involved, but for the wider world.

In this sense, *Fifty-Fifty* is not merely a reference to the past but an aspiration for the future of dialogue. It signals not a naïve expectation of perfect parity, but an effort to seek equilibrium in a relationship at risk of becoming defined solely by competition or distrust. Ultimately, it highlights a simple truth: the future of EU–China engagement may hinge on our ability to recognise areas of alignment, even when they are difficult to find and sometimes appear unimaginable to reach.

Ivano di Carlo

Senior Policy Analyst, European Policy Centre

List of acronyms

AI	Artificial Intelligence
AISIs	AI Safety Institutes
APEC	Asia–Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
CCER	Center for China–Europe Relations
CCG	Center for China and Globalization
CCIS / CIIS	China Institute of International Studies
CCP	Communist Party of China
CBMs	Confidence-Building Measures
CICA	Conference on Interaction and Confidence-Building Measures in Asia
COP30	2025 UN Climate Change Conference
DOGE	Department of Government Efficiency
DAIS	International Dialogues on AI Safety
DSA	Digital Services Act
EPC	European Policy Centre
EiW	Europe in the World
EU	European Union
EV	Electric Vehicle
G20	Group of Twenty
G7	Group of Seven
GDP	Gross Domestic Product
GDIP	Green Deal Industrial Plan
GGI	Global Governance Initiative
GPAI	General Purpose AI

GDPR General Data Protection Regulation
IAI Istituto Affari Internazionali
IES-CASS / IES Institute of European Studies, Chinese Academy of Social Sciences
INESIA National Institute for AI Evaluation and Security
IRA Inflation Reduction Act (USA)
IP Intellectual Property
JNIM Jama'at Nusrat al-Islam wal-Muslimin
LIIA Latvian Institute of International Affairs
MFA Ministry of Foreign Affairs
MERICs Mercator Institute for China Studies
MEP Member of the European Parliament
NATO North Atlantic Treaty Organization
NDCs Nationally Determined Contributions
OECD Organisation for Economic Co-operation and Development
PRC People's Republic of China
R&D Research & Development
REEs Rare Earth Elements
SCM Subsidies and Countervailing Measures
S&T Science & Technology
SIIS Shanghai Institutes for International Studies
UN United Nations
UNSC United Nations Security Council
US United States
WTO World Trade Organization

EU-China at 50: Lessons From the Summit

- Did the 2025 EU–China Summit mark the emergence of a new strategic equilibrium in bilateral relations, or did it expose deep-seated differences in their economic and political relationship and views on the global order?
- Will these different visions of global order shape long-term EU–China relations?
- How should the two sides approach partnership-building at a time when geopolitical and geoeconomic tensions increasingly test their ability to cooperate?

Post-Summit China-EU relations: Shared responsibility for the future

Jin Ling

Director, Department for Global Governance
and International Organizations, CIIS

Xu Zhaoying

Assistant Research Fellow, Department for
European Studies, CIIS

Introduction: A Summit bridging past and future

The 25th China–EU Summit took place against a highly complex and uncertain global backdrop. Despite mounting challenges and tensions, both China and the EU – building on 50 years of cooperation – navigated the most turbulent waters by setting the strategic direction for a constructive and stable relationship.

Held in Beijing in July 2025, the 25th China–EU Summit coincided with the 50th anniversary of diplomatic ties between China and the EU. Over the past half-century, the two sides have broadened and deepened cooperation across multiple fields, contributing to mutual development and stability.

Economically, bilateral trade has grown from \$2.4 billion at the time of establishing diplomatic ties in 1975 to \$785.8 billion in 2024, with mutual investment stocks nearing

\$260 billion.¹ This has forged a deeply interdependent relationship. Politically, since establishing relations, both sides have pursued candid dialogue and pragmatic cooperation, with a high degree of strategic consensus. At the level of global governance, both share broad support for open globalisation, multilateralism, respect for international law and joint responses to global challenges.

Against this backdrop, the Summit was not only an opportunity to review the past 50 years of cooperation but also to define the future of bilateral relations. Amid global geopolitical turbulence, rising unilateralism and pressure on the multilateral world order, the evolving relationship between China – the world’s second largest economy – and the EU – the third – carries implications far beyond the bilateral level. Their choices will shape the prospects for multipolarity and globalisation worldwide.

Main challenges and opportunities

CHINA-EU COOPERATION AS A STABILIZER AMID GLOBAL UPHEAVAL

This Summit underscored both sides’ pragmatic approach to sustaining cooperation and de-escalating tensions. Building upon open and frank exchanges, the two parties advanced positive progress in bilateral relations, laying a stable foundation for future China–EU ties that can serve as a strategic stabiliser in the global landscape.

Firstly, both sides consolidated and upgraded their strategic communication mechanisms. They reaffirmed the principle of ‘derisking instead of decoupling’² and agreed to resume and deepen high-level dialogue mechanisms, including strategic, economic and trade, climate, and digital dialogues. Particularly noteworthy was the simultaneous lifting of restrictions on

exchanges between legislative bodies, injecting fresh momentum into the restoration of political mutual trust and signalling a significant shift from a confrontational stance towards a cooperative and pragmatic direction.

Both sides consolidated and upgraded their strategic communication mechanisms. They reaffirmed the principle of ‘derisking instead of decoupling’ and agreed to resume and deepen high-level dialogue.

As China and the EU collectively account for one-third of global economic output and 30% of world trade,³ their commitment to dialogue and cooperation signifies that world economy will not fragment into opposing blocs.

Secondly, the Summit's most significant outcome was the joint statement by Chinese and European leaders on tackling climate change.⁴ Both committed to submitting economy-wide 2035 nationally determined contributions (NDCs) ahead of the 2025 UN Climate Change Conference (COP30) and pledging to accelerate global deployment of renewable energy. This reflects shared interests in green transition and creates opportunities for photovoltaic and energy storage enterprises to cooperate.

Despite ongoing differences, the EU and China recognized the potential for collaboration in green industries such as photovoltaics, wind power and electric vehicles (EVs). Positive outcomes have emerged from pragmatic models of “technological complementarity and market sharing”, exemplified by Chinese new energy enterprises' greenfield investment in Europe and European firms sourcing critical components through the China–Europe freight train. The Summit highlighted bilateral cooperation in green and low-carbon transition processes (including methane emissions control and carbon markets),⁵ which holds promise as a breakthrough in dismantling ‘green trade barriers’. This demonstrates potential for industrial-chain cooperation in the green transition.

Finally, both sides reaffirmed their commitment to upholding multilateralism. Against the backdrop of the Trump administration's tariff war, the very convening of the Summit demonstrated Europe's reluctance to take sides in the Sino-American competition and its pursuit of strategic autonomy. This non-aligned approach offers a chance to avert a ‘new Cold War’ division in the global order.

Against the backdrop of the Trump administration's tariff war, the very convening of the Summit demonstrated Europe's reluctance to take sides in the Sino-American competition and its pursuit of strategic autonomy.

At the Summit, both sides reiterated their commitment to upholding the multilateral trading system with the WTO at its core, and their opposition to protectionism and bloc confrontation. China also articulated three principles: “Upholding mutual respect to reinforce the China-EU partnership; upholding openness and cooperation to manage differences and frictions; upholding multilateralism to safeguard international

rules and order”. These words received a positive response from the EU, which affirmed it is “committed to deepening relations with China, handling differences in a constructive manner”.⁶

PERCEPTION GAPS AND ECONOMIC IMBALANCES REMAIN CORE DISPUTES

While the Summit achieved positive outcomes, it also acknowledged persistent structural difficulties in China–EU relations in recent years.

First and foremost are perception gaps. Contrary to China's commitment to partnership, the EU continues to frame China as a partner, competitor and ‘systemic rival’,⁷ which has obstructed bilateral relations and deepened mutual misunderstandings. Viewing China through a strategic-rivalry lens, the EU interprets the Russia–Ukraine conflict and China–Russia relationship through a strongly ideological perspective. As a result, China has been mistakenly regarded as a ‘decisive enabler’ of the conflict,⁸ overshadowing other dimensions of cooperation between China and Europe.

Economically, the EU increasingly views bilateral trade cooperation through the prism of competition. As the Sino–European economic relationship gradually shifts from a complementary model based on vertical division of labour within industrial and value chains towards a competitive-cooperative model of horizontal division, competition has naturally intensified. However, rather than seeking new mutually beneficial paradigms, the EU has adopted a more assertive stance towards China. These misunderstandings have eroded mutual trust and undermined the foundations of cooperation.

Second, trade imbalances and fairness disputes remain a source of tension. Despite sustained momentum in economic cooperation and mutual benefit, the EU has shifted its focus from collaboration to what it terms ‘fair competition’, emphasising trade deficits and market access barriers. At the Summit, Commission President Ursula von der Leyen bluntly stated that the current trade pattern lacks reciprocity, criticising China's market access barriers and industrial overcapacity.

However, in China's view, these issues did not arise overnight, nor do they represent a zero-sum game in which China profits at Europe's expense. As Chinese officials noted, “the surplus is on China's side, while the profits are on Europe's”.⁹ For years, nearly 40% of the profits earned by European enterprises in China have been remitted back to Europe. Moreover, the EU continues to maintain a substantial services-trade surplus with China, which reached \$50.358 billion in 2024.¹⁰ To Beijing, trade imbalances and overcapacity stem from “differences in industrial structures and the global division of labour, rather than unfair competition”.¹¹

Finally, the EU's ‘derisking’ strategy has produced negative spillover effects on bilateral cooperation. As Europe intensifies its efforts to implement derisking, new unilateral trade-defence instruments have been deployed,

including investment-screening mechanisms and international procurement tools, which have hindered the healthy development of bilateral economic and trade relations. From China's perspective, derisking goes against economic logic and is easier said than done.

From China's perspective, derisking should not degenerate into 'de-Chinisation', and industrial and value chains should not be politicised.

At the macroeconomic level, derisking disrupts established risk-management mechanisms, heightens operational uncertainties for businesses and fuels further trade frictions, undermining mutual trust and reducing the capacity to resolve disputes through dialogue. From China's perspective, derisking should not degenerate into 'de-Chinisation', and industrial and value chains should not be politicised.

Despite persistent differences on issues such as digital-trade rules and reciprocal public procurement, both sides still have considerable potential for cooperation. These areas are vast and should not be sacrificed to derisking policies.

Recommendations and conclusions

SEEKING THE GREATEST COMMON DIVISOR

Held against the backdrop of profound global transformation and persistent turbulence in the international security environment, this summit nonetheless achieved tangible outcomes – such as the resumption of strategic dialogue and the adoption of a joint climate statement through – laying a solid foundation for future cooperation. Moving forward, China and the EU must focus on the following areas:

On strategic mutual trust, they should delink bilateral relations from geopolitical issues such as the Russia-Ukraine war, returning to the original spirit of partnership. In the 2003 comprehensive strategic partnership, both China and the EU explicitly affirmed that “differences in systems should not prevent cooperation”.¹² It is high time that both sides to position each other correctly in their external strategies, avoiding zero-sum thinking.

In the 2003 comprehensive strategic partnership, both China and the EU explicitly affirmed that “differences in systems should not prevent cooperation”.

Practically, cooperation should advance in parallel with dispute management. Building on five decades of partnership, China and the EU should explore new ways to broaden cooperation both bilaterally and globally, especially on the green and digital transitions, while creating mechanisms for dispute management. For instance, the recent agreement to upgrade the export

control dialogue mechanism provides institutional safeguards for supply chain stability in semiconductors and new energy sector. Both sides could also establish rapid consultation channels for contentious issues, such as the EV anti-subsidy case or cross-border data flows, to prevent escalation and promote problem-solving through dialogue.

Regarding economic and trade balance issues, the dialectical relationship between competition and cooperation should be viewed from a broader and longer-term perspective. Competition between China and Europe in green energy and the digital economy can serve as a positive force for technological innovation. For instance, the entry of Chinese EVs into Europe has spurred local automakers to accelerate their transformation, while European green technology standards have compelled China's industrial chains to pursue low-carbon upgrading.

Competition should serve as a catalyst for cooperation, not a pretext for confrontation. As former Austrian Chancellor Wolfgang Schüssel observed, “Competition makes each of us stronger, but cooperation makes the world safer”.¹³ China and Europe should explore avenues to turn competition into cooperation. Mechanisms such as reciprocal public procurement and capacity surplus dialogues could mitigate trade imbalance disputes. Regarding the green transition, differences over carbon footprint certification and critical raw material supply could be channeled into opportunities for technological collaboration.

In global governance, China and the EU share broad common interests in upholding the UN-centred international system, the WTO-centred multilateral trading system and joint responses to climate change and public health crises. As beneficiaries of the post-war, rules-based international order, China and the EU share a commitment to safeguarding multilateralism and advancing a just and fair multipolar world. Faced with global governance deficit, China and the EU should take

joint responsibility for tackling global challenges and responding to the contemporary demands of the rising Global South. In this context, China's Global Governance Initiative proposed in September 2025 injects new momentum into deepening such cooperation.

In the realm of people-to-people exchanges, both sides should strengthen interpersonal interaction to bridge perception gaps and deepen mutual trust. One source of the trust deficit lies in insufficient interpersonal exchanges. During the pandemic, visits between the two regions decreased tremendously, leaving European perceptions of China entrenched more in stereotypes and misunderstandings. To reverse this trend, China has already taken steps such as expanding visa exemptions to promote exchanges. Further efforts could include supporting 'track-two diplomacy', joint research by Chinese and European think tanks and collaborative university programmes.

As European scholars have noted, the essence of China–EU relations lies in being a “community of shared interests that transcends institutional differences”.¹⁴ At this new juncture marking the 50th anniversary of diplomatic ties, the Summit signalled both sides' commitment to dialogue and win-win cooperation as a stabiliser amid global upheaval.

The trajectory of China–EU relations will hinge on whether both sides can continue to sustain this positive momentum, focusing on common ground rather than differences, promoting economic and trade cooperation based on mutual respect, and expanding collaboration in global governance, green development and digitalisation. Doing so would not only build on the lessons learned across five decades of China–EU collaboration but also represent a shared contribution towards fostering a just and fair multipolar order.

As European scholars have noted, the essence of China–EU relations lies in being a “community of shared interests that transcends institutional differences”.

¹ Ministry of Commerce of the People's Republic of China (2025), “[China-EU investment cooperation has entered a two-way express lane](#)”, Chinanews.com (accessed 31 October 2025).

² International Institute for Strategic Studies (IISS) (2025), “[The EU's evolving view of China](#)”, *Strategic Comments* vol. 31, No. 7, pp. i-iv.

³ European Council, “[EU-China trade: facts and figures](#)”, *Consilium* (accessed 27 October 2025).

⁴ European Council, “[Joint EU-China press statement on climate – The way forward after the 10th anniversary of the adoption of the Paris Agreement](#)”, 24 July 2025.

⁵ Ibid.

⁶ Ministry of Foreign Affairs of the People's Republic of China, “[Xi Jinping Meets with President of the European Council António Costa and President of the European Commission Ursula von der Leyen](#)”, 24 July 2025.

⁷ European Commission & High Representative (2019), [EU-China – A strategic outlook](#), Strasbourg: European Commission/HRVP, JOIN(2019) 5 final, 12 March 2019, p. 1

⁸ McCarthy, Simone, “[NATO allies call China a 'decisive enabler' of Russia in Ukraine war as bloc eyes Asia security threats](#)”, CNN, 11 July 2024.

⁹ Global Times, “[Viewing the imbalance in China-EU trade in a comprehensive and objective manner](#)”, 21 July 2025.

¹⁰ Ibid.

¹¹ Ibid.

¹² State Council Bulletin, “[China's Policy Paper on the EU](#)”, No. 33 in 2003 and European Commission, “[A maturing partnership - shared interests and challenges in EU-China relations](#)”, 9 October 2003.

¹³ CCTV News, “[To Upgrade China-EU Ties, Europe Needs to Correct Its Perception of China](#)”, 12 August 2023.

¹⁴ Phoenix Weekly, “[The wavering EU, hedging its bets between China and the US](#)”, 1 August 2025.

EU-China relations post-Summit: Inflection point or reflection point on China's narratives?

Una Aleksandra Bērzina-Čerenkova
Deputy Director, Latvian Institute of International Affairs,
Head of the China Studies Centre, Riga Stradins University

Introduction: Summit diplomacy and the battle of narratives

The 2025 EU–China summit once again demonstrated that dialogue between Brussels and Beijing is a choreographed exchange of narratives. While the European Union (EU) entered the meeting intent on addressing practical challenges – from market access and over-capacity to systemic distortions and support for Ukraine¹ – China used the occasion to downplay European concerns.

President Xi Jinping's remark that “current challenges facing the EU do not come from China, and there are no fundamental conflicts of interest or geopolitical contradictions between China and the EU”² was emblematic of this effort. The tense atmosphere³ at the Summit, however, suggested otherwise, and expectedly so.

Xi sought to reassure the audiences that China remains a predictable and constructive power, a pillar of the UN-centred system, and to depict China as a responsible stakeholder defending the post-war multilateral order.

Yet his appeals betrayed unease over Europe's gradual rearmament and the explicit de-risking strategy launched by the European Commission.

The Summit thus became a stage on which China presented itself as moral guardian of global order while subtly warning Europe against strategic decoupling.

In the weeks that followed, Beijing doubled down on this message. Encapsulated in the Global Governance Initiative (GGI)⁴ proposed by Xi during the Shanghai Cooperation Organisation Summit in Tianjin on 1 September 2025, this new push no longer relies solely on homegrown moral slogans but anchors its legitimacy in established narratives, notably the UN, the climate agenda and the fight against global fascism.

This development deserves closer scrutiny, as it carries significant implications for Europe's strategic posture and its capacity to shape the global order.

Main challenges and opportunities

BEIJING'S BORROWED LEGITIMACY: THE UN, THE CLIMATE, AND THE FIGHT AGAINST FASCISM

China's strategic communication push, also known as Xi Jinping's pursuit of “discourse power” or “the right to speak”,⁵ aims to position China as the leader of a non-Western path to development, a provider of global commons and a beacon of moral leadership.

Yet China's abstract value frames, such as the “Community for Shared Future of Mankind”, have failed to gain significant traction among global audiences.⁶

To reinforce its underperforming narrative, Beijing in the past year has increasingly turned to borrowed legitimacy, appropriating universal symbols and institutions, including the UN, the climate agenda and the mid-20th-century struggle against global fascism.

This rhetorical anchoring not only makes Beijing's message more digestible abroad. It also re-casts China's rise as a continuation rather than a rupture with the post-WWII order. It allows Beijing to criticise European powers from within the very institutions they helped create, arguing that it is China, not the West, that fought on the right side of history⁷ and now embodies true multilateralism.

Although not directly an outcome of the 2025 EU–China Summit, this turn nonetheless has implications for EU–China relations in the coming years, posing three distinct challenges: economic, geopolitical and security.

Beijing in the past year has increasingly turned to borrowed legitimacy, appropriating universal symbols and institutions, including the UN, the climate agenda and the mid-20th-century struggle against global fascism.

On paper, the Summit signalled agreement between the EU and China on climate cooperation and support for the UN.⁸ In reality, China’s green transition operates via an industrial strategy that undermines European competitiveness, hence the economic challenge. Similarly, China’s championship of the UN translates into a bid for greater structural power at the Security Council⁹ – hence the geopolitical challenge.

The third aspect – Beijing’s narrative turn towards its role in combatting global fascism – presents a security challenge for Europe. By invoking the moral capital of the anti-fascist victory, China casts itself as the custodian of peace and justice even while it refuses to condemn Russia’s war of aggression in Ukraine.

Xi Jinping’s 9 May appearance alongside Vladimir Putin¹⁰ offered a revealing example: he declared that China and Russia “will join hands to firmly safeguard the UN-centred international system and the international order underpinned by international law, practise true multilateralism, and promote the building of a more just and equitable global governance system”.¹¹

What appears as China’s self-positioning as a faithful steward of the existing order in fact signals an alternative, civilisation-based worldview,¹² one that extends a moral credit to Russia as a fellow ‘defeater of global fascism’ and thereby frames Russian actions in Ukraine as unfortunate but justified.

NOT THE MULTIPOLARITY BEIJING HAD IN MIND: EUROPE’S NEW RESOLVE

The previous section presented several aspects of the PRC’s borrowed legitimacy strategy, arguing that anti-fascist framing carries implications for European security. The narrative is rooted in what official Chinese discourse presents as multipolarity: an “equal and orderly multipolar world and inclusive economic globalisation”.¹³

Superficially, this appears compatible with Europe’s preference for a rule-based multilateral system. Both

reject zero-sum rivalry and emphasise shared prosperity. In practice, however, Beijing’s concept of multipolarity differs profoundly. It tends to equate equality with non-interference, even at the expense of accountability. The outcome is a world divided into spheres of influence, where large powers enjoy latitude within their regions – including in Europe. Beijing’s refusal to acknowledge Russia’s aggression in Ukraine is not an aberration but a logical extension of this principle.

Xi Jinping’s statements during and around the EU–China Summit reiterated China’s familiar diplomatic lexicon of ‘multipolarity’. “China has always ... regarded the EU as an important pole in a multipolar world”, he told European Council President António Costa and European Commission President Ursula von der Leyen.¹⁴ However, this time, these words betrayed growing unease.

The outcome is a world divided into spheres of influence, where large powers enjoy latitude within their regions – including in Europe. Beijing’s refusal to acknowledge Russia’s aggression in Ukraine is not an aberration but a logical extension of this principle.

Xi mentioned in his remarks that China had “consistently supported the strategic autonomy of the EU”,¹⁵ yet this line revealed irritation at Europe’s increasing efforts to achieve strategic autonomy, a path unfavourable to China’s interests:

First, by pursuing de-risking, including diversifying supply chains, restricting technology transfers and screening outbound investment, Brussels directly challenges Beijing’s economic leverage.

Second, China’s leadership senses that Europe’s centre of gravity is shifting towards a security-oriented worldview. While Europe is not as bound by solidarity with Washington’s strategic outlook on China as it was during the Biden years, its homegrown grievances with Beijing’s policies drive a strategic reorientation. Compounding this, the PRC’s view of European security architecture, broadly framed around the claim that “NATO has failed to really pay attention to Russia’s security concerns and feelings”,¹⁶ is simply unacceptable to EU leaders.

As a result, China views Europe’s rearmament with growing discomfort. The ambition of most European states to reach defence spending levels approaching 5% GDP, combined with the revival of Europe’s defence industry and NATO-EU coordination, represents a structural shift. From Beijing’s standpoint, a militarily confident Europe complicates its economic, diplomatic and military influence.

Xi Jinping's calls for "mutual trust" and "jointly safeguarding peace" can be read as rhetorical attempts to ease tensions, while export controls,¹⁷ as analyst Jakub Jakóbowski argues, amount to policy tools to curb Europe's security autonomy and rearmament.¹⁸

This trend, however, also presents a strategic opportunity for Europe. After all, China's unease is itself a testament to Europe's regained relevance.¹⁹

Recommendations and conclusions

TOWARDS A EUROPEAN RESPONSE?

For Europe – a union of small and medium-sized states that thrive precisely because power is constrained by law – China's model of multipolarity would be existentially destabilising. It transforms the post-war ideal of shared security into a transactional bargain among great powers. Although expressed in the language of global order, Beijing's vision risks normalising the very power politics it claims to transcend.

As matters stand, the EU still lacks a comprehensive strategy to address the implications of China's multipolar vision. Economic policy, human rights dialogue and security considerations operate in silos, while China's approach is holistic, blending trade, diplomacy and narrative in a single strategic toolkit.

For a credible European response, three priorities stand out:

THREE PRIORITIES FOR A EUROPEAN RESPONSE

1. Rethinking multilateral legitimacy.

The European Parliament's May 2025 decision to amend CO2 emission standards for new cars²⁰ attempted to protect domestic industry against Chinese competition. Yet debates about relaxing environmental pledges risk being perceived as proof of European hypocrisy. To counter this, Europe must reinvest diplomatic capital in the arenas where China seeks to reclaim leadership: the UN system, climate negotiations and development agencies.

2. Framing de-risking as responsible interdependence.

Europe's economic diversification should be presented not as protectionism but as a contribution to global resilience. In this, communication matters as much as policy substance. In the quest for open strategic

autonomy and economic (and research) security, the European Economic Security Strategy²¹ provides a step forward. However, it still offers too little scope to discipline non-compliant member and to close the narrative deficit about what strategic autonomy truly means.

3. Forging relationships across divides.

Europe's concerns about China's industrial policy, green supply-chain dominance, digital standards, economic overdependence and debt sustainability are widely shared by middle powers around the world, regardless of political system or the level of alignment with the PRC.²² Leveraging the EU's internal market to negotiate free trade and economic partnerships with middle powers in Asia, Africa and Latin America can help expand European strategic autonomy and reduce collective vulnerability to economic pressure.

The 2025 EU–China Summit and the months since have been characterised by a contest over the moral vocabulary of global order. China presents itself as the guarantor of stability and the guardian of multilateralism, even as its actions undermine both. Its message is clear: stability equals sovereignty, and sovereignty legitimises power.

Economic policy, human rights dialogue and security considerations operate in silos, while China’s approach is holistic, blending trade, diplomacy and narrative in a single strategic toolkit.

For Europe, the challenge is to articulate an alternative grounded in accountability and law. As China seeks to universalise the state prerogative²³ as the defining principle of global governance, Europe faces the dual challenge of defending civic responsibility while safeguarding its economic, geopolitical and security interests.

The EU’s distinctive influence has long stemmed from its capacity to define norms, but also by its pursuit of inclusive, human-centred solutions. Perhaps the age of European moral leadership is over, but Europe’s political and social model still offers a viable alternative to China’s regime-security centred multipolarity.

¹ European Council, “[EU-China Summit, 24 July 2025](#)”, *Consilium*, 24 July 2025 (accessed 27 October 2025).

² State Council of the PRC, “[Xi calls on China, EU to provide more stability, certainty for world through steady, sound bilateral relations](#)”, *english.www.gov.cn*, 24 July 2025 (accessed 27 October 2025).

³ Li, Yuchen, “[EU-China summit exposes deepening tensions](#)”, *Deutsche Welle* (accessed 27 October 2025).

⁴ Ministry of Foreign Affairs of the PRC, “[Concept Paper on the Global Governance Initiative](#)”, *MFA.gov.cn*, 1 September 2025 (accessed 27 October 2025).

⁵ Qiushi, “[加快构建中国话语和中国叙事体系 \[Accelerate Building China’s Discourse and Narrative System\]](#)”, *Qiushi Online*, 22 July 2025 (accessed 27 October 2025).

⁶ NATO Strategic Communications Centre of Excellence (forthcoming), “PRC narratives in the Arabic media space”, NATO StratCom COE.

⁷ Chinese Academy of Social Sciences (CASS), “[Sky Research Programs](#)”, *casseng.cssn.cn* (accessed 27 October 2025).

⁸ European Commission, “[Joint EU-China press statement on climate](#)”, *Press corner*, 23 July 2025 (accessed 27 October 2025).

⁹ Gowan, Richard (2024), “[Accommodation available: China, Western powers and the operation of structural power in the UN Security Council](#)”, *Global Policy*, 15(2), pp. 29–37.

¹⁰ Ministry of Foreign Affairs of the PRC, “[Xi Jinping Attends the Celebrations Marking the 80th Anniversary of the Victory in the Great Patriotic War of the Soviet Union](#)”, *MFA.gov.cn*, 10 May 2025.

¹¹ Xinhua, “[Xi urges safeguarding legacy of WWII victory](#)”, State Council of the PRC, 8 May 2025.

¹² China’s Diplomacy in the New Era, “[Global Civilization Initiative \(GCI\)](#)”, Beijing: China Diplomacy (accessed 27 October 2025).

¹³ Ministry of Foreign Affairs of the PRC, “[Wang Yi Elaborates on an Equal and Orderly Multipolar World and a Universally Beneficial and Inclusive Economic Globalization](#)”, *MFA.gov.cn*, 7 March 2024 (accessed 27 October 2025).

¹⁴ Xinhua via State Council of the PRC, “[Xi calls on China, EU to provide more stability, certainty for world through steady, sound bilateral relations](#)”, *english.www.gov.cn*, 24 July 2025 (accessed 27 October 2025).

¹⁵ Ibid.

¹⁶ Zhang Jian, Vice President of the China Institute of Contemporary International Relations (CICIR), quoted in [China.com.cn](#), 26 February 2025 (accessed 27 October 2025).

¹⁷ Reuters, “[China tightens rare-earth export controls](#)”, *reuters.com*, 9 October 2025.

¹⁸ Jakub Jakóbcowski, MERICS, “[MERICS Forum: How can the EU navigate China’s rare earths export controls](#)”, 24 October 2025 (accessed 29 October 2025).

¹⁹ Fudan University Institute of International Studies, “[中欧关系研究中心联合主办‘国际秩序变迁中的中欧关系与第三方因素’学术研讨会 \[Workshop on ‘EU–China Relations and Third-Party Factors amid International Order Change’\]](#)”, Fudan: Key Cooperative Research Institute for Policy Studies of the Ministry of Foreign Affairs of the P.R.C (2025-2027), 9 June 2025 (accessed 27 October 2025).

²⁰ European Parliament, “[CO₂ emissions: EP adopts flexibility measures for carmakers](#)”, *europarl.europa.eu*, 8 May 2025 (accessed 27 October 2025).

²¹ European Commission (2023), [European Economic Security Strategy](#), Brussels, JOIN(2023) 20 final.

²² E.g. on Central Asia, see: Heckenthaler, Judith (2024) “Central Asia’s Shifting Regional Dynamics: Navigating the Impact of Russia’s War Against Ukraine”, Berlin: German Council on Foreign Relations (DGAP).

²³ Xi Jinping (2023), [The Global Security Initiative: Concept Paper](#), Beijing: China Diplomacy (accessed 27 October 2025).

EU–China Cooperation for Conflict De-Escalation in Global Hotspots

2

- Are global hotspots more likely to amplify EU–China competition or reveal new spaces for pragmatic cooperation?
- How do differing threat perceptions shape each side’s willingness to work together on conflict de-escalation?
- Can strengthened EU–China collaboration in multilateral fora or regional platforms help support more practical crisis management initiatives?

China-EU Cooperation in de-escalating global hotspots

He Zhigao

Associate Professor, Institute of European Studies, CASS

Introduction

Amid intensifying geopolitical tensions and the resurgence of major-country competition, traditional military security threats have become increasingly intertwined with those stemming from non-traditional domains such as economic security, climate change, illegal migration and transnational crime, heightening global security risks. Recent surveys indicate a rising potential for large-scale armed conflict,¹ primarily at regional and local levels. Recently, China has proposed Global Security Initiative and Global Governance initiative to provide public goods for a changing and turbulent world.

Given the frequent emergence of regional and global hotspots and the partial dysfunction of the global security governance system, it is essential for China and the EU to enhance strategic communication, uphold dialogue and cooperation, manage differences prudently and jointly address global challenges. Such efforts would not only help steer China–EU relations in a constructive direction, but also inject stability and positive momentum into a world undergoing profound turbulence and transformation.

Main challenges and opportunities

In a world increasingly characterised by both interdependence and pan-securitization, the boundaries between internal and external security are increasingly blurred. Security issues have grown more complex and unpredictable, presenting both challenges and opportunities for China and the EU as they work together to de-escalate regional and global hotspots.

CHALLENGES

1. The dilemma of global security governance

The deficit in global security governance and the insufficiency of the existing security governance architecture constitute a fundamental challenge for China and the EU. The global security governance system faces a persistent mismatch between demand and supply: a growing gap between escalating security threats and the declining effectiveness of global institutions, combined with intensified competition among diverse actors and great-power dominance.

Behind the tension between global disorder and humanity's aspiration for stability lies a deeper paradox. On one hand, most issues that transcend national jurisdictions are increasingly contested: their significance is rising, yet their boundaries

remain vague and viable governance pathways underdeveloped. On the other, managing the global commons demands innovative institutional designs and policy instruments, even as interstate competition intensifies.

Magnifying differences between China and the EU risks worsening this security governance deficit. For instances, the EU and China diverge on key principles such as threat definitions, priorities, national sovereignty, non-interference and views on multilateralism and multipolarity.² Under these circumstances, the space for joint China–EU engagement in effective security governance appears increasingly constrained.

2. The misalignment of mutual perceptions

Both China and the EU regard each other as key actors in addressing global challenges; however, excessive or distorted expectations have created a persistent misalignment of perceptions.

In China, European strategic autonomy is a hot topic. It concerns not only Europe's capacity to act as an independent pole in confronting global challenges, but also the effectiveness of China–EU cooperation in tackling these challenges. Although the EU aspires

to become a more strategically autonomous actor, internal divergences remain over threat assessment and the optimal response. Europe's pursuit of strategic autonomy is underpinned by a process of reshaping its security culture, in which gaps between capabilities and aspirations exist across the spectrum – from cognitive positioning and situation assessment to coordinated action. Moreover, it is also shaped by external influences.

In China, European strategic autonomy is a hot topic. It concerns not only Europe's capacity to act as an independent pole in confronting global challenges, but also the effectiveness of China–EU cooperation in tackling these challenges.

When third-party factors exert excessive impact on Europe's strategic autonomy and, consequently, on the trajectory of China–EU cooperation, the bilateral relationship loses endogenous momentum. While China has never regarded Europe as an adversary, Europe increasingly perceives China as competitor or rival.³ This divergence in mutual positioning constrains China and the EU's ability to address global and regional security hotspots together.

OPPORTUNITIES

1. Shared needs between China and the EU

In a world of growing instability, security governance has returned to the forefront of the international agenda. Effective global security governance requires sustained contributions from multiple actors.

China and the EU – two major economies and global actors – are central to addressing transnational challenges like climate change, biodiversity loss, AI regulation and security governance in polar and outer-space domains. As these challenges become more

complex, China–EU cooperation has gained renewed impetus, with both sides sharing a commitment to international peace, including stability in the Middle East and peace in Ukraine.

Although cooperation on peace and security is lagging, China and the EU recognise their mutual need for a stable international environment. They also agree that tackling global challenges will be extremely difficult without each other's participation. Both see multipolarity as the new normal, and anti-hegemony as central to their foreign-policy philosophies. Whether to address conflicts or global issues such as climate and AI governance, both sides must practice true multilateralism and engage in dialogue and cooperation.

2. Convergence in approaches between China and the EU

Security governance spans global, regional and national levels, encompassing sovereign states, international organisations and regional groupings. European integration and China's Global Security initiative share similarities, especially their proposed solutions for security governance. At the global level, both China and the EU uphold the principles of the UN Charter and recognise the central role of the United Nations in global security governance. They share areas of consensus and cooperation potential on issues such as the war in Gaza, the Iranian nuclear issue and non-traditional security areas.

At the regional level, European integration represents a peace project that shares conceptual similarities with China's Global Security Initiative in its pursuit of lasting peace and development. China and the EU also share a certain degree of consensus on the role of international and regional organisations in addressing security challenges. For instance, the Concept Paper on the Global Security Initiative stresses the need for cooperative mechanisms and platforms.⁴

There is thus considerable potential for China–EU cooperation in both global and regional security governance, particularly in non-traditional security domains. Their multi-level partnership has developed complex interdependence, making it a stabilising anchor in an increasingly unsettled world.⁵ Regional platforms, in particular, remain a key avenue for expanding the scope and depth of this partnership.

Recommendations and conclusions

Global security governance spans both traditional and non-traditional domains – geopolitical, geoeconomic, technological, and others. Its effectiveness and legitimacy require the coordination and joint functioning of governance mechanisms at global, regional and national

levels. It must not only address traditional security challenges but also respond to the risks in non-traditional security realms. In this context, China and the EU can pursue five practical initiatives.

1. Foster a culture of cooperation

China advocates harmony and coexistence, emphasising that partners can share aspirations while respecting differences. The demand for China–EU cooperation remains strong in areas such as regional conflict resolution, post-conflict reconstruction and the formulation of global security governance frameworks. Both sides should identify and refine their cooperation agendas, particularly in non-traditional security domains such as nuclear non-proliferation, counterterrorism and organised crime, climate change and energy policy, cybersecurity and biosecurity.

China maintains that there are no inherent geopolitical contradictions between China and Europe and rejects framing the relationship through narratives of ‘Western alliances’, ‘a new Cold War’⁶ or ‘bloc confrontation’. Instead, both sides should seek common ground – for example, China and the EU should develop from a community of shared interests to a community of shared responsibilities.

China and the EU should develop from a community of shared interests to a community of shared responsibilities.

2. Uphold strategic autonomy

Whether China–EU relations are subordinate or independent of China–US relations has been long debated. China has consistently supported the EU’s strategic autonomy,⁷ regarding it as the key for de-escalating global and regional hotspots. China aims to eliminate the root causes of international conflicts and promote a stable, durable peace. In this regard, China advocates a policy of non-alignment and adheres to the principle of independently determining its foreign policy while respecting sovereignty.

In contrast, some EU members still pursue security through the logic of blocs and alliances. Considering its serious shortage of military resources and capabilities, the EU should implement the “comprehensive approach to conflicts and crises”⁸ through coherent use of all policies at its disposal. China–EU security cooperation must address several difficult questions:

- q Is economic interdependence a stabilising or destabilising force?
- q Does European integration prioritise diversity or uniformity?

- q Is the EU–NATO relationship one of dependence or equality?

- q Can Europe achieve genuine strategic autonomy?

These questions shape both Europe’s security role and the path of China–EU cooperation.

3. Explore pathways for cooperation

China and Europe can deepen cooperation through regional platforms. The concept papers on the Global Security Initiative and Global Governance Initiative⁹ both emphasise multilateralism at regional and sub-regional levels, aligning with the EU’s own regional governance model. As regional security hotspots and local conflicts have not yet escalated into global ones, strengthening collaboration with regional organisations such as ASEAN, the League of Arab States, and CELAC can enhance regional security cooperation mechanisms and empower regional institutions. Furthermore, starting from small, practical initiatives guided by a functionalist logic compatible with both Chinese modernisation and European integration, the two sides can better link development with security and prevention with governance for a more coordinated, systematic cooperation.

Starting from small, practical initiatives guided by a functionalist logic compatible with both Chinese modernisation and European integration, the two sides can better link development with security and prevention with governance for a more coordinated, systematic cooperation.

4. Prioritise crisis management

As a Chinese saying goes, “a storm arises from the smallest breeze”. The escalation of conflicts often stems from poor crisis management. Crises are rooted in geopolitical, economic, ethical, religious and cultural factors. Effective management involves alleviating the root causes, preventing conflict and stabilising post-conflict environments.

Given the complexity and spillover effects of contemporary security risks, China and the EU must strengthen their crisis awareness, develop joint crisis-management frameworks and create platforms for dialogue and negotiation. They should also enhance bilateral and multilateral security and defence dialogues to jointly address potential risks and explore specific measures for cooperation.

5. Adhere to true multilateralism

The EU was built on multilateral cooperation and must adhere to its principles of transparency and fairness in addressing regional and global hotspots. China also regards multilateralism as the core concept of the existing international order. Despite differing priorities and approaches, both see multilateralism as a shared concept and practical tool for constructing international order.

Both China and the EU can deliver more public goods, cooperate with stakeholders and involve other major powers – such as the US – in sharing responsibility for addressing global challenges such as climate change and sustainable development.

By promoting rules-based solutions and multilateralism, China and the EU would not only strengthen their bilateral relationship, but also contribute to global peace and stability.

¹ The Institute for Economics & Peace (2025), [Global Peace Index 2025: Identifying and Measuring the Factors that Drive Peace](#), Sydney, June 2025. Available from: International Institute for Strategic Studies (IISS) (2024), [Armed Conflict Survey 2024](#), London: IISS, 12 December 2024.

² Finamore, Salvatore (2017), "[Normative Difference in Chinese and European Discourses on Global Security: Obstacles and Opportunities for Cooperation](#)", *Chinese Political Science Review*, No.2, pp.159–178.

³ European Commission and High Representative of the Union for Foreign Affairs and Security Policy (2019), [EU-China – A strategic outlook](#), Strasbourg, JOIN(2019) 5 final, 12 March 2019.

⁴ Ministry of Foreign Affairs People's Republic of China, [The Global Security Initiative Concept Paper](#), February 21, 2023,

⁵ Telò, Mario (2020), "[The Development of International Relations Theories in Europe and Sino-Euro Dialogue](#)", *World Economics and Politics (Chinese)*, No.1.

⁶ Ministry of Foreign Affairs People's Republic of China, "[Wang Yi: Starting a «New Cold War» Is to Reverse Course of History, to Serve One's Own Interests, and Kidnap the World](#)", *Department of European Affairs*, 26 August 2020.

⁷ Ministry of Foreign Affairs People's Republic of China, "[Xi Jinping Meets with President of the European Council António Costa and President of the European Commission Ursula von der Leyen](#)", *MFA News*, 24 July 2025.

⁸ High Representative Of The European Union For Foreign Affairs And Security Policy, Joint Communication to the European Parliament and the Council: [The EU's comprehensive approach to external conflict and crises](#), Brussels: European Commission, JOIN(2013) 30, 11 December 2013.

⁹ Ministry of Foreign Affairs People's Republic of China, [Concept Paper on the Global Governance Initiative](#), *MFA News*, 1 September 2025.

EU and China on global hotspots: Opportunities and barriers to joint action

Mario Esteban

Senior Fellow, the Elcano Royal Institute

Cristina de Esperanza

Research Assistant (Indo-Pacific Region),
the Elcano Royal Institute

Introduction

The EU and China are two major global stakeholders and diplomatic actors, with the interaction between them extending well beyond the bilateral sphere and having direct implications for the management of international crises. However, expectations of meaningful EU-China cooperation in handling issues related to global hotspots should remain modest. Not only have they taken different – if not competing – positions on these issues, but structural tensions, persistent mistrust and a bilateral agenda tainted by friction also severely limit their ability to act jointly.

Occasional overlaps in interests create scope for limited coordination of their efforts to de-escalate tensions in global hotspots. Even in such scenarios, the odds of China and the EU working effectively together are still bleak given the EU's lack of internal consensus, China's diplomatic caution and its downgrading of the EU in its diplomatic agenda and deep mistrust on both sides. The most plausible avenues for cooperation lie in joint support for diplomatic initiatives within the UN or other multilateral frameworks, in bilateral coordination of their respective efforts or in symbolic gestures toward de-escalation.

Main challenges and opportunities

EU AND CHINA'S DIVERGENT SECURITY STAKES REGARDING ENDING THE WAR IN UKRAINE

There seems to be little prospect of EU-China cooperation in Ukraine given that the conflict has sharply opposed implications for their security. For Europe, a Russian victory in Ukraine would lead to the rules-based post-Cold War security order being dismantled, a rise in instability across the EU/NATO's eastern neighbourhood and greater military and political pressure.¹ For the Chinese authorities, by contrast, keeping a friendly government in Russia is vital for its own political security. Russia is the only global power firmly opposed to any change of political regime in China. Moscow is regarded by China as a buffer against Western democratisation efforts, which could destabilise Beijing. Likewise, a democratic transition in Russia would weaken a key ally and free up the US to concentrate more resources on its rivalry with Beijing.² In this regard, while Europe seeks to end the war as soon as possible to restore stability on its borders, Beijing

feels no comparable urgency given that a prolonged conflict continues to absorb US and NATO attention away from the Indo-Pacific.

Even if Beijing were to adopt a more proactive stance, its close alignment with Moscow would continue to undermine its credibility as a mediator in the eyes of the EU and Ukraine.

China has little interest in becoming directly entangled in the conflict and has largely ignored earlier EU calls to exert influence over Moscow.³ The prospect of China becoming more active in efforts to achieve

a peace agreement, thereby opening up space for cooperation with the EU, resurfaced in the aftermath of US President Trump's meetings with Russia's President Putin and Ukraine's President Zelensky in August 2025. Wang Huiyao, President of the Center for China and Globalization, proposed that China contributed to peace efforts through a formal seven-party framework involving the UN Security Council's permanent members, alongside Ukraine and the EU, to address specific challenges such as humanitarian access and energy infrastructure.⁴ So far, however, Beijing has shown no genuine initiative beyond rhetorical calls for dialogue⁵ and there are no indications that this approach will change.⁶ Even if Beijing were to adopt a more proactive stance, its close alignment with Moscow would continue to undermine its credibility as a mediator in the eyes of the EU and Ukraine.⁷

THE EU AND CHINA HAVE LIMITED WILLINGNESS AND CAPACITY TO INFLUENCE IN THE MIDDLE EAST

In Palestine, the EU and China's positions are somewhat more complementary and the stakes less existential for both than in Ukraine. However, the prospects for cooperation remain limited given their inability and unwillingness to take more decisive action and broader structural tensions. Beijing has increasingly sought to position itself in opposition to the West, aiming to expand its influence across the Global South and within the Muslim world in particular. This dynamic further limits opportunities for meaningful engagement with Europe.

Brussels has consistently affirmed Israel's right to defend itself in accordance with international humanitarian law. Despite internal debate and growing calls for stronger action amid growing evidence of genocide in Gaza, EU member states have been unable to reach agreement on endorsing punitive measures.⁸ The Chinese government, by contrast, has not officially condemned Hamas by name for the 7 October 2023 attacks, even if its Ministry of Foreign Affairs has publicly acknowledged that a Chinese ambassador had done so.⁹ China has directly blamed Israel for the catastrophe in Gaza, while urging Israel to halt its military operations.¹⁰ China has called for the protection of civilians and an expansion of humanitarian assistance¹¹ while reaffirming that the two-State solution and an independent Palestinian State remain the only sustainable path to peace.¹²

However, its firm rhetorical stance in support of Palestine has not translated into significant concrete action beyond its early efforts to promote Palestinian unity. Beijing has maintained a supportive but cautious stance, avoiding direct involvement while seeking to preserve its positive image in the region.¹³ After 7 October 2023, China supported intra-Palestinian reconciliation by hosting a series of talks aimed at unifying the Palestinian nationalist movement, which culminated in the Beijing Declaration of July 2024.¹⁴ However, these efforts yielded few tangible results given the deep divisions

among Palestinian groups and China's limited capacity to enforce the agreement, showing the limits of even China's influence in this conflict.¹⁵

China's involvement in efforts to achieve Palestinian unity demonstrated its readiness to act within a traditionally US-dominated sphere of influence, reflecting growing diplomatic audacity. Those efforts are no doubt to be seen as a follow-up to the Chinese diplomatic coup on March 2023,¹⁶ when it mediated between Saudi Arabia and Iran, which has had a lasting impact in the region, contributing towards a burgeoning regional order and an alternative to the US-Israel axis.¹⁷

In this regard, Beijing has deliberately positioned itself in contrast to the West.¹⁸ China has presented itself as an advocate for peace while sharply criticising what it sees as the West's militaristic and unlawful approach.¹⁹ This narrative places primary responsibility for the conflict on Western powers, casting doubt on Europe's commitment to its own values. A *Global Times* article portrayed Europe as lacking the capacity to manage conflicts and as being overly preoccupied with Ukraine such that it is unable to devote resources elsewhere.²⁰

China has presented itself as an advocate for peace while sharply criticising what it sees as the West's militaristic and unlawful approach. This narrative places primary responsibility for the conflict on Western powers, casting doubt on Europe's commitment to its own values.

Hence, the prospects for meaningful EU-China cooperation remain very limited. Not only have they kept divergent positioning in the conflict in Palestine, but their influence has proved very limited, either due to a lack of willingness or ability. This was reflected in their lack of influence in the ceasefire which was ultimately brokered by the US, Qatar, Egypt and Türkiye. Chinese authorities were not even present at the 2025 Gaza Peace Summit in Sharm El Sheikh. Additionally, the Chinese narrative is evidence of Beijing's perception that the EU is not a credible interlocutor. Moreover, its explicit positioning in contrast to the West constrains even symbolic forms of engagement.

THERE ARE (LIMITED) OPPORTUNITIES FOR EU-CHINA COOPERATION IN POST-CEASEFIRE UKRAINE

Prospective action in Ukraine can be broken down into three phases: reaching a peace agreement, ensuring its durability and rebuilding the country. Cooperation on

a peace deal is the least feasible but there is somewhat greater – though still limited – scope in the post-ceasefire stages. Despite their largely irreconcilable positions, some narrow areas of EU-China convergence can be discerned. Beijing has expressed support for European participation in future peace talks, criticised Russian threats of nuclear escalation and refrained from officially recognising any of the Russian annexations of Ukrainian territory, including Crimea.²¹

In terms of ensuring the durability of a peace agreement, Chinese participation could make the deployment of peacekeeping forces more acceptable to Moscow.²² Russia's Foreign Minister Sergei Lavrov recently suggested that United Nations Security Council (UNSC) members should be involved in safeguarding any settlement, potentially opening up space for China's role.²³ Whether Beijing would accept such a role remains uncertain. China consistently emphasises the UN's centrality in peacekeeping and has pledged to strengthen its contributions under this framework.²⁴ By participating in such a mission, Beijing could mitigate international criticism of its perceived alignment with Russia while projecting itself as a responsible global actor committed to peace in Ukraine.²⁵ Recent reports noted that Beijing had indicated to EU diplomats its willingness to contribute troops under a UN mandate if a ceasefire were to be reached,²⁶ although the Ministry of Foreign Affairs has denied these reports.²⁷ This suggests China's caution and perhaps reluctance to take on the diplomatic and resource burden that participating in such mission would entail.²⁸

For Europe, encouraging China to become more invested in Ukraine's peace could help deter renewed Russian aggression. However, any Chinese involvement would also expand Beijing's influence on the EU's neighbourhood – a prospect viewed with caution by the European Commission and many EU capitals.²⁹ Additionally, in Kyiv, there is still considerable scepticism about China's role in securing peace. Ukraine's President Zelensky has ruled out China as a security guarantor and does not view Beijing as a neutral actor.³⁰

Given Moscow's reliance on Beijing, large-scale Chinese investments in Ukraine could also reduce the likelihood of renewed Russian aggression. At the same time, the EU's emphasis on concessional finance, risk mitigation and robust governance frameworks gives Ukraine leverage to demand transparency and accountability in connection with any Chinese involvement.

Regarding post-conflict reconstruction, this is perhaps the area where China has been most explicit about its willingness to contribute. Beijing's position paper on Ukraine clearly states its readiness to provide assistance.³¹ The EU, meanwhile, is determined to play a leading role in Ukraine's recovery, linking reconstruction to reforms that prepare the country for eventual membership of the EU.³² This creates space for selective engagement in order to exploit their complementary strengths for Ukraine's reconstruction. China could bring expertise in terms of infrastructure development and has the financial capacity to mobilise resources. Given Moscow's reliance on Beijing, large-scale Chinese investments in Ukraine could also reduce the likelihood of renewed Russian aggression. At the same time, the EU's emphasis on concessional finance, risk mitigation and robust governance frameworks gives Ukraine leverage to demand transparency and accountability in connection with any Chinese involvement, helping to limit corruption and debt risks.³³

SYMBOLIC GESTURES AND MULTILATERAL MECHANISMS OFFER OPPORTUNITIES FOR SUPPORTING THE PEACE PROCESS IN PALESTINE

Despite their different positioning on the Palestine issue, the EU and China have identified limited areas of convergence that allow them to project a degree of unity. Both the EU and China³⁴ consistently called for a ceasefire and voiced concern over Israel's plans to occupy Gaza.³⁵ At their 2023 Strategic Dialogue, they expressed joint commitment to the two-State solution and agreed on the urgent need to work towards de-escalation.³⁶ At the 24th EU-China Summit later that year, both sides reaffirmed this commitment, stressing the importance of protecting civilians, improving the dire humanitarian situation in Gaza and implementing UN Security Council Resolution 2712.³⁷ However, these declarations have not translated into more substantive action. Although the issue resurfaced in the 2025 Strategic Dialogue,³⁸ it did not make it to the press releases of the 25th Summit.³⁹ However, such symbolic gestures, if amplified, could provide at least a limited platform for convergence in supporting the peace process.

There may be more opportunities for coordination within the UN or other multilateral frameworks, particularly in supporting third parties' initiatives. For instance, both the EU⁴⁰ and China⁴¹ endorsed the Arab Recovery and Reconstruction Plan for restoring peace in Gaza proposed by Egypt and other Arab states in March 2025. Similarly, China expressed support⁴² for the New York Declaration on the Peaceful Settlement of the Question of Palestine and the Implementation of the Two-State solution signed by seventeen countries, the 22-member Arab League and the entire EU (China was not a signatory).⁴³ These instances illustrate that, while substantive cooperation remains elusive, the EU and China can occasionally align in endorsing broader multilateral efforts aimed at supporting peace and advancing a two-State solution.

THE EU AND CHINA HAVE A SHARED INTEREST IN ADDRESSING THE SPILLOVER OF TENSIONS FROM THE MIDDLE EAST TO THE RED SEA

Following Israel's war in the Gaza Strip and with Iran, the vulnerability of vital sea lanes across the Middle East has increased sharply. The Houthi campaign targeting commercial vessels in response to Israel's military operations has led to a steep decline in transit through the Suez Canal and the Red Sea.⁴⁴ Despite the launch of the peace process in Gaza and expectations of a temporary pause in attacks, the Houthis remain a long-term threat to regional maritime security.⁴⁵ This adds to geopolitical instability and piracy concerns. In this context, there is some scope for EU-China collaboration on maritime security as both sides are heavily dependent on stable energy flows and maritime trade routes.⁴⁶

Given the stakes involved, maritime security stands out as an area where both the EU and China have been more willing to make a tangible contribution. The EU has developed extensive operational experience through Operation Atalanta, its flagship mission against piracy off Somalia since 2008. EU navies have demonstrated capabilities in convoy escort, intelligence sharing and multinational coordination.⁴⁷ In February 2024, the EU launched Operation ASPIDES to accompany and protect vessels against ongoing attacks and to reinforce maritime situational awareness.⁴⁸ China, for its part, has steadily expanded its naval presence in the region, maintaining anti-piracy patrols in the Gulf of Aden since 2008 and operating from its base in Djibouti, where EU forces are also stationed. The Chinese navy has focused on escort missions for international shipping, search-and-rescue operations and demonstrating its blue-water capabilities.⁴⁹

It is worth noting that, even where compatibilities and potential willingness exist, cooperation is far from straightforward. The EU has strongly condemned attacks by the Houthis,⁵⁰ whereas China's position has remained more ambiguous, avoiding direct criticism of the Houthis while emphasising the need to protect civilian shipping⁵¹ and calling on the group to respect

the navigation rights of all commercial vessels.⁵² Beijing may also have limited incentives to cooperate after reportedly securing assurances from Houthi militants that Chinese vessels transiting the Red Sea would not be targeted.⁵³ Although China's response to these claims has been elusive,⁵⁴ media reports suggest that Chinese ships have faced fewer disruptions,⁵⁵ with their traffic in the Red Sea traffic increasing despite the overall decline.⁵⁶ Meanwhile, Washington has accused a Chinese satellite company of supporting Houthi attacks on US interests,⁵⁷ allegations that Beijing has denied.⁵⁸

However, there are reasons for cooperation given the scale and interconnected nature of the threats in the region. Even if Beijing's indirect links with the Houthis have spared Chinese vessels, China remains dependent on the Red Sea for exports transported by foreign carriers. Moreover, it is vulnerable to the broader global economic fallout from the instability created by the attacks.⁵⁹ Indeed, over 60% of EU-China trade transits through the Suez Canal.⁶⁰ In this context, Beijing has and Chinese officials have reportedly urged their Iranian counterparts to restrain Houthi attacks on shipping in the Red Sea.⁶¹ At the same time, the persistence and possible resurgence of other maritime security threats, such as Somali piracy, further reinforces the need for coordinated responses.⁶²

Although strategic mistrust and divergent operational cultures remain significant obstacles – the EU favours multilateral frameworks while China prefers independent command structures – pragmatic cooperation is feasible in narrowly defined areas. This could begin with coordination mechanisms to prevent incidents, such as the recent case in which Germany accused China of using a laser against one of its aircraft participating in the ASPIDES mission,⁶³ an allegation that Beijing denied.⁶⁴ Other potential areas include the deconfliction of naval patrols, technical information exchange on piracy and smuggling networks and *ad hoc* coordination in humanitarian emergencies. Such limited engagement allows both sides to safeguard critical maritime routes without requiring alignment on broader strategic objectives.

Recommendations and conclusions

EU-China cooperation to tackle regional conflicts cannot be separated from the structural tensions, mistrust and divergent alignments that shape their bilateral relationship. These constraints, combined with their limited capacity to take decisive action in global hotspots, make substantive cooperation highly unlikely. However, there is still some scope for sectoral convergence. Overall, EU-China cooperation should focus on pragmatic, issue-specific engagement within multilateral settings and joint symbolic support for shared goals, emphasising coordination over political convergence.

EU-China cooperation should focus on pragmatic, issue-specific engagement within multilateral settings and joint symbolic support for shared goals, emphasising coordination over political convergence.

The following recommendations outline possible areas for limited yet constructive collaboration in the key hotspots addressed by this brief:

- q In Ukraine, joint efforts should focus on reinforcing red lines against escalation and coordinating reconstruction efforts. Selective engagement in the reconstruction phase could help leverage complementary strengths in support of Ukraine's recovery.
- q In Palestine, cooperation should centre on strengthening multilateral mechanisms that enable both sides to advance shared objectives without requiring formal cooperation. Symbolic gestures and complementary diplomatic efforts could amplify their respective contributions to the peace process.

- q In the Red Sea, the EU and China should pursue gradual, practical coordination aimed at safeguarding energy flows and trade routes. This could begin with mechanisms to prevent incidents and evolve toward technical information exchange and ad hoc cooperation.

¹ Milosevich-Juaristi, Mira, "[Estado de la guerra en Ucrania: ¿paz o escalada?](#)", Elcano Royal Institute, 25 September 2024.

² Esteban, Mario, Miguel Otero-Iglesias and Cristina de Esperanza Picardo, "[The EU-China summit: a less than half-hearted golden wedding anniversary](#)", Elcano Royal Institute, 22 July 2025.

³ European Commission, "[24th EU-China Summit: engaging to promote our values and defend our interests](#)", Beijing, 7 December 2023; European Council, "[25th EU-China summit – EU press release](#)", Beijing, 24 July 2025.

⁴ Huiyao, Wang, "[China Can Help Trump and Putin End the War in Ukraine](#)", Foreign Policy, 13 August 2025.

⁵ *Global Times*, "[Dialogue and negotiation are the inevitable path to resolving Russia-Ukraine conflict: Global Times editorial](#)", 18 August 2025.

⁶ *Xinhua*, "[China will continue to play constructive role in political settlement of Ukraine crisis: foreign ministry](#)", 19 August 2025.

⁷ Malenko, Anastasiia, Yuliia Dysa and Tom Balmforth, "[Zelenskiy accuses China of supplying Russia with weapons](#)", *Reuters*, 17 April 2025.

⁸ De la Baume, Maïa, "[MEPs clash over alleged genocide in Gaza](#)", *Euronews*, 9 September 2025; Zsiros, Sandor, "[EU Member States divided over Gaza at their Copenhagen meeting](#)", *Euronews*, 30 August 2025.

⁹ Ministry of Foreign Affairs of the People's Republic of China, "[Foreign Ministry Spokesperson Mao Ning's Regular Press Conference on May 21, 2025](#)" Beijing, 21 May 2025.

¹⁰ *Ibid*.

¹¹ Ministry of Foreign Affairs of the People's Republic of China, "[Position Paper of the People's Republic of China on Resolving the Palestinian-Israeli Conflict](#)", Beijing, 30 November 2023.

¹² Permanent Mission of the People's Republic of China to the United Nations, "[Remarks on the Palestinian-Israeli Issue by Ambassador Geng Shuang at the UN Security Council Briefing](#)", New York, 6 August 2025; "[Remarks by Ambassador Fu Cong on the Palestinian-Israeli Issue at the UN Security Council Briefing](#)", New York, 10 August 2025.

¹³ Papageorgiou, Maria, and Mohammad Eslami, "[The Israel-Palestine Conflict and China's Actorness in the Middle East: A Challenge to US Influence](#)", *Georgetown Journal of International Affairs*, 28 October 2024.

¹⁴ *Al Jazeera*, "[Hamas and Fatah sign unity deal in Beijing aimed at Gaza governance](#)", 23 July 2024.

¹⁵ Papageorgiou, Maria, and Mohammad Eslami, "[The Israel-Palestine Conflict and China's Actorness in the Middle East: A Challenge to US Influence](#)", *Georgetown Journal of International Affairs*, 28 October 2024.

¹⁶ Papageorgiou, Maria, and Mohammad Eslami, "[The Israel-Palestine Conflict and China's Actorness in the Middle East: A Challenge to US Influence](#)", *Georgetown Journal of International Affairs*, 28 October 2024.

¹⁷ Fantappie, Maria and Nasr, Vali, "[A New Order in the Middle East? Iran and Saudi Arabia's Rapprochement Could Transform the Region](#)", *Foreign Affairs*, 22 March 2023.

¹⁸ *Global Times*, "[US inability to reconcile Israel-Palestine conflict highlights stuckness of existing global order](#)", 22 October 2023.

¹⁹ Kim, Patricia M., Kevin Dong, and Mallie Prytherch, "[Chinese narratives on the Israel-Hamas war](#)", *Brookings*, 22 January 2024; McCarthy, Simone, "[China was on the sidelines of the Iran-Israel war. That's just where it wanted to be](#)", *CNN*, 18 July 2025.

²⁰ *Global Times*, "[To avoid a new Middle East war, Israeli-Palestinian issue can't be delayed: Global Times editorial](#)", 8 October 2023; Bermingham, Finbarr, "[EU values-based foreign policy risks creating a lot of rivals; Chinese ambassador warns](#)", *South China Morning Post*, 14 November 2023.

²¹ Chen, Zhao, "[Consensus and Divergence in China-EU Perceptions of Current Geopolitical Crises](#)", *China-CEE Institute*, 7 January 2025.

²² *Kyiv Independent*, "[China ready to send peacekeeping troops to Ukraine, German media reports](#)", 23 August 2025; Matthews, William, "[Europe must take a gamble and engage with China on Ukraine](#)", *Chatham House*, 6 March 2025.

- ²³ Reuters, "[Russia's Lavrov outlines terms for Ukraine peace: big-power security guarantee and no NATO](#)", 24 August 2025.
- ²⁴ Jun, Dong, "[Speech at the 6th UN Peacekeeping Ministerial](#)", [peacekeeping.un.org](#), Berlin, 14 May 2025.
- ²⁵ Szczudlik, Justyna, "[China Is Gearing up for a Post-War Ukraine](#)", *The Diplomat*, 23 May 2025.
- ²⁶ *Kyiv Independent*, "[China ready to send peacekeeping troops to Ukraine, German media reports](#)", 23 August 2025.
- ²⁷ *Global Times*, "[China rejects media report on peacekeeping role in Ukraine: FM](#)", 25 August 2025.
- ²⁸ Wang, Orange, "[Will China be Ukraine's security guarantor? Unlikely despite Russia's wishes](#)", *South China Morning Post*, 21 August 2025.
- ²⁹ Szczudlik, Justyna, "[China Is Gearing up for a Post-War Ukraine](#)", *The Diplomat*, 23 May 2025.
- ³⁰ *Al Jazeera*, "[Ukraine's Zelenskyy rules out China as security guarantor in any peace deal](#)", 22 August 2025; Szczudlik, Justyna, "[China Is Gearing up for a Post-War Ukraine](#)", *The Diplomat*, 23 May 2025.
- ³¹ Ministry of Foreign Affairs of the People's Republic of China, "[China's Position on the Political Settlement of the Ukraine Crisis](#)", Beijing, 24 February 2023.
- ³² Bekkevold, Jo Inge, "[China's 'Peace Plan' for Ukraine Isn't About Peace](#)", *Foreign Policy*, 4 April 2023.
- ³³ Yefremov, Dmytro, "[China's limited role in Ukraine's reconstruction: expectations, constraints and strategic opportunities](#)", Swedish National China Centre, 25 June 2025.
- ³⁴ Ministry of Foreign Affairs of the People's Republic of China, "[Wang Yi on the Israeli-Palestinian conflict: The will of the people must not be defied, and the principle of justice must not be abandoned](#)", 7 March 2025, Beijing; Permanent Mission of the People's Republic of China to the United Nations, "[Remarks on the Palestinian-Israeli Issue by Ambassador Geng Shuang at the UN Security Council Briefing](#)", New York, 6 August 2025.
- ³⁵ Permanent Mission of the People's Republic of China to the United Nations, "[Remarks on the Palestinian-Israeli Issue by Ambassador Geng Shuang at the UN Security Council Briefing](#)", New York, 6 August 2025; "[Remarks by Ambassador Fu Cong on the Palestinian-Israeli Issue at the UN Security Council Briefing](#)", New York, 10 August 2025; European External Action Service, "[Statement by the High Representative on Israel's E1 West Bank settlement plan](#)", Brussels, 14 August 2025; European External Action Service, "[Joint Statement on Gaza by Foreign Ministers and the EU High Representative](#)", Brussels, 9 August 2025.
- ³⁶ European External Action Service, "[China: High Representative/Vice-President Josep Borrell holds the 12th EU-China Strategic Dialogue with Director/Foreign Minister Wang Yi](#)", Beijing, 13 October 2023.
- ³⁷ European Commission (2023), "[24th EU-China Summit: engaging to promote our values and defend our interests](#)", Beijing, 7 December 2023.
- ³⁸ European External Action Service, "[China: High Representative/Vice-President Kaja Kallas holds EU-China Strategic Dialogue with Foreign Minister Wang Yi](#)", Brussels, 2 July 2025; Ministry of Foreign Affairs of the People's Republic of China, "[China and the European Union Hold the 13th Round of High-level Strategic Dialogue](#)", Brussels, 3 July 2025.
- ³⁹ European Council, "[25th EU-China Summit – Press Release](#)", Beijing, 24 July 2025; Ministry of Foreign Affairs of the People's Republic of China, "[Xi Jinping Meets with President of the European Council António Costa and President of the European Commission Ursula von der Leyen](#)", Beijing, 24 July 2025.
- ⁴⁰ European Council, "[European Council conclusions on the Middle East, oceans and multilateralism](#)", Brussels, 20 March 2025.
- ⁴¹ Ministry of Foreign Affairs of the People's Republic of China, "[Wang Yi on the Israeli-Palestinian conflict: The will of the people must not be defied, and the principle of justice must not be abandoned](#)", Beijing, 7 March 2025.
- ⁴² Ministry of Foreign Affairs of the People's Republic of China, "[Foreign Ministry Spokesperson Guo Jiakun's Regular Press Conference](#)", Beijing, 30 July 2025.
- ⁴³ Ann Marie Dom, Evelyn, "[EU and Arab League reaffirm support for two-state solution, urge Hamas to disarm](#)", *Euronews*, 30 July 2025; Italian Institute for International Political Studies (ISPI), "[Reviving the Two-State Solution: The UN Conference and the Recognition of Palestine](#)", 31 July 2025.
- ⁴⁴ Baraniuk, Chris, BBC, "[Red Sea crisis: What it takes to reroute the world's biggest cargo ships](#)", 21 January 2024.
- ⁴⁵ *Yemen Online*, "[Houthi Leader Warns of Renewed Attacks on Israel if Gaza Ceasefire Is Violated](#)", 11 October 2025; Atlantic Council, "[Twenty questions \(and expert answers\) about the next phase of an Israel-Hamas deal](#)", 15 October 2025.
- ⁴⁶ Lagarda, Helena, François Chimits, "[China and the Red Sea crisis + EU anti-forced labor instrument](#)", Mercator Institute for China Studies (Merics) Briefs, 22 February 2024.
- ⁴⁷ European Parliament Think Tank, "[Maritime security: Situation in the Red Sea and EU response](#)", Brussels, 18 January 2024.
- ⁴⁸ European External Action Service, "[EUNAVFOR OPERATION ASPIDES](#)", Brussels, July 2025.
- ⁴⁹ Xuanzun, Liu, "[PLA Navy steps into deep blue, contributes to global peace and stability with 15 years of overseas escort missions](#)", *Global Times*, 25 December 2023.
- ⁵⁰ European External Action Service, "[Red Sea: Statement by the Spokesperson on the Houthi attack](#)", Brussels, 7 July 2025.
- ⁵¹ Salami, Mohammad, "[China Sends Houthis Dual-Use Technology to Boost Influence and Undercut the US](#)", *Stimson*, 12 August 2025.
- ⁵² *Global Times*, "[China emphasizes importance of safeguarding Red Sea shipping lanes, promoting political resolution to Yemen issue](#)", *Global Times*, 13 August 2025.
- ⁵³ U.S. Department of the Treasury, "[Treasury Targets Houthi Leaders Involved in Smuggling and Procuring Weapons](#)", Washington, 5 March 2025; Salami, Mohammad (2025), "[China Sends Houthis Dual-Use Technology to Boost Influence and Undercut the US](#)", *Stimson*, 12 August 2025.
- ⁵⁴ *Global Times*, "[FM responds to whether China has an arrangement with Yemen's Houthi rebels not to attack Chinese vessels](#)", *Global Times*, 11 August 2025.
- ⁵⁵ Kelemen, Barbara, "[China in the Red Sea: Beijing's Houthi Connection](#)", Central European Institute of Asian Studies (CEIAS) Insights, 30 January 2024; Abo Alasrar, Fatima (2025), "[How China Turned the Red Sea into a Strategic Trap for the US](#)", Atlantic Council, 5 May 2024.
- ⁵⁶ Shen, Cichen., and Bridget Diakun, "[Chinese tonnage rises in Red Sea despite Houthi attacks](#)", *Lloyd's List*, 19 January 2024.
- ⁵⁷ Reuters, "[US says Chinese satellite firm is supporting Houthi attacks on US interests](#)", 17 April 2025.
- ⁵⁸ Wei, Fan, and Liu Xin, "[Chinese satellite company refutes US accusation of supporting Houthi attack on US interests as 'completely fabricated'](#)", *Global Times*, 19 April 2025.
- ⁵⁹ Kelemen, Barbara, "[China in the Red Sea: Beijing's Houthi Connection](#)", Central European Institute of Asian Studies (CEIAS) Insights, 30 January 2024.
- ⁶⁰ Salami, Mohammad, "[China Sends Houthis Dual-Use Technology to Boost Influence and Undercut the US](#)", *Stimson*, 12 August 2025.
- ⁶¹ *Euractiv.com with Reuters*, "[China presses Iran to rein in Houthi attacks in Red Sea](#)", 26 January 2024.
- ⁶² Walker, Timothy, "[New Somali piracy threats require partnerships and holistic responses](#)", Institute for Security Studies Today, 7 November 2024.
- ⁶³ Burke, Kieran, *Deutsche Welle*, "[Germany says China laser-targeted aircraft during EU mission](#)", 7 August 2025.
- ⁶⁴ *Global Times*, "[Spreading rumors about 'Red Sea clash of Chinese warship, German plane' comes at a high cost for Berlin: Global Times editorial](#)", 12 July 2025.

From Trust Erosion to Confidence-Building Measures (CBMs): Mapping the New Normal in EU–China relations

3

- Is meaningful EU–China security cooperation still realistic at a time when political trust continues to erode?
- Can selective engagement in third-party conflicts generate positive spillovers for their strained bilateral ties?
- Could CBM fora offer one of the few remaining avenues to keep the EU–China relationship dialogue alive, and what would it take for such measure to evolve from symbolic gestures into a useful tool?

China–Europe relations amid a deficit in global trust

Long Jing

Deputy Director, Center for European Studies,
Shanghai Institutes for International Studies

Introduction

China–EU relations have struggled to make headway amidst multiple challenges, including the pandemic, the protracted Russia–Ukraine conflict, intensified trade imbalances and fierce industrial competition in recent years. The term ‘mutual trust’ has been repeatedly mentioned in official interactions and academic exchanges. The erosion of mutual trust appears to be both a factor in the difficulty in improving China–EU relations and a consequence of the intensified friction between the two powers.

Compared to 2024, when US President Donald Trump’s second term of office, ‘Trump 2.0’, had yet to begin, the year 2025 can be given a trust deficit label not only for relations between China and Europe, but also between Europe and the United States. Strategic trust between these two traditional allies has also been seriously damaged by the dramatic shift in the US stance on many

crucial issues. In an era of global trust deficit, whether China–EU relations can continue to be stable and productive has become a key question for both Chinese and European academics.

China and Europe have differing understandings and responses to questions such as the nature of strategic trust, the causes of its erosion and the way to repair it. These gaps may increase frictions between China and the EU but also be bridged through mutual adaptation and adjustment. As to whether a ‘confidence-building measures’ (CBMs) mechanism should be established between China and the EU, it may not be necessary since CBMs are designed to prevent ‘hard conflicts’ such as military confrontations between countries that are adversaries. Disputes between China and the EU are far less serious and can be mitigated or even resolved through existing mechanisms.

Main challenges and opportunities

Strategic mutual trust is the product of the continuous positive development of State-to-State relations. The year 2025 marks the 50th anniversary of the establishment of diplomatic relations between China and the EU. Just two years ago, the two sides celebrated the 20th anniversary of their strategic partnership. Over the past half century, the two sides’ increasing economic interdependence and close cooperation on global governance issues such as climate change are both comprehensive manifestations of their strategic partnership and evidence of the continuous accumulation and consolidation of strategic mutual trust. However, in recent years, strategic mutual trust has been repeatedly mentioned, but often within a pessimistic narrative.

Judging from official statements, China appears to have been the more proactive party, frequently mentioning the word ‘trust’. Looking back at China–EU video summits in 2020 and 2022, as well as the in-person one in December 2023, Chinese leaders expressed their desire to promote mutual understanding and trust with the EU. At the

China-EU leaders’ meeting on 23 July 2025, China’s President Xi Jinping even mentioned the word ‘trust’ twice. He pointed out that “the more challenging and complex the international situation becomes, the more China and the EU need to strengthen communication, enhance mutual trust, and deepen cooperation” and “the China–EU relationship is not targeted at any third party, nor is it subjugated to or controlled by any third party. The two sides should deepen strategic communication, enhance understanding and mutual trust, and foster the right perception of each other”.¹

By contrast, the EU has become increasingly silent on the issue of ‘mutual trust’. The 2016 European Commission China policy document entitled *Elements for a new EU strategy on China* proposed that “the EU should seek to build trust and co-operation with China based on shared interests”.² In a joint statement issued after the 21st China–EU Summit in 2019, the two sides reiterated that they were committed to deepening cooperation in the four major China–EU partnerships based on the

principles of mutual respect, mutual trust, equality and mutual benefit. However, in subsequent China–EU interactions, the EU side did not repeat this statement.

China’s President Xi Jinping speaking at the China–EU leaders’ meeting on 23 July 2025: “The more challenging and complex the international situation becomes, the more China and the EU need to strengthen communication, enhance mutual trust, and deepen cooperation.”

Judging from the EU press release and remarks by European Commission President Ursula von der Leyen at the press conference following the 2025 China–EU Summit, the EU did not respond to China’s assertion of ‘mutual trust’. During the meeting, the EU mainly focused on several issues of concern, such as market access, China’s overcapacity, export controls on key raw materials like rare earths and climate change, etc. This mindset gap between China and Europe was neatly summed up in the title of a news report on the summit by *The European Conservative*: “China-EU: Xi wants more trust, von der Leyen emphasizes real solutions”.⁵

As distinct from official concerns that refer to avoiding direct clashes over mutual trust, Chinese and European academics have more bluntly concluded that there has been a deterioration in mutual trust and given more explicit analyses on the reasons and impacts. An example is the 2024 EPC compendium co-authored by scholars from Chinese and European think tanks (*EU-China Relations at a crossroads, Vol. III: Business unusual*). In one report, Latvian scholar Una Aleksandra Bērziņa-Čerenkova argues that “reciprocal trust-building efforts [between China and the EU] can remain restrained by mutual sanctions”. “The relationship between China and the EU in 2024 will develop under low-trust conditions and will look more like problem management than partnership”, she writes.⁴

Zhang Chao, a Chinese scholar from the Institute of European Studies of the Chinese Academy of Social Sciences, points out that the disconnection caused by the Covid-19 pandemic and disputes over the Russia–Ukraine crisis have led to a huge trust deficit between China and the EU. While Europe believes that China is in *de facto* alignment with Russia, China has been disappointed with the EU’s anti-subsidy investigations into Chinese products and concerned with the EU’s growing dependence on the United States in the wake of the war. “This makes China doubt the EU’s willingness to build stable and healthy relations and suspect that the EU might coordinate with the US to contain China,” writes Zhang Chao.⁵

Other European scholars believe that breaches of trust may not sink an entire relationship between China and Europe, but they will change the quality of cooperation.⁶ There have also been discussions on strategic trust in various exchanges between Chinese and European scholars. Overall, European scholars seem to be more outspoken and pessimistic about strategic mutual trust. The reasons behind the divergent attitudes and perspectives on ‘mutual trust’ between Chinese and European officials and academics may lie in the following aspects:

First, the two sides have different understandings of the connotation of the term ‘trust’. The core of ‘mutual trust’ as understood by the European side is shared values and ideologies that are recognised and respected. Shared values and ideologies will guide both sides to adopt similar strategies and policies in regional and international affairs, gradually fostering broader common interests. China’s understanding of the term ‘mutual trust’ is less ideological and more realistic and pragmatic, emphasising mutual understanding and concern based on a correct and clear recognition of each other’s core interests. This leads to self-restraint in refraining from formulating policies that could seriously undermine each other’s core interests.

Second, due to their differing understandings, the two sides also differ significantly in their assessment of the causes of the current erosion of strategic mutual trust. On the one hand, the EU believes that the erosion of mutual trust stems from a variety of factors, including China’s government subsidies and non-reciprocal market access, which have led to unfair competition and a worsening trade deficit. However, the core issue is China’s stance on the Russia–Ukraine conflict. China, on the other hand, believes that the primary cause of the erosion of mutual trust is Europe’s adherence to the US policy of containing China. During the Biden administration, the EU benchmarked its China policy with the US through the institutional mechanisms of US-EU Dialogue on China and the US–EU Trade and Technology Council (TTC). It also bluntly stated that the aim of initiating its Global Gateway strategy was to hedge against China’s Belt and Road initiative. These strategic choices have greatly reduced China’s confidence in Europe’s ‘strategic autonomy’.

Furthermore, these differing understandings extend to perspectives on how to rebuild mutual trust. China believes that maintaining dialogue at the highest political level and regular coordination mechanisms between the Chinese government and European counterparts in various fields are key to enhancing better understanding and avoiding strategic miscalculations. Therefore, at the 2025 China–EU summit, China proposed forging an ‘upgraded version’ of the China–EU export control dialogue mechanism as a concrete measure to ensure the stability of industrial and supply chains between China and Europe and enhance mutual trust. However, the realisation that China’s position on the Russia–Ukraine conflict is unlikely to change may have led to the EU’s current silence on the issue of strategic mutual trust.

The 2025 China–EU Summit, which took place amidst persistent disagreements, unresolved frictions and eroded mutual trust, signals that China–EU relations are entering a new phase of both challenges and opportunities. First, the trend is for China–EU relations to be more horizontal. In the past, China has described China–EU relations as all-dimensional, multi-tiered and wide-ranging. In other words, China–EU relations exhibit a cubic structure, characterised by a broad range of interests, diverse areas of cooperation and a diverse range of interacting actors.

China–EU relations may therefore only have similar positions and overlapping interests in limited areas and a certain degree of cooperation. However, in more areas, mutual competition, a zero-sum game or even a negative relationship of mutual vigilance will emerge.

However, China and Europe are currently experiencing intense market competition in many areas, disagreements on how to reform the international system and shrinking space for cooperation on global governance issues. At the same time, there is a trend toward centralisation of decision-making power within the EU. The current European Commission has significantly enhanced its role in decision-making, playing a key role in setting the tone, guiding and leading China policy and related issues. This has weakened the influence of major EU member states such as Germany as ‘anchors of stability’ in China–EU relations. In the future, China–EU relations may therefore only have similar positions and overlapping interests in limited areas and a certain degree of cooperation. However, in more areas, mutual competition, a zero-sum game or even a negative relationship of mutual vigilance will emerge.

While a deficit of mutual trust will not completely block political dialogue and economic and trade development between China and Europe, it will lead to greater

suspicion and caution, creating more problems and making problem-solving the primary driving force of interactions. In this process, an erosion of economic interdependence, a decline in investment cooperation and a rise in social costs will all become the high price paid for the deficit in trust. For example, China’s current export controls on rare earths are explicitly stated to be aimed at better maintaining world peace and regional stability and fulfilling international obligations such as non-proliferation. China also pledged to ensure the stability of the global supply chain and establish a ‘green-light channel’ for qualified European companies. However, this move has been strongly opposed by the EU due to a lack of trust in China and concerns that China will use it as economic coercion. Similarly, the EU’s recent unequal trade agreement with the US has further fuelled Chinese scepticism about the EU’s so-called ‘strategic autonomy’. As the EU’s Competitiveness Compass continues to advance, numerous strategies and regulations already adopted or being formulated by the EU could lead to even more severe trade frictions and investment barriers between China and the EU. Consequently, the problem-solving driven interaction between China and the EU will increase significantly. However, due to the difficulty in compromising and reconciling the interests of both sides, the interactions may be inefficient, with slow progress and limited results.

Third, it should be noted that the China–EU Summit also sends some positive signals to the international community. While the Russia–Ukraine conflict has certainly created distance between the two major powers, there continues to be a need and urgency for both sides to strengthen dialogue, resolve friction and work together on issues such as trade, climate change, sustainable development and the reform of international institutions, etc. Despite huge differences and a serious lack of strategic mutual trust between the two major powers, China and Europe have kept channels for dialogue open and adopted a relatively restrained approach in dealing with problems. China–EU relations have therefore formed a new model of relations between major powers in the current era of major changes. It differs from the fierce confrontation between China and the United States or the unilateral concessions between the United States and Europe, but is characterised by limited cooperation, which is somehow conducive to the certainty and stability of the international order.

Recommendations and conclusions

First, the understanding and expectation of mutual trust needs to be adjusted and updated in light of changing times. This year’s top-level dialogue is driven not by the Western understanding of mutual trust based on shared values or ideologies, but by the practical need to safeguard economic and security interests, the rational desire to avoid strategic miscalculations and

the pragmatic purpose to accurately grasp the logic and influencing factors behind the other side’s decision-making process. In other words, accurately anticipating the other side’s strategic choices based on objective, scientific and comprehensive understanding and cognition should become the new definition of rebuilding strategic mutual trust between China and Europe.

Next, existing dialogue mechanisms at all levels and in all fields should be well maintained and even more frequent to establish an effective communication model of ‘correct information transmission’, ‘reasonable prediction of impact’ and ‘rational policy selection’. To better prepare for intergovernmental dialogue, both sides should engage in extensive exchanges with various social forces, including think tanks, industry associations and upstream and downstream companies to gain a true understanding of the situation, accurately predict impacts in advance and avoid collateral damage and escalation.

Furthermore, differences between China and Europe should be properly assessed, neither ignoring their existence nor exaggerating their harmfulness.

Existing mechanisms are sufficient to address these issues, and CBMs are inappropriate for strategic partners like China and Europe, who have no fundamental conflict of interest. The CBMs are often established as a framework to prevent the escalation of military conflict

between adversarial states. The essential nature of China–Europe relations remains cooperation. Friction and disagreement are inevitable ‘pains’ in the process of rebalancing between an increasingly powerful China and a relatively declining Europe, who are far from being confrontational or adversarial.

Accurately anticipating the other side’s strategic choices based on objective, scientific and comprehensive understanding and cognition should become the new definition of rebuilding strategic mutual trust.

¹ People’s Republic of China Ministry of Foreign Affairs, “[Xi Jinping Meets with President of the European Council António Costa and President of the European Commission Ursula von der Leyen](#)”, 24 July 2025.

² European External Action Service (2016), “[Elements for a new EU strategy on China](#)”, Brussels, JOIN(2016) 30 final, p.17.

³ *The European Conservative*, “[EU-China Summit: Xi Says China, EU Must Deepen Trust, von der Leyen Urges ‘Real Solutions’](#)”, 24 July 2025.

⁴ Bērziņa-Čerenkova, Una Aleksandra (2024), “EU-China relations in 2024: Frankness and caution”, in Ivano Di Carlo (ed.), *EU–China relations at a crossroads, Vol. III: Business unusual*, pp. 12-17.

⁵ Chao, Zhang (2024), “Connectivity in China–EU relations: Building synergies or blocks?”, in Ivano Di Carlo (ed.), *EU–China relations at a crossroads, Vol. III: Business unusual*, pp. 64-68.

⁶ Wender, Kim, “[The EU and China at 50: Is It All Just a Matter of Trust?](#)”, *China Observers in Central and Eastern Europe (CHOICE)*, 19 August 2025.

Joint EU–China confidence-building measures fora: Rationale and potential scenarios

Aurelio Insisa

Senior Research Fellow, Istituto Affari Internazionali

Introduction

A much-expected reset in EU–China relations in 2025, following the crisis in the bilateral relationship that erupted in the early 2020s, has so far failed to materialise. Multiple factors contributed to the crisis: the politicisation of the COVID-19 pandemic, the backlash against Beijing’s policies towards the Uyghur minority in Xinjiang and its repression of protests in Hong Kong and the ensuing Chinese sanctions imposed on MEPs and think tanks, and the European Parliament’s opposition to ratifying the Comprehensive Agreement on Investment. However, from an EU perspective, two further factors have continued to pose major obstacles to any prospect of a meaningful reset: China’s pro-Russian neutrality with regard to Moscow’s illegal war of aggression against Ukraine and its unwillingness to change industrial policies directly affecting the EU’s global competitiveness and economic security.

The uneventful EU–China Summit held in July 2025 on the 50th anniversary of diplomatic relations was in fact evidence that the bilateral relationship has entered an era of structural mistrust.

The return of Donald Trump to the White House and the consequent re-orientation of US foreign policy towards an isolationist worldview sceptical of traditional alliances had initially appeared to open a pathway for a new phase in the relationship.¹ Yet China’s early 2025 ‘charm offensive’ effectively fizzled out without any major developments. The uneventful EU–China Summit held in July 2025 on the 50th anniversary of diplomatic relations was in fact evidence that the bilateral relationship has entered an era of structural mistrust between both sides.²

Against this backdrop, a minimalistic agenda focusing on scientific and academic cooperation appears to be the most realistic option in terms of keeping the bilateral relationship alive.³ Zooming in at an EU member state level, the Action Plan for Strengthening the Italy–China Global Strategic Partnership (2024–27) – the document that replaced the 2019 Memorandum of Understanding between the two sides following Italy’s withdrawal from the Belt and Road Initiative – is an example of how relations with China can realistically evolve against the current backdrop. The Action Plan focuses on cooperation in scientific and technological innovation, education, green and sustainable development, the medical-health domain, cultural relations and people-to-people exchanges.⁴ But is there room for a more ambitious agenda, especially one possessing a more marked security dimension? To answer this question, this paper examines potential avenues for joint EU–China participation in confidence-building measures (CBMs) fora.

Key issues

CBMs can be broadly understood as “a series of actions that are negotiated, agreed and implemented by the conflict parties in order to build confidence, without specifically focusing on the roots and causes of the conflict”.⁵ Contemporary conceptions of CBMs emerged and evolved within the context of the Cold War in

Europe. The 1975 Helsinki Final Act resulted in the first generation of CBMs primarily aimed at increasing “openness” in military matters with the objective of reducing secrecy to improve the predictability of military activities, without however devising mechanisms to stop malicious actors from exploiting them to “build false

confidence". The second generation of CBMs, tied to the 1986 Stockholm Document on Confidence and Security Building Measures (CSBMs), attempted to tackle the limitations of the previous generation by focusing on formalising 'access measures' to military installations and systematising a set of 'notification measures' for military exercises. Finally, the third generation emerged with the 1990 Vienna Document, shifting the focus from access measures to "constraint measures" aiming at discouraging and ideally banning military activities that could conceal surprise attacks.⁶

The very act of presenting and explaining one's view, discussing reciprocal positions, exposing respective goals and motives, and uncovering the perceptions and interpretations of the counterpart allows participants to become more aware of each side's positions.

However, the narrow focus of the 'European model' of CBMs, shaped by the specific geostrategic environment of the Cold War on the continent, created obstacles to its wider reception at a global level. As a matter of fact, the successive dissemination of CBMs outside Europe after the end of the Cold War followed two trends: First, a trend towards localisation, namely tailoring CBMs to

different regional security environments; and second, a fundamental shift in the actual function of CBMs, from enhancing military security to enhancing cooperation, leading to the proliferation of broader 'confidence-building processes' stretching across multiple domains of interstate relations beyond the military one.⁷

Supporters of confidence-building processes argue that the very act of presenting and explaining one's view, discussing reciprocal positions, exposing respective goals and motives, and uncovering the perceptions and interpretations of the counterpart allows participants to become more aware of each side's positions, concerns and rationale for their actions. In short, confidence-building processes would lead to a "transformation in thinking, a reassessment of policies and a redefinition of objectives, all of which ultimately lead to the adoption of policies and behaviour mutually profitable to all". The result would be the ignition of a spill-over effect in which enhanced cooperation in one area would stretch to others.⁸ In fact, whether confidence-building processes are effective in resolving conflict and producing qualitative change in interstate relations remains debatable. Their effectiveness ultimately depends on an extremely wide range of context-specific variables, from the motivations of actors involved to the specific design of CBMs.⁹

Perhaps controversially, from the specific perspective of current EU-China relations, the success of such processes is secondary. Binding the EU and China together as third-party monitors in such processes would primarily aim at maintaining the two sides engaged in order to achieve *their own* spill-over effect from the security domain to other domains in their bilateral relationship.

Main challenges and opportunities

Both China and the EU are already members of a multilateral forum tasked with a CBM agenda, the ASEAN (Association of Southeast Asian Nations) Regional Forum (ARF). This platform, which was launched in 1994, groups ASEAN members together with China and the EU, as well as with Australia, Bangladesh, Canada, India, Indonesia, Japan, Mongolia, New Zealand, North Korea, Pakistan, Papua New Guinea, South Korea, Russia, Sri Lanka, Timor-Leste and the US. Since its inception, CBMs implemented within the ARF framework have included transparency in defence white papers, the establishment of security dialogues, anti-piracy missions and joint military exercises focused on humanitarian assistance and disaster relief.¹⁰ Yet, despite initial successes, the ARF's CBM agenda has long since stalled. In fact, most of the medium-term and long-term CBMs outlined in the 1995 ARF Concept Paper have yet to be implemented.¹¹ Above all, the ARF failed to develop CBMs addressing the mutual threat perceptions that have emerged since the late 2000s across the many sites of maritime and territorial contestations.

China's maritime and territorial claims in the region, and their impact on ASEAN's effectiveness in shaping the regional security order, loom large over the failure of the ARF's CBM agenda since the 2000s.¹² The failures of this platform, in turn, show how successful EU-China engagement via multilateral fora should arguably exclude areas and issues directly concerning Beijing's core security interests. Yet, as evidence of the grim state of international politics nowadays, there is no shortage of conflicts that could eventually provide a platform for EU-China engagement via CBMs fora. Nonetheless, it remains difficult to identify the most apt scenarios.

Given Haiti's geographical proximity to the US and the nature of the conflict, rooted in state failure and organised crime takeover,¹³ the emergence of a multilateral forum focusing on CBMs for a post-conflict Haiti with EU and Chinese participation is unrealistic. Similarly, the vague Gaza peace plan led by the Trump administration does not appear to leave room for any meaningful role for the EU and China in a post-conflict Gaza.¹⁴ Prospects

for a multilateral platform with joint EU and China participation tasked with upholding a confidence-building process over Iran's nuclear programme also appear too remote following Israeli and US attacks on its facilities in June 2025 and the activation of the snapback mechanism of sanctions against the country by France, Germany and the UK in September 2025.¹⁵ In fact, at a deeper level of analysis, China's extreme restraint and lack of expertise in Middle Eastern regional security matters¹⁶ cast further doubt on the feasibility of such fora. Conversely, it is Beijing's explicit security interest in Myanmar – as demonstrated by its recent willingness to throw diplomatic and military weight in support of the country's ruling junta to avoid its collapse following the Operation 1027 joint offensive by ethnic armed organisations –¹⁷ that makes prospects for joint EU-China cooperation in a post-civil war scenario unrealistic.

Two current conflicts in Africa stand out as potential scenarios for a joint EU–China security engagement centred on the management of CBMs regimes: the one in Sudan and the one in the Sahel region.

Against this backdrop, two current conflicts in Africa stand out as potential scenarios for a joint EU–China security engagement centred on the management of CBMs regimes: the one in Sudan and the one in the Sahel region. The conflict in Sudan is a civil war between the internationally recognised government of the country, supported by the Sudanese Armed Forces, and the Government of Peace and Unity, sustained by the paramilitary Rapid Support Forces.¹⁸ The second is a wider regional conflict where multiple national governments face separate transnational insurgencies led by Salafi-jihadist groups, Jama'at Nusrat al-Islam

wal-Muslimin (JNIM, a group affiliated with al-Qaeda) and the Islamic State Sahel Province, as well as Tuareg separatist armed groups – all against the backdrop of multiple localised ethnic conflicts for resources triggered by climate change.¹⁹ For the EU, African security has a direct impact on its own security given the implications of the establishment of Salafi-jihadist polities in the region and hard-to-manage migratory dynamics due to political violence and instability. For China, its sustained investment in the region as well as its emerging role as a key security actor²⁰ could provide ground for the country's meaningful security engagement in post-conflict scenarios. Furthermore, the absence of core interests on the Chinese side may provide more latitude to act in concertation with the EU.

The case of Ukraine presents a different set of challenges. First, current negotiations over the end of the conflict are driven by the US and Russia. Second, and connected to the first point, Russia's continuing opposition to the involvement of NATO countries in Ukraine after a ceasefire and, more broadly, its consistent refusal to consider the EU and its member states as actors relevant to the end of the conflict, raise further questions over the feasibility of a scenario in which both China and the EU contribute to a CBM agenda after the end of the war. Yet, it is worth noting that both the EU and the US have, at different stages of the conflict, welcomed more direct Chinese engagement in the resolution of the conflict. Furthermore, Ukraine's absolute centrality in Europe's security order in the coming years makes it unthinkable to exclude the EU from any post-conflict scenario.²¹

Ukraine's absolute centrality in Europe's security order in the coming years makes it unthinkable to exclude the EU from any post-conflict scenario.

Recommendations and conclusions

Existing scholarship emphasises that CBMs are not silver bullets. However, even though critics may deem such an approach to be cynical, the actual and lasting success of CBMs regimes and confidence-building processes is secondary when examined from the narrow perspective of current EU-China relations. Joint participation in multilateral fora tasked with designing and implementing CBMs and broader confidence-building processes for post-conflict scenarios could in fact produce the immediate benefit of the EU and China being involved in concrete security cooperation – notwithstanding continuing structural mistrust between the two sides.

In the most optimistic scenario, this joint effort may produce a spillover effect from the security domain to other domains in the bilateral relationship.

While conflict resolution in Sudan, the Sahel and Ukraine may still appear distant, the two sides should nonetheless prepare in advance for these opportunities if they should emerge. As a preliminary step towards joint efforts in designing and upholding CBMs regimes in third-party conflicts, the EU could also evaluate the opportunity to join, as an observer (as the US and Japan already do), the Conference on Interaction and Confidence Building

Measures in Asia (CICA), established in 1999 and based in Almaty, Kazakhstan, with China openly endorsing the application. The CICA, which updated its Catalogue of

Confidence Building Measures in 2024,²² may function as a preliminary platform for the EU and China to cooperate on this issue.

-
- ¹ Brice, Didier (2025), "[The European Union and Trump 2.0: Transatlantic Rupture and Strategic Autonomy](#)", IRSEM Strategic Brief 77, IRSEM; Duchâtel, Mathieu (2025), "Europe China's Temptation Won't Pay Off", *Institut Montaigne*.
 - ² Esteban, Mario, Miguel Otero Iglesias, and Cristina de Esperanza Picardo (2025), "[The EU-China Summit: A Less Than Half-Hearted Golden Wedding Anniversary](#)", Real Instituto Elcano.
 - ³ Ibid.
 - ⁴ Insisa, Aurelio and Francesca Maremonti (2025), "Italy and the US-China Great Power Competition", in *Quest for Strategic Autonomy? Europe Grapples with the US-China Rivalry*, eds. Mario Esteban, Miguel Otero Iglesias, and Cristina de Esperanza Picardo, European Think Tank Network on China, pp. 141-149.
 - ⁵ Mason, Simon J. A. and Matthias Siegfried (2013), "[Confidence Building Measures \(CBMs\) in Peace Processes](#)", in *Managing Peace Processes: Process Related Questions. A Handbook for AU Practitioners*, ed. Luc Chounet-Cambas, African Union and Centre for Humanitarian Dialogue, p. 58.
 - ⁶ Darilek, Richard E. (1993), "East-West Confidence-Building", in *A Handbook of Confidence-Building Measures for Regional Security*, eds. Michael Krepon et al., Washington DC: Stimson Center, pp. 247-255.
 - ⁷ Desjardins, Marie-France (1996), "Rethinking Confidence-Building Measures: Obstacles to Agreement and the Risks of Overselling the Process", *Adelphi Paper* 307, International Institute for Strategic Studies, pp. 16-17.
 - ⁸ Ibid., p. 18.
 - ⁹ Ibid., pp. 27-34.
 - ¹⁰ Midford, Paul (2020), *Overcoming Isolationism: Japan's Leadership in East Asian Multilateral Security*, Stanford, California: Stanford University Press, p. 142.
 - ¹¹ Severino, R.C. (2009), "[The ASEAN Regional Forum: A Concept Paper](#)", in *The ASEAN Regional Forum*, Books and Monographs, ISEAS–Yusof Ishak Institute, pp.141-145.
 - ¹² Beeson, Mark (2022), "[Decentered? ASEAN's Struggle to Accommodate Great Power Competition](#)", *Global Studies Quarterly*, 2, no. 1 (2022), pp. 1-9.
 - ¹³ International Crisis Group (2024), "[Haiti's Last Resort: Gangs and the Prospects of Foreign Intervention](#)", *Crisis Group Latin America and Caribbean, Briefing* 48.
 - ¹⁴ Hayman, Tamir and Ofer Gutman (2025), "[Trump's Initiative for the Gaza Strip: Risks and Opportunities](#)", *INSS Insight* 2040.
 - ¹⁵ Dolzikova, Darya (2025), "[Snapback: Iran's Nuclear Programme and Crisis of Legitimacy](#)" RUSI.
 - ¹⁶ Fulton, Jonathan (2025), "[Present Without Impact? How the Middle East Perceives China's Diplomatic Engagement](#)", *Scowcroft Middle East Security Initiative Issue Brief*, Atlantic Council.
 - ¹⁷ International Crisis Group (2025), "[Myanmar's Dangerous Drift: Conflict, Elections and Looming Regional Détente](#)", *Crisis Group Asia Briefing*, Number 184.
 - ¹⁸ International Crisis Group (2025), "[Sudan's Calamitous War: Finding a Path towards Peace](#)", *Crisis Group Africa Briefing*, Number 204.
 - ¹⁹ Guichaoua, Yves, Jenny Lorentzen and Sidy Mariko (2025), "[Prospects for Dialogue in the Central Sahel](#)", *FBA Research Report*, Folke Bernadotte Academy.
 - ²⁰ Hansson, Pontus, Gabriella Körling and Olivier Milland (2024), "Kinas växande säkerhetsengagemang i Afrika" [China's Growing Security Engagement in Africa], *FOI Memo* 8535, Totalförsvarets forskningsinstitut [Swedish Defence Research Agency].
 - ²¹ Charap, Samuel et al. (2025), "[Guidelines for Designing a Ceasefire in the Russia-Ukraine War: Best Practices, Lessons Learned, and the Role of Technology](#)", RAND – see here for details on the potential use of CBMs in Ukraine.
 - ²² CICA, [Catalogue of Confidence Building Measures \(as Amended in 2024\)](#), 17 December 2024.

From Competition to Coordination? Governing the Global Green Subsidy Race

4

- **Is the green transition becoming a new battleground for major powers, or do rising subsidy tensions highlight the need for more coordinated action?**
- **Are current WTO rules fit for a world in which industrial policy plays a central role in decarbonisation?**
- **Could EU–China coordination on subsidy practices redefine global norms for fair green competition and support a more stable cooperation framework?**

Navigating the green subsidy race: Time for a multilateral governance mechanism

Yan Shaohua

Associate Professor & Deputy Director, Center for China-Europe Relations, Fudan University

Introduction

The global economy is now witnessing an intensifying ‘green subsidy race’, as major powers – including China, US and the EU – pour unprecedented public funds into clean energy and green technologies.¹

In 2022 the US passed the Inflation Reduction Act (IRA), dedicating roughly \$369 billion in subsidies and tax credits to bolster domestic clean energy industries. The European Union, facing the dual pressure of US protectionism and China’s established industrial strength, has responded with its own Green Deal Industrial Plan (GDIP) and Net-Zero Industry Act.² Meanwhile, China, through long-term industrial planning and support for its ‘New Three’ industries – electric vehicles (EVs), lithium batteries and solar – has achieved a scale and cost efficiency now viewed by Brussels and Washington not only as economic competition but also as a security concern.

This securitisation of green industries, while understandable from a domestic political perspective, is deeply problematic. It risks creating a zero-sum race that fragments global supply chains, raising costs for consumers and slows the global green transition.

This paper analyses the main challenges and opportunities arising from the current subsidy race. It argues that the path of unilateralism and ‘green protectionism’ risks distorting trade and fuelling tensions. Instead, the friction observed today – particularly between China and the EU – presents a window of opportunity. Rather than abandoning global economic governance, this friction could catalyse reform, helping to create a new multilateral framework that distinguishes between harmful protectionism and the necessary state support required to achieve climate neutrality.

Main challenges and opportunities

1. Trade distortions and WTO tensions

Unilateral green subsidies can shift global trade flows. The US IRA, for example, restricts key tax credits and grants to projects using US-made components, effectively excluding foreign suppliers.³ The EU, in turn, is investigating Chinese EV and wind-turbine subsidies, and has initiated countervailing duties to offset them. While China argues that its EV exports reflect a comparative advantage, many trading partners see a clash between large-scale government support and established global trade rules.

China has formally challenged the IRA at the World Trade Organisation (WTO), arguing that it “favor[s] US goods over imports” and breaches non-discrimination commitments.⁴ This dispute underscores a broader problem: WTO subsidy-related rules were designed decades ago, and lack clear provisions for climate-

focused aid. In practice, this legal grey zone creates uncertainty. Policymakers fear that unchecked subsidy races could spill over into open trade conflicts if not addressed multilaterally.

WTO subsidy-related rules were designed decades ago, and lack clear provisions for climate-focused aid. In practice, this legal grey zone creates uncertainty. Policymakers fear that unchecked subsidy races could spill over into open trade conflicts if not addressed multilaterally.

2. Industrial overcapacity and market fragmentation

Subsidies also contribute to capacity surges. Chinese firms, benefiting from rebates, tax exemptions and R&D support, have rapidly scaled up production in EV and renewable industries. In wind turbines and solar panels, China now leads globally. Western producers warn that this could create global overcapacity and flood markets, putting EU and US manufacturers at a disadvantage.

At the same time, all regions are building their own green value chains. The US is channelling IRA funds into domestic battery production and critical mineral processing, while the EU is mobilising hundreds of billions to support for net-zero manufacturing. The result is a growing fragmentation of supply chains into rival blocs.

On one hand, this diversity can build resilience. On the other, duplicated capacity and non-uniform standards raise costs and inefficiencies.

3. Retaliatory measures and protectionism

Rising tensions have already triggered countermeasures. In mid-2024 the EU imposed provisional tariffs of 17–38% on Chinese EV imports, citing evidence of unfair Chinese subsidies.⁵ Beijing quickly responded by targeting EU products. It launched probes into EU dairy subsidies and threatened tariffs on large-engine cars. China had earlier opened investigations into French brandy and pork as well. EU officials warn a “trade war” with China may be “unavoidable” if the spiral continues.

The risk is that narrow, tit-for-tat bargains could dominate policymaking, distracting from broader climate and trade goals. Within the EU, farmers and manufacturers are already divided over these measures.

The risk is that narrow, tit-for-tat bargains could dominate policymaking, distracting from broader climate and trade goals. Within the EU, farmers and manufacturers are already divided over these measures, while global investors worry about geopolitical instability.

Smaller economies also fear exclusion from the subsidies race, as major players redirect investment through protectionist incentives. If left unchecked, this cycle of retaliation could undercut the multilateral trading system and further erode trust among partners.

4. Opportunities for coordination

Amid these frictions, the green transition presents common interests. Climate change remains a shared, existential threat to China, the EU and the US – a non-negotiable imperative that could serve as the bedrock for a new consensus. Clean technologies often require global scale and cross-border collaboration.

For example, the US, EU and China all rely on critical minerals mined in developing countries. Securing sustainable critical minerals supply chains benefits all parties. Likewise, innovation in hydrogen, grid modernisation and carbon capture could accelerate through shared research and standard setting. Well-coordinated subsidy policies would also reduce wasteful duplication. If governments agree on joint funding principles, firms could safely scale up without fearing abrupt policy changes.

Multi-country pilot projects could also pool resources. Smaller economies, which cannot compete in a subsidy race against larger powers, are especially motivated for cooperation; they play a key role in pushing for rules-based solutions. Improved governance could turn subsidies from instruments of rivalry into tools of shared investment.

As the Trump administration retreats from multilateral climate leadership, China and the EU are now the two major stakeholders with the capacity and the incentive to lead the world toward a more cooperative green industrial policy.

Recommendations and conclusions

To reconcile green growth with global fairness, major economies should establish a multilateral green-subsidy governance framework. Rather than settling disputes bilaterally, which risks zero-sum outcomes, major economies should lead in updating trade rules and norms.

1. Revise WTO rules for green subsidies

China and the EU should spearhead talks at the WTO to clarify the scope of climate-related subsidies. For instance, members could define which subsidies

qualify as “green” and under what conditions they merit flexibility. The WTO’s current Subsidies and Countervailing Measures (SCM) Agreement was designed for a 20th-century industrial context – centred on state-owned enterprises and steel production – not for the 21st-century’s R&D tax credits and renewable investment schemes.

By using ongoing disputes as a springboard for reform, China and EU negotiators could help craft new global subsidy disciplines that balance industrial policy

objectives with market access. A possible outcome could include an updated WTO subsidy code or a plurilateral pact among advanced economies. Such a resolution could reform outdated rules and set globally applicable standards that address the realities of modern trade.⁶

2. Establish a joint China-EU subsidy forum

Building on existing dialogues, Beijing and Brussels should create a standing channel for information exchange on green subsidies and industrial plans. This could involve data-sharing on targeted sectors and agreed transparency benchmarks. It might also convene periodic green subsidy summits involving other partners, such as the US, to align strategies. Greater transparency would reduce misunderstandings, identify opportunities for cooperation and strengthen trust. Such coordination aligns with both China's stated commitment to openness and WTO compliance and the EU's pledge to cooperate on open trade.

3. Promote joint climate-investment mechanisms

Multilateral development banks and international funds could co-finance green technologies in third countries, rather than competing for the same investments in each region. An expanded international green bond market, co-designed by China and EU financiers, could channel capital where it is most needed. Similarly, joint R&D efforts, such as a China-EU clean-technology consortium, could combine resources and expertise for shared innovation. By framing green subsidies as collective climate action rather than just industrial competition, all parties gain legitimacy.

China has repeatedly emphasised that its clean-energy leadership benefits global climate goals. Reinforcing that narrative through joint investment partnerships with the EU would help build trust.

Better governance of green subsidies can serve both economic security and climate objectives. Coordinated subsidy regimes would prevent wasteful subsidy races and retaliation, while still allowing each region to pursue decarbonisation. Equitable rules would allow all countries to invest in clean industries without fear of discrimination.

Multilateral development banks and international funds could co-finance green technologies in third countries, rather than competing for the same investments in each region.

Ultimately, a multilateral approach to the green subsidy race – led by the EU and China – promises mutual benefit: it upholds the rules-based order and spurs the clean-energy transition. Rather than a divisive zero-sum game, the race to net-zero can become a rallying point for international cooperation.

¹ Stoyanov, Kristiyan (2025), "A Global Green Subsidies Race? The EU's Green Deal Industrial Plan: Effective and WTO-Compatible?", *Journal of World Trade*, Vol. 59, No. 2.

² European Commission (2023), "A Green Deal Industrial Plan for the Net-Zero Age", Brussels, COM(2023) 62 final, February 2023.

³ Lydgate, Emily et al (2023), "[The US-EU Green Subsidies Race one year in: Some Perspectives from the Rest of the World](#)", *Briefing Papers 7*, Brighton: Centre for Inclusive Trade Policy.

⁴ World Trade Organization (WTO), "[Dispute panel established to review certain tax credits under US Inflation Reduction Act](#)", wto.org, 23 September 2024.

⁵ Kennedy, Scott, "[The Chinese EV Dilemma: Subsidized Yet Striking](#)", Center for Strategic and International Studies, 28 June 2024.

⁶ Ji, Xianbai Ji and Yan, Shaohua, "[How China and Europe can best settle their EV tariff disputes](#)", *South China Morning Post*, 3 September 2024.

From Mexican standoff to economic disarmament

Victor De Decker

Research Fellow, Europe in the World Programme, the Egmont Institute

Introduction

The global economy has entered an age of mutual coercion. The United States, China and the European Union are locked in a fragile equilibrium based on the logic of deterrence, with each convinced that protection is the only path to survival. The October 2025 handshake truce between US President Donald Trump and China's President Xi Jinping did not resolve this standoff but merely paused it. For the EU, which is dependent on US security guarantees and Chinese supply chains, the truce only underscored its lack of agency in a system defined by others.

The surge of Chinese industrial overcapacity in green technologies has forced the EU to adopt a harder trade posture in a domain once considered a shared global priority. The risk is clear: economic confrontation could spill over into the climate agenda, poisoning one of the last remaining areas of cooperation between the West and China. The way forward lies not in endless 'de-risking', but in building a framework for genuine

economic disarmament – an architecture of mutual restraint to restore the stability of the green transition via a renewed global economic governance structure.

The risk is clear: economic confrontation could spill over into the climate agenda, poisoning one of the last remaining areas of cooperation between the West and China. The way forward lies not in endless 'de-risking', but in building a framework for genuine economic disarmament.

Key issues

THE LOGIC OF THE MEXICAN STANDOFF

The global economy is in a Mexican standoff. The United States, China and the European Union have their weapons drawn – export controls, green subsidies, tariffs, procurement nationalism – all convinced that they are acting in self-defence. In a Mexican standoff, no participant has a structural advantage and any escalation comes with the risk of self-harm. However, lowering one's weapon first is a naïve invitation to be overrun – technologically, economically or diplomatically. That is the world in which the EU, but just as well as the United States and China, must now operate.

The logic driving this standoff is mutually reinforcing: all three geopolitical blocs can claim legitimate grievances. Washington insists that semiconductor controls are

driven by genuine national security constraints. Beijing claims that export controls on rare earth elements can be a lawful form of retaliation. Brussels claims that China's ever expanding industrial policy and discriminatory trade measures are existential threats to its last industrial strongholds. Nobody in this triangle is 'innocent', nobody is fully 'revisionist' yet. Weaponised interdependence has become a circular accusation system on itself – self-justifying, self-accelerating and ultimately self-defeating: the more weaponisation occurs, the more global economies will be reverting to insular economic policies, effectively decoupling from their direct economic competitors. For Europe, an open region depending on a rules-based trading order, the latter scenario is dystopian – and yet becoming more realistic every day.

EUROPE'S STRUCTURAL EXPOSURE

In both US export controls on semiconductors as well as China's expanding licencing requirements for Rare Earth Elements (REEs), Europe is thus being pulled into a trade-technology confrontation that it neither initiated nor controls, but is forced to fight in because it is structurally exposed to both sides. The EU is the only actor that depends simultaneously on US security guarantees, Chinese industrial inputs and a global trading order to convert both into prosperity.

Europe's fear of China's widening industrial policy – especially in green tech – is not irrational either. The baton of solar and battery manufacturing and innovation has effectively been handed over to China already. In automotive, advanced machinery and semiconductors, China has already defied the expected ceiling of competitiveness. The few remaining areas where Europe remains competitive (wind turbines, heat pumps, quantum computing) or uncontested (extreme ultraviolet lithography, high-precision bearings, aeronautics) are, if history is any guide, at risk of Chinese firms catching up.

De-risking, as EU Commission President Von der Leyen first framed it in 2023,¹ is meant as targeted insulation paradigm. In practice it failed. What started as an agenda rooted in Transatlantic and G7 convergence, is at risk of becoming another EU buzzword. Foreign Direct Investment (FDI) screening has proliferated, but trade dependencies have not meaningfully declined and the political willingness (either at EU or EU member state level) to absorb commercial costs in return for economic security never materialised. Likewise, the 'small yard, high fence' doctrine has already dissolved in the empirical world – nobody is playing small anymore and all three actors instrumentally widen the fence when it suits a negotiation. The conceptual vocabulary of the Biden era in 2022–2023 does not translate to 2025.

Under the former US President Joe Biden, EU–US coordination was functional, with the EU-US Trade & Technology Council as a core platform. It was also conditional on a commitment to phase out China. A mutual understanding that there was a larger looming industrial overcapacity threat from China brought Biden and Von der Leyen closer together.

Under Trump, this collaborative spirit has been replaced by coercive tactics. In addition, the policy agenda has changed in Washington. Green industrial policy has given way to budget cuts in the Department of Government Efficiency (DOGE) and fossil fuel calls for 'Energy Dominance'.² Europe faces not only antagonism and higher tariffs but also the risk that dealmaking impulses cut Europe out of the equation entirely. That is not speculative. It has already happened. The US-China meeting in the margins of the Asia-Pacific Economic Cooperation (APEC) Summit in South Korea demonstrated that the Trump reflex is not to escalate but

to bargain, sometimes capriciously, always unilaterally. Whether he retreats because 'Trump always chickens out' or because a genuine transactional rapprochement with Beijing has become attractive, the implication is the same: Washington can end an escalation without European input if it perceives a bilateral bargain as domestically useful. That is a structurally strategic asset for the US, but, for the EU, constitutes a risk in itself.

At the same time, Europe cannot treat the US as merely a competitor in economic statecraft. The United States is indispensable in its security architecture within NATO and especially during Russia's war on Ukraine. A world in which Europe is left alone to handle Russia is worse than any conceivable trade concession. Strategic dependence here is not symmetrical. Here too, the US has leverage.

Europe cannot treat the US as merely a competitor in economic statecraft. The United States is indispensable in its security architecture within NATO and especially during Russia's war on Ukraine.

Conversely, Europe and China are deeply interwoven in connection with the green transition. Whereas the EU described China as 'a strategic partner on climate change' in the EU-China Strategic Outlook in 2019,³ reality has come back to bite Europe. European decarbonisation timelines rely on Chinese manufacturing scale and refinement competence. China benefits from keeping Europe inside a global climate coalition rather than pushing it into a competitive subsidy spiral. China thinks that it would win in either scenario. We saw the EU standing up for its automotive sector by implementing World Trade Organisation-compliant countervailing duties on Chinese-made electric vehicles based on the notion that China's green technology dominance stems from over-subsidisation. However, in the grand scheme, this measure was a futile effort in the context of China's green industrial policy, which is continuing to outpace the rest of the world in green tech by a large margin.⁴

CHINA'S INTERNAL INVOLUTION

Behind Beijing's confident posture lies growing domestic fragility. The Fourth Plenum of the Chinese Communist Party's central committee in 2025 confirmed China's struggle with involution. Involution refers to when firms and factories race to produce the same products and therefore turn a low profit. Real-estate deflation has eroded provincial revenues, pushing local governments

to double down on industrial expansion. Provinces now compete to outbid one another with aggressive subsidies in strategic sectors – green technologies, batteries, electric vehicles – triggering a nationwide race that has produced chronic overcapacity.⁵

What began as a domestic imbalance has become a global distortion. China's surplus output now exports deflation, depressing prices and undermining industrial competition abroad. The EU's countervailing duties on Chinese

Electric Vehicles (EVs) may symbolically resist this trend but cannot offset its systemic effects. China's green overcapacity has turned into a global macro-externality: an internal dysfunction with worldwide consequences.

In essence, Beijing's drive for 'new quality productive forces' has hit the ceiling of a middle-income economy. The spillover from China's involution now shapes global industrial policy, turning a domestic misallocation problem into an international governance challenge.

Main challenges and opportunities

Europe's dual exposure to US and Chinese economic statecraft creates both vulnerability and leverage. Deflationary Chinese exports threaten Europe's industrial base, yet Beijing's surplus output still depends on access to foreign markets. This interdependence can be weaponised through coercion – or instrumentalised constructively. By tying market access to localisation and joint technology governance, the EU can turn dependency into conditional influence.

The current equilibrium cannot be resolved through unilateral restraint or endless escalation. What is missing is not goodwill, but a framework that binds coercive measures to rules and reciprocity. The WTO of the 1990s presumed economic instruments were neutral. The 2020s have proven that they are weapons. The task is no longer to restore free trade, but to manage the use of economic force. Industrial subsidies, export controls and trade restrictions must be integrated into a system of delimited, predictable rivalry.

For Europe, escalation capacity is a necessity, not a vice. Deterrence through tools such as the Anti-Coercion Instrument, export controls and investment screening should be understood as bargaining power, not protectionism. A player without the ability to escalate is not in a standoff but is a hostage. Yet deterrence only works if embedded in credible rules. Economic disarmament requires both capability and restraint.

Climate remains the one domain where interests still align. A pragmatic arrangement could allow China to maintain its green manufacturing edge on the condition that production and know-how are disseminated internationally – especially to Europe. Controlled localisation and technology sharing would mitigate global overcapacity while easing China's internal competition trap. This mirrors how China itself once climbed the industrial ladder through conditional integration into global value chains.

When Beijing signalled it could weaponise export controls on rare earths and battery technologies in retaliation for expanding US semiconductor restrictions, Europe was immediately exposed. Washington and Beijing trading escalatory measures in critical technologies and commodities threatens to damage all three sides. Europe cannot afford to be a passive collateral victim in this cycle. It should instead push for a global governance framework that stabilises the rules of the game. A modernised arrangement on export controls, with a much wider reach – a so-called Wassenaar 2.0 regime – could anchor this logic: an export-control framework adapted to interdependence rather than isolation. Such a regime would not liberalise rivalry but civilise it – by establishing thresholds, transparency and reciprocal safeguards for restrictions on critical technologies. Predictability, not trust, is the goal.

If economic instruments have become weapons, the only sustainable alternative to perpetual escalation is to govern their use rather than deny their existence.

If economic instruments have become weapons, the only sustainable alternative to perpetual escalation is to govern their use rather than deny their existence. Europe's challenge is to turn deterrence into diplomacy and green industrial interdependence into the foundation of a stable global order.

Recommendations and conclusions

RECOMMENDATIONS

INSTITUTIONALISE

Europe's ability to navigate the new era of weaponised interdependence depends on converting declaratory policy into operational strategy. The EU Economic Security Strategy of 2023 must evolve from a statement of intent into an integrated doctrine that unites trade, industrial and foreign-policy instruments under one strategic authority. Economic security cannot remain a coordination exercise but must become a governance function.

Institutionalisation should not stop at the EU's borders. Europe must lead efforts to embed predictability into the use of coercive measures globally. A global Economic Security Forum, bridging an updated Wassenaar framework, bringing both China and the US to the table, could codify principles for export-control transparency, subsidy discipline and retaliatory proportionality. The goal is not a return to liberal free trade but the construction of governed rivalry— a world where competition operates within recognisable bounds.

DETER

Credible deterrence is based on capability, not rhetoric. Before acting upon global initiatives of institutionalisation, Europe needs the ability and political courage to escalate economically — through the Anti-Coercion Instrument, coordinated FDI screening, export controls and trade-defence measures — within a single strategic blueprint accessible to all EU member states. These tools must serve collective European objectives rather than fragmented national agendas. Only by coupling deterrence with coherence can the EU negotiate from strength instead of moral appeal.

STABILISE

Finally, climate cooperation should be reframed as the stabilising axis of this new order. The EU and China remain structurally interdependent in the green transition. This dependence can become a source of control rather than vulnerability. Joint standards on carbon intensity, industrial localisation and technology sharing could turn climate policy into a pilot project for controlled interdependence — a practical expression of bilateral economic disarmament.

While the early 2020s marked the end of naïve globalisation, making way for the era of weaponised interdependence, the latter half of this decade should be dedicated to the era of multilateral economic disarmament.

Economic instruments are now weapons. This is not going to change. The only sustainable alternative to permanent escalation is to regulate their use rather than deny their existence. Europe's dual task is therefore to acquire credible coercive capacity and to embed that capacity in institutions that restrain its abuse.

The temporary truce between Washington and Beijing offers a narrow window of opportunity. If the EU can use this pause to construct a regime of governed rivalry — anchored in deterrence, climate cooperation and plurilateral export-control governance — it can transform vulnerability into agency.

Without such an evolution, the global system will drift towards a permanent economic skirmish in which climate cooperation — the last remaining domain of shared interest — will be its first casualty. The world can either build rules for economic power or be ruled by it.

-
- ¹ European Commission, "[Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre](#)", 30 March 2023
 - ² *The White House*, "[National Energy Dominance Month, 2025](#)"; 17 October 2025.
 - ³ European Commission & High Representative of the Union for Foreign Affairs and Security Policy (2019), "[EU-China – A Strategic Outlook](#)", Strasbourg, JOIN (2019) 5 final.
 - ⁴ Garcia-Herrero, Alicia, Haoxin Mu, "[China can decarbonise the world – but even that won't fix its overcapacity problem](#)", Bruegel, 24 September 2025.
 - ⁵ Liu, Zongyuan Zoe, "[China's real economic crisis: Why Beijing won't give up on a failing model](#)", Foreign Affairs, 6 August 2024.

Research Security: Tools, Risks and Pathways for Cooperation

- How do China and the EU define 'research security', and why do their narratives diverge in terms of values and strategic intent?
- Is it possible to rebuild trust in science when (geo-) politics increasingly shapes research agendas?
- Can openness and protection coexist in EU–China research cooperation at a time when geopolitics increasingly fuels mistrust?

China–EU research and innovation cooperation: Opportunities for a renewed partnership

Wei Shen

Qiushi Chair Professor & Jean Monnet Chair
Director, Asia Europe Research Centre School of
Public Affairs, Zhejiang University,

Jun Lu

Research Associate, *Asia-Europe Journal*
Postdoctoral Researcher, Tsinghua University

Introduction

When China and the European Union established diplomatic relations 50 years ago, neither side could have imagined how central scientific research and innovation would eventually become to the bilateral agenda. If one looks back over the decades, collaboration in science and technology has been one of the few domains where the spirit of mutual benefit, respect for knowledge and recognition of complementary strengths consistently prevailed despite fluctuations in political sentiment. It is no exaggeration to say that the accumulated body of joint research – spanning environmental studies, materials science, energy systems, public health and countless other fields – has quietly shaped the everyday lives of people in both China and Europe.

Over the past decade, however, the environment surrounding research cooperation has changed almost as quickly as scientific progress itself. The accelerating pace of technological competition, a sharper geopolitical climate, and debates in Europe over ‘research security’ have added layers of complexity that did not exist when previous generations of Chinese and European scholars first began exchanging ideas. Europe’s discussions on ‘open but secure’ science,¹ supply-chain resilience and risk-screening are now part of the regular vocabulary of research managers and policymakers. Yet, at the same time, it is striking that the EU still publicly acknowledges the essential role China plays in the global research ecosystem – as both a generator of new knowledge and a partner in addressing shared global challenges.

From the Chinese side, the picture is also changing. China’s research system has expanded at speed with few historical precedents. Total national R&D expenditure has surpassed 3.3 trillion RMB in 2023, and China now ranks among the world’s largest investors in scientific research.² This growth has not made international

cooperation less important; on the contrary, it has widened China’s capacity and ambition to contribute to global public-good issues such as the climate transition, energy security, pandemic preparedness, soil remediation and biodiversity protection. Europe, with its sophisticated research networks, normative leadership in global governance and long-standing strengths in basic science, remains one of China’s most valuable partners.

Europe’s discussions on ‘open but secure’ science, supply-chain resilience and risk-screening are now part of the regular vocabulary of research managers and policymakers. Yet, at the same time, it is striking that the EU still publicly acknowledges the essential role China plays in the global research ecosystem.

This paper reflects observations drawn from recent dialogues with Chinese and European institutions, ongoing academic collaborations and China’s own evolving policy discussions on responsible and high-quality opening-up in science and technology. It aims to identify where genuine difficulties lie, where opportunities are emerging and how both sides might design practical, confidence-building mechanisms to preserve and even deepen research and innovation cooperation at a time of increasing global uncertainty.

Main challenges and opportunities

1. COMPLEMENTARY STRENGTHS AND EMERGING REALITIES

For many years in the West, the narrative surrounding China's rise in global science was framed in terms of competition or even threat. Yet a closer reading of the data suggests a more nuanced reality. China's rapid increase in R&D expenditure has helped diversify global scientific production rather than displace existing centres of excellence. Meanwhile, Europe remains one of the world's strongest research regions, with R&D intensity at 2.22% of GDP in 2023 and pockets of exceptional global leadership in green chemistry, materials science, regulatory science and several frontier physics fields.³

China's strengths in large-scale engineering, manufacturing ecosystems and big data-driven applications are often matched by Europe's depth in basic science, applied research methodologies and interdisciplinary policy-relevant studies. This complementarity explains why China–EU co-publications have grown significantly over the past decade.

From a practical research perspective, China and Europe do not simply compete. They frequently complement one another. China's strengths in large-scale engineering, manufacturing ecosystems and big data-driven applications are often matched by Europe's depth in basic science, applied research methodologies and interdisciplinary policy-relevant studies. This complementarity explains why China–EU co-publications have grown significantly over the past decade. Several bibliometric evaluations, even those conducted in Europe, observe that China–EU scientific co-authorship exceeds the volume of China–US co-authorship in some subfields.⁴ Growth is especially strong in materials science, environmental modelling, atmospheric research, agricultural technologies and clinical studies.

What is sometimes overlooked in political discourse is the sense of practical value that researchers on both sides feel. Chinese colleagues who participate in European consortia often describe a high regard for Europe's project-management culture and peer-review traditions. European researchers, for their part, often remark on the scale, data richness and experimental capacity that Chinese teams bring to joint work. This

mutual appreciation – informal, professional and often independent of high politics – is one of the most solid foundations for continued cooperation.

The opportunity is simple: where complementarities are strong, cooperation becomes not a diplomatic gesture but an efficient, even necessary, mode of generating new knowledge.

2. EUROPEAN POLICY RECALIBRATION AND THE RISE OF 'RESEARCH SECURITY'

Over roughly the past three years, Europe has begun to articulate a more structured framework for international research cooperation. Several member states have issued their own guidelines, and the European Commission has been developing analytical tools to help institutions assess risk in fields related to critical technologies or dual-use potential. These initiatives respond to internal debates within Europe and to broader concerns about geopolitical competition. It is important for Chinese institutions to understand them in a matter of fact and non-defensive manner.

There are genuine concerns in Europe – some technical, others political – about how to manage cooperation in areas such as quantum, advanced semiconductors, AI applications or bio-engineering. Some reflect coordination challenges within the EU itself. Others relate to the desire for reciprocal access, funding transparency and predictable collaboration frameworks. Although these debates sometimes create uncertainties for Chinese partners, they are not aimed exclusively at China. Europe is recalibrating its approach to international research across the board, including with the United States and other major scientific actors.

Handled pragmatically, Europe's emerging risk-governance system could become a platform for China to demonstrate openness and responsible research practice rather than a barrier to engagement.

For China, this shift should not be interpreted solely as a constraint. If Chinese institutions approach these changes constructively, there is room to shape cooperation in new and mutually beneficial ways. Europe's development of research-security tools, due-diligence platforms, transparency guidelines and risk-

screening mechanisms may eventually provide the clarity Chinese and European institutions have long needed. Moreover, the revival of the EU–China Joint Steering Committee on S&T cooperation after several years of interruption shows that both sides recognise the importance of institutional dialogue.

Handled pragmatically, Europe’s emerging risk-governance system could become a platform for China to demonstrate openness and responsible research practice rather than a barrier to engagement.

3. PRACTICAL DIFFERENCES: DATA REGULATION, IP AND SUPPLY-CHAIN CONCERNS

Beyond the high-level debate, cooperation is often shaped by concrete issues: data access, intellectual property protection and the industrial processes behind technology development. Over the years, some European researchers have raised recurring concerns about IP enforcement, contract clarity and legal certainty. On the Chinese side, research teams often struggle to access datasets held in Europe because of GDPR or institutional restrictions even in non-sensitive fields.

These frictions are partly structural. China and the EU follow different regulatory traditions and have different priorities in data governance. Europe’s strong privacy regime shapes everything from digital health research to AI model training. China, meanwhile, has been establishing its own data-classification rules and

security review procedures. The challenge is not that the two systems are incompatible but that their interaction lacks tested models and shared protocols.

Supply-chain diversification does not preclude scientific cooperation; it simply requires a more transparent, better-defined framework when research intersects with industrial value chains.

Similarly, supply-chain concerns – particularly in critical raw materials, renewable energy components and emerging industries – have become politically salient in Europe. Some Chinese researchers may view these anxieties as overly politicised, but they are now central to EU industrial and competitiveness strategies. The key point is that supply-chain diversification does not preclude scientific cooperation; it simply requires a more transparent, better-defined framework when research intersects with industrial value chains.

These very practical issues: data, IP and supply chains are areas where carefully designed pilot projects can have the greatest impact, both in solving specific problems and in restoring mutual confidence.

CASE STUDIES THAT CONTINUE TO DEMONSTRATE THE VALUE OF COOPERATION

Several examples of strong China–EU cooperation from the past decade offer tested templates for future collaboration:

Graphene and 2D materials

The EU’s Graphene Flagship has maintained active engagement with Chinese researchers, especially on material growth and characterisation.⁵ These collaborations emerged organically: not because of political design, but because researchers found the exchanges productive. The governance framework – including open workshops, shared standards and rigorous project management – offers a model for sensitive but non-political fields.

Europe–China Clean Energy Centre (EC2)

Although the project concluded in 2015, EC2 remains a strong example of a joint initiative that translated research into policy-relevant outputs. Managed through a multi-party consortium, the project helped transfer knowledge on energy efficiency and renewable systems and contributed to China’s broader clean-energy policy learning. Its structured governance, evaluation culture and transparent deliverables remain instructive today.⁶

These cases suggest that cooperation is most successful when it is organised around specific challenges, guided by transparent rules and insulated from excessive geopolitical interpretation. They demonstrate that China and Europe can produce high-impact results when the right governance mechanisms are in place.

Recommendations and conclusions

RECOMMENDATIONS

1. Strengthen proactive transparency and structured dialogue

China and the EU should make full use of the revived Joint Steering Committee and move beyond general political statements toward operational roadmaps with clear deliverables. These should specify IP arrangements, data-sharing rules, evaluation principles and dispute-resolution procedures. Establishing a bilateral working group on research security focused on technical exchanges would help create a shared understanding of risk categories and best practices.

2. Improve contractual clarity and IP governance through pilot schemes

Both sides would benefit from launching a handful of flagship projects that experiment with co-managed IP frameworks and third-party arbitration mechanisms. Publicising successful pilots would help dispel long-standing European concerns and create templates for further collaborations.

3. Develop joint data-governance templates for sensitive research

Areas such as digital health, climate modelling and mobility data require a structured approach to cross-border data use. A series of modest, carefully monitored pilots, each with clear anonymisation protocols, access agreements and audit paths, would reduce uncertainty.

4. Create new challenge-driven flagship initiatives

Given the scale of global climate and energy challenges, it is both logical and strategic for China and the EU to co-design large research programmes on climate-resilient infrastructure, clean-energy value chains and health-security systems. These initiatives should incorporate transparent procurement rules, rigorous peer review and open-access publication commitments.

5. Expand people-to-people and institutional exchanges with updated safeguards

Greater funding for joint PhD programmes, postdoctoral fellowships and thematic joint laboratories would strengthen long-term ties. Embedding clear responsibilities, publication standards and risk-screening protocols would help ensure these mechanisms remain politically sustainable.

6. Build a permanent monitoring and coordination mechanism

A small but professional China–EU platform jointly run by science agencies could monitor regulatory developments, Horizon Europe and National Science Foundation conditions and evolving research-security tools. This would allow both sides to respond quickly to emerging issues and avoid misunderstandings.

Experience suggests that cooperation is most successful when it begins with modest, well-defined pilots that can be expanded once trust is established.

Experience suggests that cooperation is most successful when it begins with modest, well-defined pilots that can be expanded once trust is established. Joint evaluations, rather than parallel assessments, encourage shared learning rather than defensive interpretation. Anchoring some collaborative initiatives in multilateral or semi-multilateral mechanisms, such as international data repositories or joint peer-review panels, can also create neutral spaces for experimentation.

The China–EU research and innovation partnership stands at a turning point, shaped by global transitions in technology, climate, health and security. While the political environment is more complex than in previous decades, the underlying rationale for cooperation has not diminished. If anything, today’s challenges makes constructive engagement even more necessary.

From a Chinese perspective, there is both confidence and openness. China’s expanding research capacity, combined with Europe’s scientific depth and regulatory sophistication, offers a strong basis for long-term cooperation. What matters now is not whether cooperation should continue – the answer is self-evident – but how to design mechanisms that are transparent, mutually respectful and resilient enough to withstand shifting geopolitical winds.

If China and Europe can jointly create well-governed pilot initiatives, especially in climate, clean energy, health and advanced materials, while addressing European concerns about data, IP and research security, the partnership can move beyond hesitation toward renewed dynamism. Such cooperation would not only strengthen bilateral relations but also contribute directly to the global public good at a time when the world urgently needs responsible leadership.

In essence, the most strategic path forward is a pragmatic one: build trust through concrete actions, design jointly managed structures and allow the demonstrated success of collaboration to speak for itself. If China and the EU commit to this approach, their scientific partnership will remain one of the most valuable and forward-looking pillars of the relationship.

¹ Directorate-General for Research and Innovation, “[Together for responsible, open and secure research and innovation](#)”, EU Commission News, 21 November 2025.

² The State Council of The People’s Republic of China, “[2023年我国研究与试验发展经费投入突破3.3万亿元](#)” [In 2023 China’s R&D Expenditure Surpasses 3.3 Trillion Yuan], 中国政府网, 2 October 2024.

³ Benoit, Florence; Karvounaraki, Athina; Stevenson, Alexis; Ravet, Julien (2025), *Shaping the future: EU R&D investments explained*, Brussels: Directorate-General for Research and Innovation, European Commission, pp. 4.

⁴ OECD, “[OECD Science, Technology and Innovation Outlook 2025: Driving Change in a Shifting Landscape](#)”, Paris: OECD Publishing, 28 October 2025.

⁵ Graphene Flagship, “[Collaboration with China](#)”, Graphene Flagship International Workshops, (accessed 5 December 2025).

⁶ Centro Euro-Mediterraneo sui Cambiamenti Climatici, “[EC2 – The Europe-China Clean Energy Center](#)” (accessed 4 December 2025).

Telling stories well: Challenges and opportunities for research security in the EU-China relationship

Rosaline Lantink

Research Fellow, Clingendael China Centre

Ties Dams

Senior Research Fellow, Clingendael Institute, the Netherlands Institute of International Relations¹

Introduction: Telling stories well

Milan, May 2025. In an open conversation between researchers, a leading scholar from a major Chinese think tank was asked: “Xi Jinping said China must tell its story well. What should Europe do in response?”² The scholar offered a heartfelt soliloquy in answer, distilled into one appeal:

In return, explain to us *your* civilisation!

China’s re-discovered strength of voice on the great power stage is indubitably heard in Europe. And yet, it has most strongly resonated among European audiences with fear: fear for economic competitiveness and the openness of European society.³ Europe cannot presume to speak for China’s story, but this essay does heed the call given by the scholar in Milan to explain better how Europe approaches research security – and its relation to economic security – in EU-China relations. There are many aspects to research security, from European universities and knowledge institutions keeping out Chinese researchers to concerns about collaboration in sensitive industries. To narrow down the scope of the essay, this article elaborates on the EU’s and China’s different conceptualisations of research security in relation to economic security. It also explores the ways

in which both actors create narratives around their respective approaches. The main argument is that, while China and the EU agree on the importance of protecting essential knowledge and technology, their ideas on why this is important do not fully align. China considers research security as an essential part of its identity as a strong country on the way to national rejuvenation. The EU, on the contrary, views research security as imperative to guarantee future cooperation, which is needed to uphold Europe’s image as being open and outward looking.

There are many aspects to research security, from European universities and knowledge institutions keeping out Chinese researchers to concerns about collaboration in sensitive industries.

Main challenges and opportunities: Research and economic security

Both China and the EU have been prioritising economic and research security in recent years. While they both treat research security as an aspect of economic security, their approaches and policy goals vary considerably.

China’s higher education system has always been based on safeguarding national interests. Instead of being dominated by openness, China’s academic and research environment evolves around the protection

of strategically important information and knowledge.⁴ Building on this principle, China has put science and technology security at the centre of its national policies for a longer time than the EU. In 2015, China introduced the Made in China 2025 plan and long-term goals to make China self-reliant in high tech areas have been part of Chinese industrial policy for many years. The Fourth Plenum of the Central Committee of the Chinese Communist Party, held in October 2025, again concluded that strengthening the modern industrial system should be the country's top priority to reinforce technological self-reliance. The draft proposal for the 15th Five-Year Plan (2026–2030) emphasises the significance of emerging and future industries, like advanced manufacturing and quantum, as a main economic driver.⁵ In addition to boosting China's science and technology sectors and strengthening national R&D capacity, the Chinese government has also been paying attention to protecting its industries. For instance, Article 5 of China's 2021 Law on Progress of Science and Technology states that "The State shall coordinate development and security, enhance its capability to manage S&T security, improve the systems and mechanisms for preventing and defusing S&T security risks, strengthen the security management of S&T research, development, and application activities, support S&T innovation in the field of national security, and improve the capability and level of S&T innovation to support national security".⁶ The S&T law demonstrates the national government's understanding that enhancing China's technological development also requires mitigating security risks. Without mentioning the term 'research security', the focus on technology and science-related risks points to the connection between economic and research security, viewing the latter as an aspect of the former.

The Fourth Plenum of the Central Committee of the Communist Party of China, held in October 2025, again concluded that strengthening the modern industrial system should be the country's top priority to reinforce technological self-reliance.

For the Chinese government, S&T security – and with that, economic security – is not a standalone issue. Instead, it is regarded as something deeply embedded in national security. The 2025 White Paper on 'China's national security in the new era' explicitly issues a call to "construct a monitoring, early warning, and response system for science and technology security risks, improve the regulatory system in emerging technology fields, cultivate a culture of science for good, and integrate

the requirements of scientific and technological ethics throughout the entire process of scientific and technological activities". The White Paper also expresses the need to "construct a new era's discourse and narrative system for national security, and refine and deepen the external communication of the overall national security concept". The call firmly places China's technology and research ambitions within the overarching narrative of China's national rejuvenation:

China's national security in the new era develops through comprehensive and in-depth reforms, grows through great struggles, and strengthens through China's modernization drive. It will fulfill its mission in the process of building a strong nation and achieving national rejuvenation.⁷

Here, the White Paper extends the argument from the S&T law that protecting economic and research security is needed for technological development. It states that China's technological development ambitions, of which research and economic security are an indispensable part, are not only a prerequisite for national security, but also for China's mission to achieve national rejuvenation. Telling China's story about research and economic security well thus serves China's aspirations to achieve national rejuvenation.

China's laws and policies treat protecting scientific and technological knowledge and more broadly, research and economic security, as a crucial aspect of strengthening national security.

In sum, China's laws and policies treat protecting scientific and technological knowledge and more broadly, research and economic security, as a crucial aspect of strengthening national security. This, in turn, is needed to make China technologically self-sufficient and work towards national rejuvenation. Following from this, the reason why China deems research security highly significant is because it forms a prerequisite for developing and preserving the knowledge needed for national rejuvenation.

The EU's perspective on research security shows a different explanation of the concept. In EU definitions, 'research security' explicitly refers to "the safeguarding of scientific activities against misuse and undue influence by third countries or non-state actors. Risks to research include the illicit transfer of knowledge or technology resulting in a threat to the EU's security or undermining its values".⁸ This definition, too, treats research security

as an aspect of economic security. The EU understanding of research security goes beyond minimising the risk of unwanted knowledge transfer, however. In May 2024, the Council of the European Union, convening all EU member states, adopted a Recommendation to enhance research security in a way that extends its scope beyond economic risks to science and technology. Rather, it focuses on the autonomy and integrity of researchers and research institutions as a cornerstone of European identity. The Recommendation warns that “with growing international tensions and the increasing geopolitical relevance of research and innovation, the Union’s researchers and academics are increasingly exposed to risks to research security when cooperating internationally, resulting in European research and innovation being confronted with malign influence”.⁹ The Recommendation then states that the risk of malign influence constitutes an infringement of “Union values and fundamental rights as defined in the Treaty on European Union [...] and in the Charter of Fundamental Rights of the European Union”. These two documents serve as the constitutional bases of the Union and form the moral foundations of Europe. In other words, the Council sees the risk of malign influence on international research collaboration not just as a threat to Europe’s economic interests, but, by extension, also to Europe’s identity. Intellectual openness, academic freedom, the autonomy and integrity of researchers and research institutes, including their freedom to engage in worldwide collaboration, are not just matters of interests, but core values that constitute Europe.

Intellectual openness, academic freedom, the autonomy and integrity of researchers and research institutes – including their freedom to engage in worldwide collaboration – are not just matters of interests, but core values that constitute Europe.

By extension, research security is becoming more important to the evolving geopolitical role of the EU. The same Council Recommendation argues that the current geopolitical context demands “a rebalancing of international cooperation in research and innovation in the light of Union interests, values and principles to develop and safeguard the Union’s open strategic autonomy, while pursuing a level-playing field and balanced reciprocal openness”.¹⁰ This implies that the EU believes research security is in part necessary to ensure the continuation of open and safe international research collaboration.

GOING DUTCH: THE NETHERLANDS’ RESEARCH SECURITY STRATEGY IN RELATION TO CHINA

Keeping an open research environment while addressing potential security risks requires careful manoeuvring. To explore how to navigate this complex landscape, the essay now turns to the example of the Netherlands’ research security strategy, characterised by the slogan ‘open where possible, protect where needed’.¹¹

The Netherlands has been at the forefront in Europe in calling for more enhanced research security as a prerequisite for staying open to future research collaboration – including with China. The Dutch government actively promotes awareness and competence regarding the geopolitical risks involved in research and scholarships amongst research institutions, universities, companies and others.¹² Meanwhile, it aims to remain open for cooperation with China where possible, acknowledging that collaboration is unavoidable on climate change, food security and other international issues.

One notable way in which the Netherlands implements this strategy is by developing country-agnostic instruments. It means that the Dutch government is taking research security measures without naming specific state actors at which those measures are aimed. For example, since 2022, the Dutch government hosts the National Contact Point for Knowledge Security, which helps companies and research institutions mitigate geopolitical risks and prevent unwanted knowledge transfer.¹³ A similar country-agnostic approach is prevalent in the 2023 Investment, Mergers and Acquisitions Security Screening Act, which regulates screenings on unwanted knowledge transfer.¹⁴ The balancing act of minimising national research security risks while maintaining open relations with China formed the core of the Memorandum of Understanding that the Netherlands signed with the Chinese Ministry of Science and Technology in 2023. The document renewed the earlier commitment of both sides to structure collaboration in science, technology and innovation, now with more emphasis on both opportunities and potential risks.¹⁵

At the same time, Dutch government institutions are not afraid to mention the elephant in the room. The Dutch intelligence services have been warning consistently of risks to research security and the threat of unwanted knowledge transfer since 2018, naming China as the Netherlands’ biggest threat in this regard.¹⁶ The Dutch government also advised Dutch higher education institutions in 2020 to end contracts with Confucius Institutes due to the risk of possible Chinese interference.¹⁷ In sum, the key issue regarding research security in the EU-China relationship is the fundamentally diverging views on the concept itself. Both China and the EU believe research security and economic security are conceptually distinct but strategically connected and increasingly conflated.

They share the vision that research security is a precondition to strengthen self-reliance and economic competitiveness – two important aspects of a nation’s resilience. To China, however, self-sufficiency is a step towards the long-term objective of achieving national rejuvenation. By contrast, the EU views self-reliance and

strategic autonomy – or possessing and safeguarding crucial knowledge – as a precondition to carry on cooperating with partners like China. This is key for the EU to uphold its core values of openness and being outward looking.

Recommendations and conclusions

What research security means to both the Chinese and European contexts is not the same. To China, research security hits at the heart of its modernisation strategy and longing for national rejuvenation. To Europe, research security hits at the heart of the European self-image of an open society and indeed its hard interests in an increasingly competitive geoeconomic arena. Given the high stakes awarded to, but different conceptualisations of, research security in the EU and in China, European and Chinese interests will at points diverge in an ever more competitive geopolitical environment. Even in areas of overlapping strategic interest, such as research and development of technologies empowering the fight against climate change, China and the EU will increasingly be confronted with areas of systemic competition between their respective systems.

Even though China and the EU compete in areas of research and technology, it is a shared interest to continue cooperation. The transfer of technology and knowledge is a two-way street, with both China and the EU being ahead of each other in different fields.

Even though China and the EU compete in areas of research and technology, it is a shared interest to continue cooperation. The transfer of technology and knowledge is a two-way street, with both China and the EU being ahead of each other in different fields. Therefore, research security could also be a strategic value to both China and the EU. As policy debates have been focusing on risks or threats to research security, little attention has been paid to thinking about what the preconditions for research security may be to become a shared strategic value to both actors.

Besides minimising risks and strengthening autonomy, research security should also mean investing in the kinds of knowledge and research that build on the competency to understand each other’s history, culture and system. It starts by acknowledging core and vital points of divergence: not just in interests, but in the underlying identities of China and Europe. The scholar in Milan was right: both China and Europe need to tell their own story well. Telling one’s own story well makes one’s actions not necessarily more acceptable to another, but certainly more predictable. And more is needed. Understanding another’s story well – truly hearing it – demands that research exchanges are more profoundly embedded in understandings of one another’s systems, language and history.

-
- ¹ The authors would like to express their gratitude to Ingrid d'Hooghe, Xiaoxue Martin, Raoul Bunskoek, Louise van Schaik and Saskia Legein for their valuable insights and helpful comments on earlier versions of the essay.
- ² By one of the authors of this essay, Ties Dams.
- ³ Dams Ties, Xiaoxue Martin and Vera Kranenburg (eds) (2021), *China's Soft Power in Europe: Falling on Hard Times*, Clingendael, European Think Tank Network on China.
- ⁴ d'Hooghe Ingrid, Xiaoxue Martin (2024), *Dutch collaboration with PhD students sponsored by the China Scholarship Council*, Clingendael.
- ⁵ Taylor Jon, 'Plenum, five-year plan setting the tone for the future', *China Daily*, 7 November 2025.
- ⁶ Ministry of Science and Technology of the People's Republic of China (2021), "[Zhonghua Renmin Gongheguo Kexue Jishu Jinbufa \(2021 nian xiuding\)](#)" 中华人民共和国科学技术进步法 (2021年修订) [Law of the People's Republic of China on Progress of Science and Technology (2021 Revision)], 24 December.
- ⁷ The State Council, People's Republic of China (2025), "[Xin shidai de Zhongguo guojia anquan](#)" 新时代的中国国家安全 [Chinese national security in the New Era], 中华人民共和国中央人民政府 Zhonghua renmin gongheguo zhongyang renmin zhengfu, 12 May.
- ⁸ Evroux Clément (2024), *Enhancing research security*, European Parliamentary Research Service, Briefing PE 760.387.
- ⁹ Official Journal of the European Union (2024), [Council Recommendation of 23 May 2024 on enhancing research security](#), 9097/1/24 REV 1.
- ¹⁰ Ibid.
- ¹¹ Rijksoverheid [Dutch Government], "[Beter bescherming van hoogwaardige kennis](#)", 27 November 2020.
- ¹² DUB, Utrecht University, "[Dutch government refuses 'blacklist' of Chinese universities](#)", 5 July 2021.
- ¹³ Netherlands Enterprise Agency, "[National Contact Point for Knowledge Security](#)", 5 March 2025.
- ¹⁴ Rijksdienst Ondernemend Nederland [Netherlands Enterprise Agency], "[Veilig en weerbaar ondernemen: Wet Vifo](#)", 13 March 2025.
- ¹⁵ Klein Tunte Fons, Netherlands Innovation Network, "[The Netherlands signs Memorandum of Understanding with Chinese Ministry of Science and Technology](#)", 11 October 2023.
- ¹⁶ Dutch General Intelligence and Security Service (2019), *AIVD Yearly Report 2018*.
- ¹⁷ Rijksoverheid [Dutch Government], "[Antwoorden op Kamervragen over het bericht over afscheid van omstreden Confucius Instituut](#)", 4 July 2023.

Digital Regulation: Pathways to EU– China Cooperation on AI Rules and Frontier Model Governance

6

- How can states protect national security without turning digital and AI governance into a geopolitical weapon?
- Is cooperation on frontier AI possible when the EU and China hold profoundly different risk assessments and political systems?
- Can selective engagement on AI safety survive the wider great-power rivalry shaping global tech competition, or is AI governance destined to become the next arena of zero-sum rivalry?

AI governance and national security: Building fair and cooperative frameworks for cross-border data governance

Center for China and Globalization (CCG)

Introduction

Over the past decade, Artificial Intelligence (AI) has evolved from a frontier technology into a foundational driver of global economic competitiveness, social transformation and national security. Among its many applications, algorithmic recommendation systems have become particularly influential in shaping public discourse and digital behaviour.¹

TikTok, the short-video platform developed by China's ByteDance, epitomises this phenomenon. Its meteoric global success derives not only from its intuitive design and entertainment value but also from the sophistication of its AI-driven recommendation engine, which personalises user experiences at an unprecedented scale.²

However, TikTok's rise has also placed it at the centre of an escalating geopolitical and regulatory debate. Governments in the United States, the European Union, India and elsewhere are scrutinising the app with regard to data security, privacy and potential foreign influence.³ In the US, President Trump signed, on 25 September 2025, an order endorsing a divestiture plan – 120 days to close, enforcement deferred to 20 January 2026 – with safeguards: a US-majority board (six of seven seats), ByteDance under 20% ownership, US-hosted data and a retrained, US-monitored recommendation algorithm.⁴ On 30 October 2025, Treasury Secretary Scott Bessent said that China had approved the transfer agreement, finalised in Kuala Lumpur, with implementation to follow. The European Commission has opened multiple formal proceedings against TikTok under the Digital Services Act (DSA)⁵ and, in October 2025, issued preliminary findings that TikTok has breached transparency obligations on researcher data access;⁶ India has banned the app outright. What began as a commercial platform has become a flashpoint in discussions of algorithmic control, digital sovereignty and great power competition.

The TikTok case underlines a fundamental structural tension in the domain of digital governance: how to reconcile legitimate demands for protecting national security and data sovereignty with the equally legitimate principles of openness, innovation and global interconnection. The core challenge is not the absence of rules, but the fair application of rules – in other words, how to ensure that existing and emerging regulatory frameworks are applied impartially to all companies, regardless of nationality, and executed in ways that avoid politicisation of technology governance.

The TikTok case underlines a fundamental structural tension in the domain of digital governance: how to reconcile legitimate demands for protecting national security and data sovereignty with the equally legitimate principles of openness, innovation and global interconnection.

Therefore, the international community requires a new governance paradigm – one that balances sovereignty with interdependence, safeguards security without stifling innovation and institutionalises trust across jurisdictions. By grounding analysis in the TikTok case while extending it to broader systemic dynamics, this paper seeks to chart a constructive pathway toward fair, cooperative and depoliticised global digital governance.

Main challenges and opportunities

ALGORITHMIC CONTROL, DATA FLOWS AND THE SECURITY DILEMMA

Algorithmic opacity and national security concerns

The AI-powered recommendation engine at TikTok functions in large part as a 'black box': its internal logic of ranking, amplifying, filtering and delivering content is proprietary and not publicly disclosed. Such opacity raises legitimate national security concerns: policymakers in the US and Europe have said that algorithmic systems of this kind could be used to manipulate public opinion or enable covert influence operations, especially when linked to a company with ties to a foreign jurisdiction.⁷ Even without intentional State interference, recommendation systems may unintentionally amplify biases, foster polarisation or spread misinformation, thereby undermining democratic resilience.

However, by focusing solely on the nationality of one company, there is a risk of oversimplifying the structural challenge. Algorithmic opacity, systemic bias and lack of transparency are endemic across major platforms globally – not just those based in one country. By singling out a firm based on ownership, while ignoring comparable risks at others, there is a risk of politicising oversight and undermining the legitimacy of regulatory regimes. Hence, effective algorithmic oversight must be based on principles of transparency, fairness and reciprocity – not on unilateral suspicion or discriminatory enforcement.

Algorithmic opacity, systemic bias and lack of transparency are endemic across major platforms globally – not just those based in one country. By singling out a firm based on ownership, while ignoring comparable risks at others, there is a risk of politicising oversight and undermining the legitimacy of regulatory regimes.

Cross-border data flows and digital sovereignty

TikTok's global data collection practices have reignited debates over digital sovereignty. Governments fear that cross-border data transfers may expose sensitive user information to foreign jurisdictions, potentially enabling surveillance or coercive leverage.⁸ In response, many states have introduced data localisation requirements or imposed national security reviews on foreign digital platforms.

While such policies may mitigate certain risks, they also carry significant costs: internet fragmentation, higher compliance burdens and erosion of innovation and global trade in digital services. The existence of divergent data protection regimes – such as the EU's General Data Protection Regulation (GDPR), China's Personal Information Protection Law (PIPL) and various sector-specific rules in the US – creates regulatory asymmetries that challenge cross border services. The result is a wider governance gap: the absence of a smoothly functioning, cooperative framework that can balance the imperatives of sovereignty and connectivity.

This fragmentation points to a deeper governance gap: the lack of a harmonised framework for cross-border data governance that balances sovereignty and connectivity. The central question is how to develop mechanisms enabling countries to protect legitimate national interests without resorting to protectionism or politicised enforcement.

The central question is how to develop mechanisms enabling countries to protect legitimate national interests without resorting to protectionism or politicised enforcement.

Transparency, commercial secrecy and regulatory balance

Governments demand greater transparency from digital platforms so that they can assess risks associated with content moderation, algorithmic filtering and data transfer.⁹ However, requiring full disclosure of proprietary algorithmic source code or unrestricted access to internal datasets would undermine intellectual property rights and expose firms to security risks. Conversely, excessive secrecy fosters distrust, fuels regulatory backlash and prevents constructive oversight.

Balancing transparency and commercial confidentiality therefore demands innovative technical and institutional solutions. For example, auditable algorithmic mechanisms that allow independent testing of outcomes without exposing full sourcecode, certification regimes for data-handling practices or agreed-upon transparency benchmarks for user-data flows. Such models align with the principle that accountability should be based not on the nationality of the firm, but on demonstrable compliance with universally applicable standards.

BEYOND CONFRONTATION: TOWARDS FAIR AND COOPERATIVE RULE-MAKING

Rethinking ‘digital sovereignty’

The discourse of digital sovereignty often reflects defensive national impulses: the desire to control domestic data flows and limit external digital influence.¹⁰ Yet absolute data sovereignty is neither feasible nor desirable in an interconnected world. Economic globalisation, cloud infrastructure and AI training models all rely on transnational data flows.¹¹ Excessively rigid sovereignty claims may narrow the policy space available for fostering digital innovation and for maintaining constructive participation in the global economic system.

Absolute data sovereignty is neither feasible nor desirable in an interconnected world. Economic globalisation, cloud infrastructure and AI training models all rely on transnational data flows.

A more constructive interpretation of digital sovereignty views it not as isolation but as capacity for informed participation in global digital governance. States should have the institutional capability to protect citizens’ data, negotiate equitable data-sharing agreements and hold corporations accountable through transparent legal processes rather than simply erecting border controls. Under this framework, sovereignty becomes co-governance capacity, emphasising mutual accountability and equitable participation rather than unilateral control.

Building rules for fair and non-discriminatory application

The problem in practice is less of an absence of rules and more of rule asymmetry and selective application. Different jurisdictions apply varying standards for data protection, cybersecurity and algorithmic accountability.¹² These discrepancies allow some actors to claim the moral high ground while using security arguments selectively to target competitors.¹³ Such politicisation undermines both regulatory coherence and international trust.

To address this, countries should move towards principle-based alignment rather than full legal harmonisation. Shared governance principles, such as proportionality, reciprocity and transparency, can guide domestic regulations while ensuring fair treatment of all enterprises. Multilateral fora such as the Organisation for Economic Co-operation and Development (OECD) and the G20 could facilitate mutual recognition of compliance regimes, allowing certified firms to operate across jurisdictions without redundant reviews. For instance, a ‘trusted data corridor’ mechanism might allow states to

recognise each other’s data protection regimes based on functionally equivalent safeguards rather than identical legal texts.¹⁴ This would enable lawful, transparent cross border data transfer while preserving oversight capacity. The focus should be on functionally equivalent protection rather than rigid legal uniformity.¹⁵

Countries should move towards principle-based alignment rather than full legal harmonisation.

Institutionalising cross-border data governance

Establishing an effective framework for cross-border data governance is no longer a theoretical ambition but a practical necessity in the age of AI-driven globalisation.¹⁶ As digital platforms operate seamlessly across jurisdictions, national regulations have struggled to keep pace with the transnational nature of data flows. A sustainable governance architecture must therefore be layered, inclusive and enforceable, combining bilateral, regional and multilateral dimensions while embedding technical and institutional innovations that promote both trust and interoperability.

At the bilateral and regional levels, governments can develop pragmatic trust-building mechanisms targeting specific sectors such as finance, healthcare and digital trade – areas where the exchange of data carries high economic and societal value but also significant risk. The Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules (CBPR) system illustrates a promising approach to voluntary, standards-based coordination. Participating economies mutually recognise certified companies that comply with agreed privacy standards, allowing them to transfer data across borders without undergoing redundant regulatory reviews. Such arrangements enhance accountability while preserving flexibility, demonstrating that cross border cooperation can be achieved without requiring full legal harmonisation. Similar models could be adapted within the European Union’s Digital Partnerships with Asian economies or the emerging frameworks of the African Continental Free Trade Area to strengthen digital resilience and inclusivity.

Beyond institutional design, technical and procedural innovations are vital for operationalising trust. Emerging privacy-preserving technologies such as differential privacy, federated learning and secure multiparty computation offer concrete means to reconcile data utility with individual and national privacy. By allowing analysis and collaboration without exposing raw data, these technologies make it possible to share insights across borders while maintaining sovereignty and confidentiality. To ensure accountability, these solutions should be embedded within shared auditing

infrastructures and certification systems supervised by independent third parties, such as accredited international consortia or public-private governance boards. The integration of such mechanisms would enable verifiable compliance with agreed standards, fostering a global environment where trust is based on demonstrable performance rather than geopolitical alignment.

Emerging privacy-preserving technologies such as differential privacy, federated learning and secure multiparty computation offer concrete means to reconcile data utility with individual and national privacy.

Addressing the current fragmentation requires a more coordinated structure. Integrating bilateral trust networks with multilateral principles and reliable technological safeguards can support the development of institutionalised cross-border data governance. It transforms the current ‘trust-deficit’ among countries by replacing unilateral suspicion with verifiable compliance. Most importantly, the resulting rules must apply in a uniform and non-discriminatory manner, ensuring that governance frameworks serve as global public goods rather than instruments of geopolitical competition. Only by embedding fairness, reciprocity and technological credibility into the heart of data governance can the world achieve a balance between digital sovereignty and global interconnectivity.

DEPOLITICISING DIGITAL GOVERNANCE THROUGH INTERNATIONAL COOPERATION

The risks of politicisation

The TikTok controversy reveals how digital governance can become entangled with great-power politics. Regulatory measures justified as ‘security’ often coincide with trade disputes or strategic competition, blurring the boundary between legitimate oversight and geopolitical maneuvering. Over time, this dynamic undermines the universality of digital norms and leads to ‘splintered sovereignty’, where each country builds parallel, incompatible systems.¹⁷

Depoliticising governance does not mean ignoring national security concerns. Rather, it means ensuring that such concerns are addressed through institutionalised, rule-based processes rather than unilateral action. Multilateral mechanisms reduce the temptation to weaponise digital regulation and foster predictability for all stakeholders.

Digital diplomacy and trust-building

Digital diplomacy, the use of dialogue and cooperation to address transnational technology challenges, is critical for sustaining global connectivity. Governments, companies and civil society should engage in structured exchanges on data security, algorithmic transparency and content governance. Forums such as the UN Internet Governance Forum (IGF), the G20 Digital Economy Task Force and regional digital partnership initiatives provide useful platforms for building such trust.¹⁸

For such diplomatic channels to be effective, states must commit to reciprocity: sharing information about governance practices, adopting transparent review criteria and avoiding discriminatory enforcement. Joint initiatives, such as cross-border auditing centres or regulatory sandbox programmes, can institutionalise cooperation whilst building mutual learning. These mechanisms illustrate that fairness and accountability need not come at the expense of sovereignty.

The role of the private sector and civil society

Digital platforms like TikTok, Meta or Google are not simply commercial actors; they are *de facto* governance actors, shaping public discourse, influencing social behaviour and holding large pools of personal data. As such, they should embrace corporate digital responsibility by publishing algorithmic impact assessments, submitting to independent audits and engaging in public governance dialogues. For example, TikTok has publicly described steps to localise European user data storage and restrict cross-border access under its ‘Project Clover’.¹⁹

Digital platforms like TikTok, Meta or Google are not simply commercial actors; they are *de facto* governance actors, shaping public discourse, influencing social behaviour and holding large pools of personal data.

Civil society organisations, academic researchers and media actors play a complementary role by monitoring platform transparency commitments, advocating for user rights and providing independent scrutiny. A multi-stakeholder approach that includes State, private and civil actors enhances legitimacy and ensures that governance reflects diverse societal interests, not merely State or corporate power.

Recommendations and conclusions

POLICY PATHWAYS FOR A COOPERATIVE GLOBAL DIGITAL ORDER

Drawing from the TikTok case and broader governance trends, several policy pathways emerge:

1. Establish a global framework for algorithmic accountability.

International organisations should develop and promote auditable standards for algorithmic risk assessment, which cover fairness, transparency and security. Instead of forcing disclosure of proprietary code, these standards should focus on how algorithms distribute content, manage bias, moderate misinformation and protect privacy. A credible certification scheme could allow platforms to signal compliance across jurisdictions.

2. Create interoperable data governance mechanisms.

States should adopt interoperable privacy and data protection frameworks that facilitate lawful data flows while maintaining oversight. Mutual recognition agreements would reduce duplication, promote efficiency and reduce compliance burdens.

3. Promote technical solutions to bridge governance gaps.

Advances in privacy-enhancing technologies such as differential privacy, federated learning and secure multiparty computation offer ways to allow data-driven innovation while limiting direct data access and cross-border transfers. Policymakers should support public-private partnerships and international research consortia to accelerate the uptake of these tools. Certification regimes could recognise their deployment as part of compliance frameworks.

4. Institutionalise digital diplomacy.

Establishing a standing Global Digital Cooperation Council under the auspices of the United Nations or another international organisation might offer a credible platform for coordinating data governance, cybersecurity, AI ethics and platform regulation. The Council's mandate could include dispute mediation, standards alignment, capacity-building for developing economies and oversight of cross-border compliance matters.

5. Ensure uniform rule application.

At the centre of this agenda lies the principle of impartiality. All firms must face the same procedural standards for review and enforcement. Security assessments should rely on objective, evidence-based criteria, not geopolitical alignment or selective State targeting. Operationalising this fairness principle is essential to maintaining trust, credibility and preventing regulatory capture or discrimination.

6. Strengthen multilateral digital governance.

Multilateral institutions play a central role in shaping global norms and standards in the digital domain, providing a platform for countries to harmonise regulatory approaches; develop baseline principles for cross-border data flows, cybersecurity and emerging technologies; and establish mechanisms for dispute resolution in areas such as digital trade, data privacy and intellectual property.

The global debate surrounding TikTok and its algorithm reveals a deeper transformation in digital governance. AI and cross-border data systems are no longer purely commercial concerns. They have become strategic assets at the intersection of technology, commerce and national security. However, the risk of treating governance purely through a geopolitical lens is that it will steer us toward a fragmented, mistrustful digital order.

Through transparent auditing mechanisms, cooperative cross-border data frameworks and sustained digital diplomacy, it is possible to reconcile the tension between digital sovereignty and global interconnectedness.

The challenge for the international community is not so much the absence of rules, but their uneven and politicised application. If the rules are applied in a discriminatory way, or if one set of firms is held to a higher standard than others based on nationality, then the legitimacy of digital governance will be compromised. A sustainable governance regime must be based on fairness, reciprocity and mutual accountability – principles that allow all states and companies to engage on an equal footing.

Through transparent auditing mechanisms, cooperative cross-border data frameworks and sustained digital diplomacy, it is possible to reconcile the tension between digital sovereignty and global interconnectedness. The TikTok case, while emblematic of current frictions, also points towards a more constructive path: one in which nations and platforms move beyond zero-sum logic and towards a shared foundation for responsible AI and data governance. If we seize this opportunity, the world can transform digital governance from a site of contestation into a platform for collective security, innovation and trust.

-
- ¹ Gandini, Alessandro *et al.* (2022), [The algorithmic public opinion: A literature review](#), *Media, Culture & Society*, Vol. 45, No. 1, pp. 12-30.
 - ² Gerbaudo, Paolo (2024), ["TikTok and the algorithmic transformation of social media publics: From social networks to social interest clusters"](#), *New Media & Society*.
 - ³ Mildebrath, Hendrik, & Bente Daale (2025), [TikTok and EU regulation: Legal challenges and cross-jurisdictional insights](#), European Parliamentary Research Service.
 - ⁴ Trump, Donald J., ["Saving TikTok While Protecting National Security: Executive Order"](#), The White House, 25 September 2025.
 - ⁵ European Commission, ["Commission opens formal proceedings against TikTok under the Digital Services Act"](#), 19 February 2024.
 - ⁶ European Commission, ["Commission preliminarily finds TikTok and Meta in breach of their transparency obligations under the Digital Services Act"](#), 24 October 2025.
 - ⁷ European External Action Service, [3rd Report on Foreign Information Manipulation and Interference \(FIMI\) Threats](#), 19 March 2025.
 - ⁸ OECD (2022), ["Fostering cross-border data flows with trust"](#), *OECD Digital Economy Papers*, No. 343, Paris: OECD Publishing, pp.37.
 - ⁹ Gorwa, R., Binns, R., & Katzenbach, C. (2020), ["Algorithmic content moderation: Technical and political challenges in the automation of platform governance"](#), *Big Data & Society*, Vol. 7, No. 1.
 - ¹⁰ Pohle, Julia, & Thiel, Thorsten (2020), ["Digital sovereignty"](#), *Internet Policy Review*, Vol. 9, No.4 .
 - ¹¹ Cory, Nigel, & Dascoli, Luke (2021), ["How Barriers to Cross-Border Data Flows Are Spreading Globally, What They Cost, and How to Address Them"](#), *Information Technology & Innovation Foundation*.
 - ¹² World Bank, ["World Development Report 2021-Data for Better Lives"](#), 2021; Digital Policy Alert, ["Data governance regulation in the G20: A systematic comparison of rules and their effect on digital fragmentation"](#), 7 November 2023.
 - ¹³ Christakis, Theodore (2024), ["Data free flow with trust: current landscape, challenges and prospects"](#), *Journal of Cyber Policy*, Vol. 9, Issue 1, pp.95-120.
 - ¹⁴ German Marshall Fund of the United States and the Tech, Law, and Security (TLS) Program at the American University Washington College of Law (2023), [A Trusted Framework for Cross-Border Data Flows \(report\)](#), Washington, DC: GMFUS.
 - ¹⁵ Ouro-Nimini Hansen, Isaac, (2025), [Report: Navigating cross-border data flows and the GDPR](#), Stockholm: Kommerskollegium [Swedish National Board of Trade].
 - ¹⁶ OECD (2022), [Cross-border Data Flows: Taking Stock of Key Policies and Initiatives](#), Paris: OECD Publishing.
 - ¹⁷ Mayer, Maximilian & Nock, Philip J (2025) ["Digital fragmentations, technological sovereignty and new perspectives on the global digital political economy"](#), *Global Political Economy*, vol. 4, no. 1, pp. 2–13.
 - ¹⁸ Ministry of Communications and Informatics, Republic of Indonesia (2022), ["G20 Digital Economy Minister's Letter: Digital Economy Minister's Letter to the Chair's Summary"](#), Jakarta, 21 September 2022 (file hosted by the G20 Research Group, University of Toronto).
 - ¹⁹ TikTok, ["Project Clover: Strengthening European Data Security"](#), 2023.

A pragmatic approach to EU-China cooperation on frontier AI governance

Rebecca Arcesati

Lead Analyst, Science, Technology and Innovation program, MERICS (Brussels Office)

Introduction

Frontier artificial intelligence (AI) comes with both promise and serious risk, and this combination makes stronger international governance increasingly necessary. Advanced models are arriving fast, bringing with them societal harm, potential for misuse by bad actors and long-term safety concerns. Today, AI is generating false information and helping hackers write computer viruses. Tomorrow, it might plot terrorist attacks on a massive scale or be made to do so. No country can manage these risks alone.

The European Union and China approach this technology based on profoundly different legal, social and political traditions, which shape divergent assessments of acceptable risk. Their governance frameworks for general-purpose AI (GPAI) diverge on rights, oversight and legal structures, limiting alignment. This is in part because AI capabilities are highly concentrated. While Chinese companies like DeepSeek are growing their overseas user base, EU public institutions are mostly left to act as regulators of Chinese and American systems being used in Europe. The EU and China may thus fit in different places along the spectrum between speed and safety.

Even so, selective engagement is already taking place, as shown by China's presence at the French AI Action Summit hosted by France in February 2025.¹ Although the concluding statement placed more emphasis on innovation than on addressing risks, the summit saw the launch of the China AI Safety and Development Association, branded as China's own version of AI Safety Institutes (AISIs) in countries like France, the United Kingdom and the United States.² This major development signalled China's appetite to engage in global discussions around AI safety and security.

Geopolitics continues to cast a long shadow with rivalry and mistrust constraining cooperation, yet expert communities still find ways to exchange insights behind the scenes. Beijing and Washington are competing for AI dominance in a low-trust environment. In Europe, there is concern around the political values that inform the design of AI systems originating in China, for example through in-built censorship. Despite these differences, ensuring that frontier AI systems are developed and deployed safely and responsibly is a shared interest. Existing expert-level exchanges between European and Chinese AI scientists, experts and policy advisers may provide a basis for a way forward.

Key issues

GREAT POWER COMPETITION

Rivalry between the US and the People's Republic of China (PRC) is pushing all actors towards speed rather than safety, narrowing the space for cooperative security measures. Both sides are eager to develop AI capabilities superior to the adversary's, especially in the military domain. The short-lived talks between Washington and Beijing on AI risks, which took place during the Biden administration, demonstrated the obstacles to government-to-government engagement in this space.³ Trust is low and the incentives for cooperation around shared security or safety concerns are limited.

Expert exchanges across borders continue but rarely influence policy, because governments hesitate as to whether to act on scientific advice. The most influential Chinese and Western minds in AI have exchanged views on safety and catastrophic risks throughout numerous Track 2 dialogues – informal exchanges on issues of common concern between influential individuals who are not government officials.⁴ However, the political backing that would be required for the nations possessing the most advanced AI capabilities to implement those scientists' ideas is mostly absent: nobody is willing to exercise restraint without assurance that their adversary will do the same.

When signals about capability development are interpreted through a threat lens, countries could misread each other's intentions. In this fragile equilibrium, potentially dangerous capabilities could be diffused without adequate safeguards. Indeed, prominent voices in the US AI industry have tried to convince the government that regulating AI would slow America down, benefiting China.⁵ How actors in China may interpret and respond to these signals, and more broadly to US efforts at developing artificial general intelligence (AGI), tends to be underappreciated.⁶ This looks like a security dilemma for the AI age,⁷ which could make the world a much more dangerous place.

The political backing required for the nations possessing the most advanced AI capabilities to implement those scientists' ideas is mostly absent: nobody is willing to exercise restraint without assurance that their adversary will do the same.

HARMFUL MANIPULATION

Recent examples show that frontier models remain highly exploitable, with the DeepSeek R1 case revealing both technical vulnerabilities and regulatory gaps. After its release in early 2025, the R1 model was found to contain several vulnerabilities, such as insecure handling of sensitive internal data, high vulnerability to malicious attacks and adversarial manipulation as well as security flaws.⁸ This also exposed the limitations of the EU AI Act as an effective regulatory framework for GPAIs, since the R1's size was below the Act's threshold for a model to be considered as posing "systemic risk". Although the AI Act does provide some flexibility, this is a matter of transparency and accountability that remains unresolved.

Misuse of advanced AI systems leaves only limited room for cooperation on mitigating measures, given persistent malicious activity linked to China. For example, generative AI systems can be misused by cybercriminals to write code and carry out operations. According to Western cybersecurity researchers, hackers based in China have systematically tried to exploit the technology of US AI companies, like Google's Gemini.⁹ These groups are experimenting with AI to improve the speed and efficiency of attacks. China is a major source of cyberattacks targeting Europe, and multiple EU member states have attributed attacks to the Chinese government. As a result, there is limited scope for Chinese and European actors to do more with each other than communicating their respective concerns about the issue. The same could be said about the deliberate use of advanced AI capabilities to distort the information environment (eg the use of AI-generated content in influence operations or cognitive warfare).

A few extreme proliferation risks may still offer openings for dialogue, particularly around non-state actors. The prospect of AI intensifying the proliferation of weapons of mass destruction, such as nuclear warheads or bioweapons, should encourage some discussion even among countries that are systemic rivals. Experts have recommended AI proliferation to non-state actors as a promising domain for US-China governmental dialogue on AI risks.¹⁰

LOSS OF CONTROL

No country today is ready for scenarios where advanced systems behave unpredictably. AI in the future might behave, or be made to behave, in unintended ways, causing extreme and potentially catastrophic risks. The AI governance community has been increasingly vocal about these risks, as reflected in the outcome of the AI Safety Summit hosted by the UK in November 2023. The participating countries, which included China, France, Germany, Ireland, Italy, the Netherlands and Spain, with the European Commission representing the whole of the EU, concurred: "There is potential for serious, even catastrophic, harm, either deliberate or unintentional, stemming from the most significant capabilities of these [frontier] AI models".¹¹

Neither the EU nor China currently possess the governance tools to handle misalignment risks in frontier AI. Misalignment can potentially occur when an AI system pursues unintended or harmful outcomes or even escapes human control. European AI legislation focuses on applications and *ex-post* enforcement, while Chinese technical research into safety and alignment has not yet translated into binding standards. This leaves a structural gap between the scale of the risk and the instruments available to manage it.

European AI legislation focuses on applications and *ex-post* enforcement, while Chinese technical research into safety and alignment has not yet translated into binding standards. This leaves a structural gap between the scale of the risk and the instruments available to manage it.

SOCIETAL HARM

AI is already producing tangible harm for individuals, groups and societies at large. Some of these can result from harmful manipulation, as discussed earlier, others can be intentional. For example, biometric recognition systems can be designed to increase surveillance of individuals belonging to specific groups – which in China

has accompanied egregious human rights abuses.¹² Unintentional harm occurs instead when a system behaves unexpectedly or produces unforeseen outcomes.¹³ Concerns around algorithms perpetuating societal bias and discrimination are now widespread in Europe.¹⁴

Debates on these types of harm are lively in both regions, even if they take place in very different political environments. Some types of harm are speculative, others could probably occur, and many are already reality.¹⁵ Taking labour market impacts of AI as an example, Chinese legislation around recommender systems has attempted to address the misuse of algorithms by tech platforms to schedule gig workers' shifts. Discussion around the risk of AI destroying jobs, moreover, is becoming more mainstream as China is experiencing

worrying levels of youth unemployment.¹⁶ These concerns are mounting in Europe too,¹⁷ which demonstrates that shared concerns exist even where spaces for public debate are miles apart.

China's top-level AI strategy raises its tolerance for risk, while Europe maintains a more cautious stance. Through the so-called 'AI+' initiative,¹⁸ the Chinese authorities are embracing AI technologies. The imperative of development has come to play a more prominent role in China's AI policy recently, particularly following DeepSeek's rise. This more optimistic approach to AI in Beijing compared to Brussels, reinforced by a sense of urgency amid competition with the US, may generate a higher appetite for societal and environmental risks alike.

Main challenges and opportunities

CHALLENGE 1: DIFFERENT RISK ASSESSMENTS AND GOVERNANCE FRAMEWORKS

Systemic differences shape how each side perceives AI risks, complicating efforts to cooperate. For example, EU regulators place comparatively more focus on the protection of personal data, based on an understanding of individual rights that does not find any correspondence in Chinese law.¹⁹ By contrast, censoring and curating the information environment are longstanding priorities for the Chinese party-state, reflected in binding regulations around recommender engines and AI-generated content. European and Chinese approaches to accountability also differ substantively, with the EU emphasising public ownership and oversight.

Limited China expertise within European institutions narrows engagement, even when some interests may overlap. Misconceptions around the use of digitally enabled surveillance by China's government played a role in leading to the EU's ban on AI-driven social scoring, for example.²⁰ A lack of knowledge about China within the EU institutions and national governments then transformed what was a rightful rejection of practices that endanger human rights into a political barrier to almost any form of engagement – even in domains of AI governance where China and the EU might find some common ground.

Regulatory models diverge at the foundation, with China relying on sector-based rules and standards and the EU opting for broad legislation. So far, China has opted for vertical regulation, combined with a prominent role of technical standardisation as a basis for possible binding requirements being introduced further down the line. The EU, by contrast, has chosen to enact horizontal legislation while keeping room for follow-on adaptation. Compliance requirements also differ, for example featuring

conformity assessments in the EU and a filing and certification scheme for algorithms and models in China if they are destined for public use. These idiosyncrasies do not preclude the possibility of regulators on both sides comparing notes on specific issues.

CHALLENGE 2: UNINTENDED RISKS OF TECHNICAL COOPERATION

Technical engagement carries real risks of leakage or military benefit, shaping European reluctance. For example, cooperation on model safety testing and evaluation could lead to a country obtaining dual-use technology that it can misuse or repurpose to augment its own capabilities, or insights into vulnerabilities in systems deployed by its geopolitical rivals.²¹ The agencies that have been set up to implement the AI Act, specifically the European AI Office and national bodies such as the National Institute for AI Evaluation and Security (INESIA) in France, may be reluctant to share dual-use expertise or other sensitive information with their PRC-based counterparts. From a European perspective, leakage of AI-relevant know-how to the Chinese military would not be desirable.

Cooperation may be possible only in tightly scoped forms given political, legal and resource constraints. The inclusion of Chinese labs like the Beijing Academy of AI on the US Entity List further adds complexity, as it may have a chilling effect on European attempts at working with such actors.²² The European AI Office is not yet operationally and financially equipped to perform the functions of counterparts like the AI Security Institute in the UK.²³ These obstacles stand in the way of the technical judgement and strategic foresight required in order to engage with China responsibly.

OPPORTUNITY 1: DEBATE ON THE GROWING SOPHISTICATION OF AI RISKS IN CHINA

China's domestic debate is widening to cover systemic AI risks, as seen in leadership speeches and new standards.²⁴ First, the 2024 Third Plenum of the Chinese Communist Party (CCP) officially signalled that it was concerned about the potentially negative effects of AI on overall social stability and public safety and called for "oversight systems to ensure the safety of artificial intelligence".²⁵ Follow-up explainers published by State media and an official summary of a Politburo Study Session at which China's President Xi Jinping spoke in April 2025 confirmed that the "safety, reliability, and controllability" of AI systems is on the minds of China's leaders.²⁶

These are all indications that the CCP's threat perception may be moving away from an early prioritisation of content moderation and censorship to consider a wider set of risks.

These are all indications that the CCP's threat perception may be moving away from an early prioritisation of content moderation and censorship to consider a wider set of risks. A non-binding standard released in September by China's most influential committee for AI standardisation addresses several risks, ranging from

unemployment to "loss of control over knowledge and capabilities of nuclear, biological, chemical, and missile weapons".²⁷ As the thinking around large-scale, systemic risks from GPAI continues to mature in Europe too, there may be room for Chinese and European actors to identify shared concerns.

OPPORTUNITY 2: THE ROLE OF EXPERT COMMUNITIES

Depoliticised expert channels offer the most workable path for engagement, building on existing Track 2 dialogues. Although major intergovernmental agreements between China and the EU on AI governance are out of reach, expert communities can play a critical role in scientific diplomacy even in times of geopolitical upheaval.²⁸ Track 2 dialogues such as the International Dialogues on AI Safety (DAIS) or the AI-focused dialogue held by the Royal Society and the Chinese Academy of Sciences, to name a couple, have already brought together European and Chinese participants. One notable step was the recognition of AI safety as a global public good.²⁹

Importantly, UK-based institutions and the UK government have spearheaded much of this engagement, including through exchanges between the UK's AI Security Institute and PRC-based counterparts.³⁰ As one of the most ambitious aspiring AI regulators in the world, the EU has the opportunity to support closer contacts between European and Chinese scientists and experts working to shape regulation and standardisation in their respective systems. The participation of France's Special Envoy for AI at the 2025 edition of the World AI Conference in Shanghai was a positive sign.

Recommendations and conclusions

Selective EU-China engagement on frontier AI governance is feasible if scoped carefully, with realistic expectations.

DEMONSTRATE POLITICAL BACKING FOR EXPERT EXCHANGES

Political signals are needed to legitimise expert exchanges, otherwise discussions will remain constrained. Amid geopolitical tensions and political differences, AI-related engagement with China is often viewed as taboo. In fact, the European Commission has so far emphasised cooperation with democratic countries, framing it in opposition to authoritarian approaches to AI development and adoption.³¹ The Chinese government, for its part, strictly controls any form of scientific exchange between domestic experts and their international colleagues. However, the stakes for societies and humanity at large call for such a dialogue, even in

today's low-trust environment. This could take the form of Track 2 dialogues involving China- and EU-based AI scientists and experts.

INVEST IN DOMAIN-SPECIFIC CHINA EXPERTISE

Europe must strengthen its technical understanding of Chinese AI systems, which is essential for regulation and market scrutiny. Taking a page from the British government and its AI Security Office, decision-makers and regulators in the EU should closely watch Chinese AI governance efforts, particularly at the frontier. Rapid technological transformation is putting the AI Act's ability to promote transparency and explainability to the test. The EU's narrow focus on General Data Protection Regulation (GDPR) compliance is not fit for world where AI capabilities and risks are proliferating and diffusing

at breathtaking speed. The European AI Office and its national counterparts in EU member states would benefit from studying advanced Chinese AI systems and exchanging with companies like DeepSeek.

IDENTIFY REALISTIC, LOW-RISK THEMES FOR FRONTIER AI GOVERNANCE DISCUSSIONS

Progress is most likely in narrow, relatively low-risk areas. As others have proposed in the context of US-China and UK-China discussions, some topics can be explored in

dialogues on frontier AI risks without leaking sensitive technology and information or compromising national security.³² These could include emergency preparedness agreements, funding for safety and verification research, frameworks for model testing and evaluation, discussions of non-proliferation measures or details about risks and best practices for assessing them.

Ultimately, the specifics of any form of intergovernmental discussions with China, including through Track 1.5 dialogues, should be based on a realistic assessment of European interests, objectives and capabilities.

- ¹ The State Council, People's Republic of China, "[China willing to promote AI development with other countries: Chinese Vice Premier](#)", 12 February 2025.
- ² Singer, Scott, Karson Elmgren, and Oliver Guest, "[How Some of China's Top AI Thinkers Built Their Own AI Safety Institute](#)", Carnegie Endowment for International Peace, 16 June 2025.
- ³ *Financial Times*, "[US and China to hold first talks to reduce risk of AI 'miscalculation'](#)", 13 May 2024
- ⁴ Concordia AI, "[The State of China-Western Track 1.5 and 2 Dialogues on AI](#)"; 9 February 2024; International Dialogues on AI Safety (IDAIS), "[International Dialogues on AI Safety](#)", accessed 2 December 2025.
- ⁵ *The Washington Post*, "[Transcript: The Futurist: America's Technological Edge](#)", 25 March 2025; Toner, Helen, Jenny Xiao and Jeffrey Ding, "[The Illusion of China's AI Prowess](#)", *Foreign Affairs*, 2 June 2023.
- ⁶ Arnold, Jason Ross, "[Superintelligence Deterrence Has an Observability Problem](#)"; AI Frontiers, 14 August 2025; Rehman, Iskander, Karl P. Mueller, Michael J. Mazarr, "[Seeking Stability in the Competition for AI Advantage](#)"; RAND Corporation, 13 March 2025.
- ⁷ Jervis, Robert (1978), "[Cooperation Under the Security Dilemma](#)", *World Politics*, Vol. 30, No. 2, pp. 167-214.
- ⁸ Holistic AI, "[DeepSeek R1 Red Teaming & Jailbreaking Audit](#)", 5 February 2025; Qualys, "[DeepSeek Failed Over Half of the Jailbreak Tests by Qualys TotalAI](#)", 11 March 2025.
- ⁹ Google Threat Intelligence Group, "[Adversarial Misuse of Generative AI](#)", 29 January 2025.
- ¹⁰ Siddiqui, Saad, Kristy Loke, Stephen Clare, Marianne Lu, Aris Richardson, Lujain Ibrahim, Conor McGlynn, Jeffrey Ding, "[Promising Topics for US–China Dialogues on AI Safety and Governance](#)"; Oxford University and Safe AI Forum, January 2025.
- ¹¹ UK Government, "[The Bletchley Declaration by Countries Attending the AI Safety Summit, 1-2 November 2023](#)", 13 February 2025.
- ¹² IPVM, "[Patenting Uyghur Tracking - Huawei, Megvii, More](#)", 13 January 2021.
- ¹³ Frase, Heather and Owen Daniels, "[Center for Security and Emergency Technology, Understanding AI Harms: An Overview](#)", Center for Security and Emerging Technology, 11 August 2023.
- ¹⁴ Ungood-Thomas, Jon and Yusra Abdulahi, "[Warnings AI tools used by government on UK public are racist and biased](#)", *The Guardian*, 25 August 2024.
- ¹⁵ Frase, Heather and Owen Daniels, "[Center for Security and Emergency Technology, Understanding AI Harms: An Overview](#)", Center for Security and Emerging Technology, 11 August 2023.
- ¹⁶ For example, see: 李 韬 [Li, Tao], "[人工智能对就业的影响及对策](#) [Effects of AI on Employment and Countermeasures]", Seeking Truth from Facts, 14 July 2025; *Sina*, "[AI会让大量人失业吗? \[Will AI Lead to Mass Unemployment?\]](#)"; 11 November 2025.
- ¹⁷ Pozzi, Federico, Pietro Valetto, Elizabeth Kuiper, "[AI's impact on Europe's job market: A call for a Social Compact](#)", European Policy Centre, 25 July 2025.
- ¹⁸ Chang, Wendy, "[China's 'AI+' drive aims for integration across sectors: a wake-up call for Europe](#)", Mercator Institute for China Studies, 2 October 2025.
- ¹⁹ *Reuters*, "[Italy's regulator blocks Chinese AI app DeepSeek on data protection](#)"; 4 February 2025.
- ²⁰ Brussee, Vincent, "[China's digital paradox](#)", Mercator Institute for China Studies, 13 August 2021.
- ²¹ Elmgren, Karson, "[How Might the United States Engage with China on AI Security Without Diffusing Technology?](#)", RAND Corporation, 30 January 2025.
- ²² Chen, Eliot, "[Freezing China Out of Setting the Rules for AI](#)", *The Wire China*, 27 April 2025.
- ²³ Schaefer, Peder, "[Hiring struggles are plaguing the EU AI Office](#)", *Transformer*, 15 September 2025.
- ²⁴ Sheehan, Matt, "[China's Views on AI Safety Are Changing—Quickly](#)", Carnegie Endowment for International Peace, 27 August 2024.
- ²⁵ Ministry of Foreign Affairs of the People's Republic of China, "[Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization](#)", 21 July 2024.
- ²⁶ *Xinhua News Agency*, "[At the 20th Collective Study Session of the CCP Central Committee Politburo, Xi Jinping Stresses: Persist in Being Self-Reliant, Be Strongly Oriented Toward Applications, and Push the Orderly Development of Artificial Intelligence](#)" [translation hosted on the website of the Center for Security and Emerging Technology], 28 April 2025; 朱步楼 [Zhu, Bulou], "[提高人工智能安全治理水平 \(有的放矢\) \[Increase the Level of AI Safety Governance \(in a Targeted Way\)\]](#)", *People's Daily*, 5 August 2024; Concordia AI, "[What does the Chinese leadership mean by 'instituting oversight systems to ensure the safety of AI'?](#)", 2 August 2024.
- ²⁷ Cyberspace Administration of China, "[《人工智能安全治理框架》2.0版发布 \[AI Safety Governance Framework' 2.0 Is Released\]](#)", 15 September 2025.
- ²⁸ Turekian, Vaughan and Peter Gluckmann (2024), "[Science Diplomacy and the Rise of Technopoles](#)", *Issues in Science and Technology*, Vol. 41, No. 1, pp. 51-55; Schweizer, Glenn. E., "[Evolution, Impacts, and Promise of U.S.-Russian Techno-Diplomacy](#)", *Science & Diplomacy*, 23 December 2019.
- ²⁹ International Dialogues on AI Safety (IDAIS), "[IDAIS-Venice 2024 statement : The global nature of AI risks makes it necessary to recognize AI safety as a global public good](#)", 5-8 September 2024.
- ³⁰ Ottinger, Lily, "[Where's China's AI Safety Institute?](#)", *China Talk*, 20 November 2024.
- ³¹ European Commission, "[Speech by Executive Vice President Vestager on technology and politics at the Institute for Advanced Study](#)"; 9 April 2024; *Politico*, "China wants to dominate AI. The US and Europe need each other to tame it."; 2 March 2021.
- ³² Siddiqui, Saad, Kristy Loke, Stephen Clare *et al.*, "[Promising Topics for US–China Dialogues on AI Safety and Governance](#)"; Oxford University and Safe AI Forum, January 2025; Guest, Oliver, "[Topics for Track IIs: What Can Be Discussed in Dialogues About Advanced AI Risks Without Leaking Sensitive Information?](#)"; Institute for AI Policy and Strategy, 2 May 2024; Singer, Scott, "[How the UK Should Engage China at AI's Frontier](#)", Carnegie Endowment for International Peace, 18 October 2024.

The **European Policy Centre** (EPC) is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decision-makers at all levels to make informed decisions based on evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policymaking and in the debate about the future of Europe.

The **Europe in the World** (EiW) programme scrutinises the impacts of a changing international system on Europe and probes how the EU and its member states can leverage their untapped potential to advance their interests and values on a regional and global level. It thus examines the evolution of EU relations with major powers, such as the US, China and Russia, and how Europe can contribute to a rules-based global order. Second, the programme focuses on the role of the EU in fostering reforms, resilience and stability in neighbouring regions. It looks closely at the developments in Turkey and Ukraine. Third, the programme examines how the EU can strengthen its security in the face of terrorism, jihadist radicalisation or hybrid and cyber threats. It also seeks to advance the debate on Europe's defence policy.

The **EU & China Think-Tank Exchanges** is a project funded by the European Union that promotes EU–China dialogue and supports mutual understanding and joint action in cross-cutting policy areas and issues of mutual concern. The initiative is coordinated by the European Policy Centre (EPC) with the cooperation of EGMONT – The Royal Institute for International Relations, the Elcano Royal Institute and the Center for China and Globalization (CCG). Over its two-year cycle, the project promotes structured exchanges among experts, analysts and policymakers from Europe and China on issues of shared relevance. Through a series of focused discussions among leading thinkers and strategic analysts, the initiative aims to foster constructive EU–China dialogue, enhance mutual understanding and support collaborative action across a range of relevant and cross-cutting policy areas.

With the strategic
support of



King Baudouin
Foundation
Working together for a better society



Funded by the
European Union

