



RHETORIC OF THE RIGHT: EUROPEAN POPULIST'S VIEW OF CHINA

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Across Europe, populist views continue to seep into the political dialogue and have shaped narratives on everything from immigration to trade. Increasingly, parliaments across Europe will have to share power with such groups. Although the European far-right does not stake its mandate on the China card, it is an area that will become more and more important as Sino-European relations grow and far-right ideas become further integrated into the European political landscape. This policy brief takes stock of the various views across Europe.

With a slowing economy China is seeking to better expand and connect itself into international trade. In this vein, the greatest level of engagement between China and Europe will be in relation to China's Belt and Road Initiative (BRI). A number of cities and ports in Europe will serve as vital access points along the route with major infrastructure projects like the Athens Piraeus Harbor and the controversial high speed railway line planned to connect Belgrade and China. More still, Chinese Foreign Direct Investment (FDI) in Europe has increased 77% over previous years to a staggering 35 Billion Euros in 2016.

China has also developed new structures to access Europe. The new 16+1 Framework bypasses the European Union (EU) and creates a direct dialogue between China and its East and Central European partners. However, views across Europe's far-right differ greatly. While some have embraced China's grand infrastructure plans, FDI and the 16+1 Framework, others have been far more skeptical.

Europe's Far Right

Populism in Europe is growing. Although the last 18 months has seen defeats for Europe's populist parties they were narrow defeats. In late 2016, Norbert Hofer from Austria's Freedom Party lost by a slim margin and gathered 46.2% of the votes. Similarly, while Marine Le

Pen lost the French Presidential election she has managed to revive France's National Front party. Geert Wilder's Party for Freedom is now the second biggest party in the Netherlands and, most recently in Germany, the right-wing 'Alternative for Germany' Party made substantial gains and has now become the third largest party in the Bundestag. Looking ahead, Sweden's populist party, the Sweden Democrats made substantial gains in the 2014 election and polls suggest that their success will be continued in Sweden's 2018 general election. Whilst these parties are not fully in control of European parliaments, they will remain influential in debating and directing policy.

Broadly speaking, there are two attitudes on foreign trade and investment: the protectionist notion that local systems need to be insulated from becoming dependent on outsiders and losing jobs to immigrants, and the neo-conservative market-fundamentalist stance, that so long as markets are free and unfettered, states should be open to international trade. Each of Europe's far-right parties engages with these ideas differently. Moreover, even if the more protectionist elements of the far-right fear China, it is unlikely that they want to completely alienate the second largest economy of the world.

Belt and Road

With \$900bn of planned investments ranging from ports



and high-speed railways in Europe and elsewhere, pipelines crossing central Asia to Europe, China's BRI is one of the largest overseas investment by a single state. There is much for Europe to gain from the BRI and it has already made headway into the European economy through infrastructure projects and FDI. The China-France Hinkley Point nuclear project in Britain has been listed by Chinese officials as a BRI project. Even with the wave of anti-globalisation sentiment sweeping Europe, the BRI stands as a leading vehicle for increasing global trade at a time when the US is closing up. In a speech earlier this year, Chinese President Xi Jinping called the BRI a "solution for the whole world, not just the developing world."

Trade Skeptics

Some far-right parties have identified with the protectionist conservative notion and believe that local systems need to be insulated and not reliant on outside factors. They also suspect that domestic jobs and national heritage are lost due to immigration. It is the fear of the unknown, non-European workers, that has galvanized some elements of Europe's far-right, and caused them to oppose globalization.

In Italy, Umberto Bossi, founder of the far-right Lega Norda said, "Our companies however have not been saved, rather the production has been moved somewhere else and we have been assaulted by China. We should legitimize this word: protectionism." This sentiment is not new, the Lega Norda has been maintaining this argument since 2003.

Anti-Chinese sentiment in Prato, Tuscany is also rife. The textile-hub town has been governed by the left-wing for decades, but recently changed its voting pattern by electing a mayor from the Northern League who has conducted raids on Chinese clothing factories and demanded stricter regulation of Chinese immigration and business.

Of particular significance are nationalist parties in larger countries like France and the effect that they might have on the rest of Europe. Front National France leader Marine Le Pen has always been critical of China. "The countries which have protected their industries, which have developed a national strategy and have diversified their international clients are those who feel the effects of the passing Chinese tsunami the least," she said in a Communiqué du Press du Front National in 2015.

The poster child of Europe's right, United Kingdom's

Independence Party (UKIP) went one step further in 2016, "China is doing, and will do, more damage to impoverish the British people by their control of British companies and the creation of unemployment, than the Germans did in two Wars." The British National Party (BNP) also describes China as a hostile entity and more widely, in British far-right discourse, China is seen as a communist dictatorship, a symbol for oppression.

However protectionism as a approach to deal with Chinese trade has broader implications. Some within these kinds of parties even question trade within the EU block. This sentiment is largely what fueled pro-Brexit sentiments, and there are fears that these ideas may further divide the EU. But paradoxically, a smaller EU could help push European economies looking for attractive trade deals into the hands of China.

Open for Trade

This skepticism is partially balanced by other elements of Europe's populists whom have embraced China's engagement with Europe.

Accordingly, some right-wing parties have been receptive to China particularly in relation to its BRI projects. For instance, Poland has approved plans to build a large new airport outside Warsaw that it hopes could become a passenger and cargo hub. Under the new Law and Justice Party, Poland wants to actively participate in the Belt and Road and is already a key founding member of the Asian Infrastructure Investment Bank.

There has been a similar sentiment in Hungary where the BRI is seen as a way for the country to wean itself off from its dependence on European states. In October 2016, right-wing conservative Hungary's Fidesz party led by Viktor Orban announced the policy of "Eastward Opening" and outlined the potential for a network of roads starting from Shanghai passing through Russia to connect Eastern Europe to Asian markets.

Finally, Although the far-right in Germany, including the upstart Alternative für Deutschland is critical of the influx of immigrants and refugees, they may not necessarily be resistant to Germany's partnership with China.



The Trump Factor

Another vocal populist voice has come from the US. The rhetoric from US President Donald Trump has isolationist ideals which may undermine economic world order. What this means is that if the US pursues isolationism, Europe will be forced in one way or another to fill the gap despite what the populists say.

Indeed, German Vice Chancellor Sigmar Gabriel has suggested that should Trump continue to pursue protectionism, the EU should refocus its economic policy toward Asia. This is already now happening and Europe has sought to create stronger and more open equitable trade ties with China. A shared concern between both the skeptics and supporters is that although European companies can access the Chinese market, they are still restricted when compared with their Chinese competitors. European officials are hopeful that the Comprehensive Agreement on Investment, which is still being negotiated with China will go some way to solve this. At least so far, Trump's rhetoric on trade protectionism is still just that, rhetoric. However, in the event that it turns to policy, it will potentially shrink US influence on the global stage and may create stronger bonds between European and Asian economies.

Looking forward

Which way will the tide turn for China in Europe? If the far-right in France, Italy, and UK have it their way, their economies are on the path to greater protectionism, and an ultimate shrinking of the interconnectivity within the EU itself could be in the horizon. France is somewhat more insulated from this for now after the recent election of Emmanuel Macron, a centrist candidate. The far-right in Hungary, Poland, Sweden, Norway and Finland have more pragmatic stands, and a desire to move beyond being second level powers in Europe. In general, the attitude of these political parties towards Chinese engagement in Europe can be seen as corresponding to the specific type of involvement China is seeking within these countries. Countries positively affected by the BRI are obviously more attracted to China, others are not, and others still have not yet developed any clear policy towards China.

While the far-right might be a minority in the EU for

now, it is a growing minority. The general direction that populist far-right parties may take *vis-a-vis* Chinese investments and trade are positive in most countries, but negative in the largest ones like France and UK. Yet the center right in these states are here to stay, and though it might share with the far right the fear of immigrants and supranational organizations like the EU, it does not seem to be too overly skeptical of maintaining trade links abroad. However, the identity of the far-right in Europe is in flux. That is the nature of populism. The appeal to the masses will not be made on ideological lines, but on what attracts most votes: Chinese direct investment in Poland, or the fear of the Dragon taking French jobs...whatever can be used to create emotion in the masses.

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