

CONCLUSIONS

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The analysis of the region-to-region contacts between the six largest EU countries and China gives only a partial picture of the subnational relations with the Chinese partners. City-to-city relations as well as the activities of regions in smaller EU member states were beyond the scope of our investigation. However, having these limitations in mind, it is possible to formulate some observations regarding the scope of subnational contacts with the Chinese and their features, identify the factors which favour cooperation, and the goals of European regions, as well as formulating some recommendations for the European Union. Many of the observations presented below have already been presented, in a more policy-oriented form, in the policy report entitled “The Subnational Dimension of EU-China Relations” (Skorupska et al., 2019).

The scope of cooperation between European and Chinese regions

The subnational dimension has started to be a visibly important element of EU-China relations. More and more regions are cooperating with Chinese counterparts in many different areas: from economy to environment and from cultural to academic exchange. In a sense “hundreds of flowers bloom” – referring to the famous words of Mao Zedong. In five analysed countries

(France, Spain, Germany, Poland, and Italy) cooperation with partners from China has been declared by 80% of the regions. In the UK the situation is harder to assess, but at least some regions as well as cities (in particular those grouped in the Northern Powerhouse and the Midlands Engine projects) are active in the cooperation with China. In all the surveyed EU regions, the economic and academic dimensions dominate the cooperation. Regions support the internationalisation of their local enterprises, and promote themselves to Chinese investors, as well as to students and tourists. Cooperation agreements between regional authorities are often accompanied by arrangements between universities and business contracts.

Key factors which determine contacts with Chinese regions

Three major factors which determine contacts of European regions with the Chinese are:

1. **Economy.** Regional authorities are aware of the threats and challenges linked to cooperation with a distant and non-democratic partner, but stress that relations are necessary for their development. China has become important in terms of regional economic development and, without a doubt, economy remains the key area of collaboration and economic profits for the region and is the main motivation for it.
2. **People.** Looking for factors which enable an efficient with China, the human factor should not be overlooked. The beginnings of cooperation are often a result of the involvement of a small group of people or even one person (Valencia, Liverpool) convinced of the need for relations with China as an economically and politically important partner. These people, believing that their regions should be open to a cooperation with China and that they can benefit from it, have been able to involve different local stakeholders and turn vision into practice. The inclusion of local partners, such as regional agencies, chambers of commerce, universities, and tourist agencies seems to be of major importance. In particular, close contacts in the triangle between regional administration, local academic entities and companies

have been key to building an effective with China. This finding is very much in line with the “triple helix model” in which academia, business and local/regional government build a complex network of relationships in which they dynamically collaborate.

3. Politics. Although central governments do not control the paradiplomatic activities of regions towards China, in all the surveyed countries, the relationship between regional cooperation and the government policy towards China is visible. The political factor matters, and good relations with China at the government level foster subnational cooperation. Bilateral agreements between governments, EU declarations of interest in the BRI, or, for example, Poland’s accession to the EU, strengthening its international position, have encouraged European and Chinese regions to cooperate. Italy is a good example of this. The Italian government’s change in policy towards China was a decisive factor in the opening up of regions to a new direction of cooperation. On the other hand, there is limited support from central governments to regions: in some countries through regular meetings (e.g. France) or through the organisation of regional forums (France and Poland, at least until 2016). However, contacts with China are usually financed from the regions’ own funds. Sometimes, these are EU funds directed for the promotion of the region or support for companies which want to develop their exports to China.

Goals of European regions in their relations with Chinese counterparts

There are no major differences between the countries in terms of the goals, areas, benefits, or even obstacles in their cooperation with the Chinese partners. Even if issues like education, academic exchange, urbanization, and environment and climate change are playing an increasingly important role, prospects of economic benefits are the main reason why the regions are interested in working with Chinese partners. Regional authorities count mainly on possible Chinese investment, an increase in exports to China and a tourist inflow.

The regions try to find their specialties in cooperation, promote their “strengths” and create their own “brands” and flagship initiatives in the cooperation with China. Examples of such areas of specialisation include the role of ports (Valencia, Liverpool), UNESCO heritage (e.g. promoting tourism in Castile and Umbria), the promotion of good universities and schools (Liverpool, Berlin), the promotion of language learning (Liverpool, Castile), the International Business Festival (Liverpool), cargo lines (Łódź-Chengdu, Madrid-Yiwu), and the Umbria Jazz festival (Umbria).

The impact of subnational actors on EU foreign policy

Our research revealed a weak link between the EU-China relations planned and implemented in Brussels, and the subnational cooperation between the six EU countries and their Chinese partners. While this cooperation is an important element of the international activities of local governments, the EU does not support it in a measurable way (e.g. allocating funds for the cooperation with China) and does not analyse this contact on a regular basis (See: Kamiński, 2019c).

It might be a major omission due to the fact that contacts between regions and cities create a useful channel of influence on China and a potential transmission belt for European policy goals. For example, regional links might be employed to promote more balanced and inclusive development, sought by the EU, and in supporting socioeconomic and environmental reforms in China. The transfer of knowledge and best practices directly to the local level, bypassing the often-politicised contacts at the diplomatic level, can be effective in different spheres of local community functioning, such as public transport organisation and waste management.

Another objective of the EU policy towards China is to attract Chinese investment to Europe. Regional authorities, which most often negotiate potential investment in the region with Chinese partners, should be a natural partner for the EU in this process. Cooperation with local entities is also important for the economic security of the EU, especially when concerns about Chinese investment are growing, resulting in the screening mechanism. On the one

hand, local government officials should be aware of potential threats from Chinese investors and be involved in monitoring Chinese investment activity in Europe. On the other, greater EU attention devoted to local relations can improve the operation of the Union screening mechanism thanks to the faster circulation of information about new Chinese investments.

Subnational entities should be included in the EU's science diplomacy towards China. Since the academic is an important area of contact stimulated by regional authorities, if the EU wants to strengthen cooperation with China in research and innovation, then it should closely collaborate with regions in this regard.

The people-to-people dimension of EU-China relations is a similar situation. If the EU desires the development of interpersonal contact, attracting students and tourists from China to Europe, relations at the subnational level are a natural place for implementing these plans.

We can sum up by saying that there is great potential for a closer between the EU institutions and regional authorities, but at the same time in the institutional system of the EU foreign policy there are hardly any effective mechanisms to do so. Due to this fact, the impact of regions on the EU policy towards China is limited – and vice versa.

Trends

Based on the analysis it is possible to present some observations regarding trends in the development of subnational relations between the EU and China.

Firstly, representatives of European regions see a change in the attitude of Chinese provinces to cooperating with them. Currently, fewer delegations arrive from China than a few years ago, but meetings are better prepared and more focused on specific projects to be implemented. Earlier, the Chinese would often come only to familiarise themselves, sign declarations, or obtain information from the European partner.

There is also a visible increase in the role of Chinese regions, despite attempts at centralisation by Chairman Xi Jinping. They are becoming more independent and open for cooperation with foreign partners, especially in terms of economic issues. This may mean that they will be willing to cooperate

with European counterparts, even in the case of deterioration of bilateral relations at the governmental level.

Secondly, the authorities of the surveyed local governments see great opportunities for the development of their regions through cooperation with partners from China. However, they are also more and more aware of the cost of cooperation or even threats that may result from China's foreign policy and Chinese investment (e.g. taking over technology, threat to critical infrastructure, etc.) Due to this, on the European side, we can observe the process of rationalisation of activities towards China. For instance, many regions have given up their representations abroad (Italy, France, Spain) for financial or political reasons (e.g. under the influence of the national government policy). Instead of paying for permanent offices in China, they cooperate with their state agencies, chambers of commerce or consulting companies which have bureaus in Chinese cities. Moreover, they attach increasing importance to reciprocity. They make sure that the benefits of cooperation come from both sides. An example is Liverpool, which works with regions in China which correspond to its own profile, for example, in terms of business or science projects which create an opportunity for mutual benefits.

Thirdly, in the light of deteriorating bilateral relations between the U.S. and China, one can expect greater interest from Chinese regions in cooperation with European partners. Chinese regions may want to mitigate the effects of any China-U.S. dispute in this way, as well as the worsening economic situation in China. Economy-focused local cooperation can be a secure communication channel in a situation of deteriorating relations at the government level, e.g., under U.S. influence or tensions in the EU policy towards China.

Political recommendations for the European Union

The results of our research suggest that the EU should try to employ sub-state level relations in its policy towards China by encouraging regional and local actors to develop cooperation in line with the EU's policy goals. In the context of rising diplomatic tensions and possible escalation of conflict between Beijing and the West, such low-key channels of communication with China might be very useful.

In order to make real use of the dynamics of the contact with China at the level of regions, cities and provinces, the EU should recognise their significance. For legal and political reasons, the EU institutions cannot directly influence autonomous local government authorities in Europe. However, the fast development of the region-to-region cooperation reveals a rising need for monitoring of the sub-state layer of EU-China relations.

Apart from monitoring, the EU should support regional contacts in order to benefit from them in the context of reaching its policy goals towards China. In addition to possible financial support through geographically targeted programmes, it is important for the EU to develop a way of communicating with the regions. It could then share information about EU priorities in relations with China (including changes in the EU policy towards China), as well as problems and threats.

From the perspective of the EU regions, it may also be helpful to create a forum for the exchange of experience of local and regional governments engaged in a cooperation with China. This would give them an opportunity to be more effective in the implementation of policy objectives towards China.

Future research

Heretofore, the rising importance of sub-state contacts between Europe and China has been overlooked by academics. We hope that this book initiates much wider, in-depth studies on this ever more important phenomenon in international relations. We may suggest two paths for possible future investigations.

Firstly, the examination of the possible use of sub-state relations in European foreign policy planning and implementation. This topic should be closely examined both from the theoretical as well as the practical perspective. There are some interesting cases from which the EU can learn such as paradiplomacy in the U.S. in the context of climate change and the employment of provinces to realise the goals of Chinese foreign policy. Some member states may have other useful examples of collaboration by their sub-state entities with foreign partnerships.

Secondly, there is the role of cities in EU-China relations. City-to-city collaboration is developing simultaneously to region-to-region contacts, but the

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scale of this phenomenon is unknown. During our investigation on the regional dimension of EU-China relations we often have had the impression that city cooperation might develop even faster and may be even more significant than region-to-region relations with China. Unfortunately, nobody has done comprehensive research on this and there is an important knowledge gap.