

2.10 • As Relações Internacionais em contexto de pandemia

**THE COVID-19 FACTOR IN PORTUGAL-CHINA RELATIONS: TIME TO TEST**

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ALTHOUGH SMALL IN TERMS OF DEMOGRAPHY, economics and territory, Portugal has shown a pragmatic and responsible stance compared to neighbor Spain, but also to other European and non-European countries in the way it has handled human losses vis-à-vis COVID-19. Due to its faster and more effective response (praised by commentators and international media), Portugal is referred to as an exception in the European Union (EU) (Financial Times 2020).

**Testing Geopolitics: Facts, Fears and Hopes**

Albeit Portuguese culture is not a collectivist one, contrary to Chinese culture (in which there is a propensity to obey to a strong figure), Portugal's capacity for adaptation was not less remarkable than that of China, which built hospitals in just a few days. What is more, the Portuguese population scrupulously followed the containment measures, something that did not happen, for example, in Italy. In short, Portugal sought to avoid the mistakes of others instead of replicating them. The same can be said about China, which was incomparably faster in learning with its own mistakes, i.e. with its own management of past episodes, such as the severe acute respiratory syndrome. Nonetheless, this does not invalidate that the Portuguese population recognizes that China has a certain moral responsibility for this virus. After all, this is not the first time that a serious pandemic – if we recall the Spanish flu (of Chinese origin despite its name), among other public health crises – was born precisely in China. However, as shown by a survey carried out between 9 and 14 April 2020, most respondents (48.3%) argue that China should not be blamed for the COVID-19 pandemic, nor should it be asked for any compensation.<sup>1</sup> Even among respondents who believe China is responsible for the pandemic, not all argue that Beijing should be asked a compensation.

For its part, China recognizes that it must save face vis-à-vis the global spread and impacts of COVID-19. One of the ways through which Beijing seeks to save face is by means of donations. Several Chinese companies and Chinese citizens operating/residing in Portugal, in addition to the Chinese government itself, offered to donate support material to fight the pandemic. It was the case of the Chinese millionaire Ming Chu Hsu who donated 4.6 million € to Portugal, through the offer of “80 ventilators and other medical protection [materials]”.<sup>2</sup> More examples were replicated in Portugal, through other Chinese citizens, more or less anonymous. However, this may generate doubts about whether altruism really abounds or, instead, if it is the Chinese government himself who persuades Chinese individuals

and companies to donate in order to help China save face abroad. A kind of reactive soft power, which allows the Chinese phoenix to reemerge from the ashes, while in the process it helps others to rise as well. China's mask diplomacy is likely to help China killing two birds with one stone. On the one hand, it enables Beijing to save face vis-à-vis a heterogeneous international community. On the other hand, the mask diplomacy is likely to make China benefit from the crisis to come out stronger in the end.<sup>3</sup>

There is a historic *déjà-vu*, although not with a Europe devastated by a pandemic, but rather by a world war that created a need. It was necessity that gave meaning and foundation to the Marshal Plan, which in turn helped to consolidate the dollar as an international reference currency. In other words, necessity created the superpower. If one recalls the saying that “there are no free lunches”<sup>4</sup>, then there may be a calculated mix between altruism, revisionism and imperial temptation underlying the mask diplomacy. But not limited to the mask diplomacy. In fact, an analysis of China's foreign policy shows multiple and paradoxical outcomes.<sup>5</sup> In fact, at the same time Beijing promotes the creation of a Community of Common Destiny (CCD), builds artificial islands, defends globalization in Davos, while it hinders the penetration of Western companies in the Chinese market. Moreover, the CCD has created an order in which the most vulnerable countries become indebted in the medium and long-term to China.

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In the case of Portugal and *lato sensu* the EU, Carlos Branco devalues China's mask's diplomacy, claiming that “Europeans will not exchange the alliance with the US for political alignment with China or Russia”.<sup>6</sup> Nonetheless, that has not prevented China from performing extraordinary advances in Portugal even before the mask diplomacy, something that makes the US uncomfortable. To be sure, Portugal, which is currently a case study across the EU due to the good receptivity shown toward the Belt and Road Initiative (BRI), has been warned by US Amba-

sador to Portugal, George Glass, that “this Xi is not China with whom the Portuguese have been trading for 500 years”.<sup>7</sup> Among the reasons that lead the US, as well as France and Germany to fear an excessive opening of Portugal in relation to China, let us emphasize the fact that Portugal is the first country in the EU issuing public debt in renminbi (also called ‘Panda Bonds’). Besides, Portuguese private bank Millennium BCP has become the first European bank to issue Union Pay credit cards.

But there are also fears that the Portuguese scheme of the Golden Visa enables non-EU citizens to travel into the Schengen space, in addition to being a relatively easy way for Chinese people to get Portuguese citizenship. Security issues are also present in the Starlab venture. The latter is a lab in which Portugal and China join efforts to produce microsatellites (figure 1) as well as to monitor Ocean.

Now, it seems odd that Portugal opened its space sector to China considering that Brussels had previously cancelled its cooperation with Beijing on the construction of the EU's Galileo system, precisely due to the EU's complaint of espionage by China. Furthermore, it is not just the space sector which Portugal allowed China to participate in within the framework of the Starlab, but another topical and geostrategic area: Oceans. It is worth mentioning here that Portugal has the third largest Economic Exclusive Zone in the EU. Now, if the United Nations approves Lisbon's candidacy to almost double its maritime platform, one easily understands that the Starlab main assets, i.e. satellites and Ocean (North Atlantic), will provide China with a strategic foothold in terms of information, surveillance, access to resources, among others.

**Winds of change: is China's momentum in Portugal fading?**

Despite such unprecedented initiatives, COVID-19 developments have shown that Chinese momentum in Portugal may not be that strong as it has appeared to be. Let us put it clear. As a matter of fact, US has chosen the right time (Beijing focused on Hong Kong riots and COVID-19 still in an initial stage) to pay a top-level visit to Portuguese port of Sines on 12 February 2020. Considering that China has already shown interest in the port of Sines, US Secretary of Energy Dan Brouillette together with a business delegation, visited the Port of Sines Harbor, Logistics and Industrial Complex. This was not a leisure trip but geopolitics. In fact, the US is most likely to become the world's top producer of Liquefied Natural Gas (LNG) in the coming years. That said, Portugal is certainly insignificant as a market for US GNL consumption, but Sines port may provide the US

with an effective gateway (as Sines is the closest European deep-water port to the US) to carry its GNL to broad EU markets.<sup>8</sup> Now, considering US and China's interest in Sines, Lisbon would certainly privilege its longstanding ally. After all, Portuguese waters are NATO waters, not Chinese ones.

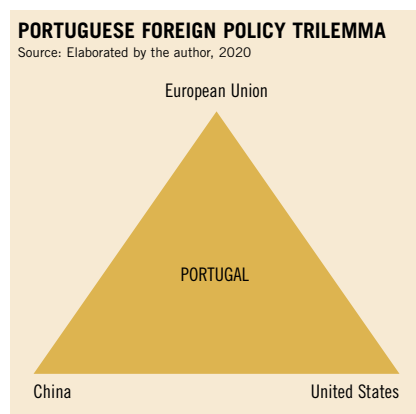
More interesting perhaps of the COVID-19 test to the Chinese momentum in Portugal is to compare the different reactions of Portuguese President Marcelo Rebelo de Sousa to Donald Trump phone's call on the afternoon of 1 May, 2020, and later to Xi Jinping's phone call. In the first case, both US and Portuguese Presidents addressed, in a quite cordial manner, several issues of bilateral interest and referred to the economic and international situation generated by the pandemic. During the conversation, President Trump "praised the Portuguese performance in this pandemic outbreak and offer[ed] all the help that was considered useful and necessary". At the end, the two Presidents exchanged wishes "for the greatest successes of the two friends in overcoming the current situation".<sup>9</sup>

Some days later, in the evening of 7 May 2020 it was the Chinese President who called the Portuguese President. Again, there is a *déjà-vu* in international politics, an action taken by China that, based on a pavlovian logic, leads the US to react. But this time was different. The US took the initiative and China reacted. After the Chinese regime's informants alerted Xi Jinping about Trump's warm phone call to Marcelo, the Chinese President tried, although unsuccessfully, to replicate the friendly tone. It is necessary to understand Marcelo's profile to realize that if he does not use adjectives to describe the conversation with his Chinese counterpart (or with any other interlocutor), then it is because there was no human warmth. But as or more remarkable is the fact that the Portuguese President is highly prudent and diplomatic in his words. As such, the fact that the Portuguese President deliberately criticized China for not having honored timings regarding the delivery of medical supplies ordered by Portugal, is something unprecedented in a diplomat like Marcelo. But it reveals, at the same time, that "the honeymoon between Portugal and China is over", as Esteves notes.<sup>10</sup> Although Xi Jinping's call was a gentle reminder that Portugal is a key player within the BRI, the fact is that since the beginning until the end of the conversation, the Portuguese President never referred the word BRI, contrary to what he used to do in previous occasions.<sup>11</sup>

But even admitting that Portugal-China honeymoon has not come to an end (thus contradicting Esteves' thesis), in practice Portugal counts only for a small portion in the chess of international politics. At stake is a deeper and macro restructuring not just of geopolitics, but also of global geo-economics. Regardless of all controversy around the anti-*versus* pro-China debate, one thing is clear: COVID-19 is just one more phase in China's multilateralism. Indeed, if before the outbreak of the pandemic, Chinese multilateralism had already shown a remarkable sophistication

(implicit in the accession of several EU states to the Asian Infrastructure Investment Bank against the US will), in the post-COVID-19 era China is still standing. Such view is shared by Luís Tomé, who adds that "despite the uncertainty and unpredictability that characterize the current situation, there is a clear tendency for the global geopolitical reorganization to be favorable to China".<sup>12</sup> This is due, to a large extent, to the US lack of preparedness in handling the pandemic domestically, but also to the absence of any effort on the part of Washington to lead international initiatives in order to fight the pandemic.<sup>13</sup>

In turn, the scenario is not very different in the European Union, or rather, European *disunion*, which curiously and paradoxically, received a faster support from China and Russia to fight the pandemic. In the new order that is gaining shape, the issue is not so much about the de-westernization of politics in Gaspar's view, but more about what he calls de-globalization, accompanied by a consolidation of "competition between the United States, China and Russia, whose logic is the return of regionalist protectionism".<sup>14</sup> Albeit there is no consensus among experts on the contours of the post-COVID geopolitics, there is however a point of relative convergence. In other words, there is awareness that the pandemic showed the vulnerabilities of the global market, but also that "no sovereign state should continue to depend on third states in strategic domains and, of course, medicines and health equipment, whose production is dominated by China".<sup>15</sup> This being said, let us stress that Portuguese foreign policy has been particularly skilful in dealing with China, while keeping its old compromises vis-à-vis the EU and the US.



The Portuguese unprecedented stance toward China has shown so far the topicality of what Lord Palmerston had once wisely observed: "states have no permanent friends or allies, only permanent interests".<sup>16</sup> This does not mean nevertheless that the honeymoon with China will last forever, as the phone call between Xi Jinping and Marcelo Rebelo de Sousa has foreshadowed. At the end, history will tell us whether Lisbon will choose to remain unconditionally loyal to its longstanding allies or, instead, tempted to further experience Lord Palmerston's forbidden fruit. ■

## Notes

- <sup>1</sup> Jornal de Negócios (2020). <https://www.jornaldenegocios.pt/economia/coronavirus/detalhe/sondagem-china-nao-e-responsavel-pela-epidemia>
- <sup>2</sup> Sic Notícias (2020). <https://sicnoticias.pt/especiais/coronavirus/2020-04-05-Quem-e-a-empresaria-chinesa-que-doou-equipamentos-no-valor-de-46-milhoes-a-Portugal>
- <sup>3</sup> The Wall Street Journal (2020). <https://www.wsj.com/articles/china-asserts-claim-to-global-leadership-mask-by-mask-11585752077>
- <sup>4</sup> See <https://blog.degruyter.com/milton-friedman-no-thing-free-lunch/>
- <sup>5</sup> Duarte, P. and Leandro, F. (eds). (2020). *The Belt and Road Initiative – International Perspectives on an Old Archetype of a New Development Model*. Singapore: Palgrave
- <sup>6</sup> Diário de Notícias (2020). <https://www.dn.pt/mundo/geopolitica-do-virus-o-choque-america-china-11990132.html>
- <sup>7</sup> Diário de Notícias (2019). <https://www.dn.pt/mundo/este-xi-nao-e-a-china-com-quem-os-portugueses-tem-comerciado-durante-500-anos-10878774.html>
- <sup>8</sup> Duarte, P. (2020). "Portugal na Faixa e Rota: Impactos, Oportunidades e Desafios". *Brotéria*, 190(4): 419-427.
- <sup>9</sup> Presidency of the Republic of Portugal (2020). <http://www.presidencia.pt/?idc=10&idi=176855>
- <sup>10</sup> Esteves, J. (2020). <https://sol.sapo.pt/artigo/695997/opiniao-portugal-china-marcelo-sem-xi-coracao>
- <sup>11</sup> Idem.
- <sup>12</sup> Diário de Notícias (2020). <https://www.dn.pt/mundo/geopolitica-do-virus-o-choque-america-china-11990132.html>
- <sup>13</sup> Idem.
- <sup>14</sup> Ibidem.
- <sup>15</sup> Leigh, E. (2012). "Edward Leigh's substantive speeches in the House of Commons: May 2010 – December 2012". Collected Parliamentary Speeches.

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