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The EU and China in the Global System-Partners or Competitors?

Keynote Remarks

A lot has been said and written on EU-China co-operation on the international stage in recent years. Ever since the EU and China referred to each other as 'strategic partners' in 2003 Brussels and Beijing have undertaken numerous efforts to elaborate define how and where Europe and China will co-operate in international politics, security and economics.

Over the last four years, the EU and China each published several policy papers outlining their respective political, trade, economic and security policies towards each other and the expansion of relations in essentially all thinkable areas and sectors has been accompanied by a seemingly ever growing exchange of official track I as well as non-official track II exchanges. The frequency and intensity of bilateral exchanges on numerous levels is indeed impressive and demonstrated that both Brussels and Beijing follow up on their announcements to invest the political and diplomatic resources and energies to constantly upgrade institutional and exchanges and relations beyond increasing bilateral trade and investment relations taken care of by business.

So far so good.

However, from 2003 till the present, a lot of political rhetoric about jointly implementing so-called 'effective multilateralism' came out of Brussels and Beijing although there up to date very little evidence where and how the EU and China are actually implementing visible and result-oriented policies on the international level.

Not least as Europe and Beijing pursue fundamentally different approaches towards global foreign and security policies which made identifying the convergence of European and Chinese approaches and strategies with regards to international politics and security challenging and at times even impossible.

Arguably, the more envisioned EU-Chinese co-operation on international issues was being discussed on the government-to-government track I and scholars-to-scholars track II level, the more it became obvious that international co-operation between the EU and China beyond the expansion of trade and business relations will (at least for the time being) remain the exception

and not the rule of the EU-China bilateral reality.

EU and China International Co-operation -Obstacles and Impediments

Fundamentally different priorities between a block of democratic countries on the one and an economically developing non-democratic China with foreign policy priorities centered around securing global energy resources for a rapidly growing economy on the other hand hinder the joint formulation and implementation of foreign and foreign economic policies.

Put bluntly, EU-China co-operation in many areas international co-operation exists on paper and on paper only, with 'paper' being official EU documents as well as official rhetoric and documents to be voiced and published in Beijing.

Contrary to what earlier political rhetoric in Brussels and Beijing claimed, China and the EU do not share a common set of values, have yet very different political and economic systems and pursue different approaches and strategies on numerous international issues, be it the North Korean nuclear crisis, politics towards Iran, Africa in general and Sudan in particular.

The establishment of EU-Chinese dialogue fora on the above mentioned and other issues might be considered useful and relevant in policymaking and diplomatic, but these dialogues do realistically not necessarily have a real and measurable impact on China's foreign policy behaviour, be it in Asia, Africa or elsewhere. Political reality has shown that the EU's dialogues with China or bilateral or international issues are not (at least not yet) dialogues intended to go beyond the status of informal consultations with the mandate define and agree on individual or joint policies.

Put simply, what is being discussed and ideally agreed on in EU-China dialogues on Africa, North Korea, nuclear non-proliferation and others does not necessarily reflect the reality of EU and China policies towards the above mentioned and other issues.

Numerous conversations with European and Chinese policymakers confirm that the EU and Chinese are coming to terms with the fact that the above mentioned impediments limit and will continue to limit EU-Chinese co-operation on the international level.

In fact, there is an emerging and growing consensus amongst policymakers and analysts that the expectations, on what the EU and China can and should try to achieve jointly on the international level need to be adjusted, i.e. lowered.

What's more the EU's most recent two China policy papers (one on political and overall and one

on EU-China trade and investment relations) add an additional dosis of reality to bilateral relations in general and bilateral trade relations characterized by an ever growing deficit in China's favour in particular. It is fair to say that the EU's October 2006 trade and policy papers led to disappointment amongst Chinese policymakers who saw themselves confronted with straightforward criticism as regards human rights in China, press freedom and freedom of expression, religion and political activism and last but certainly not least criticism of the lack of progress in the areas of intellectual property rights, market access and other issues limiting and obstruction the expansion of European investments in China.

EU-Chinese Relations-Priorities

Day-to-day-and without a doubt constructive and result-oriented-exchanges between the EU and China confirm and China are too 'busy' dealing with each other and bilateral issues to have enough resources and the political will to jointly tackle international issues beyond joint declarations to do so.

The bilateral trade deficit in China's favour, problems related to product safety of Chinese goods imported to Europe, problems related to the lack of European intellectual property rights in Europe and other issues on the EU-China bilateral will continue to be priority issues on the bilateral agenda.

From a Chinese perspective, Europe is above all a market for Chinese products as well as provider of technological know-how as opposed to partner on international security issues.

In China-although official Beijing political rhetoric might suggest otherwise-the EU is not being perceived as coherent and truly relevant actor on the international stage, amongst others due to the lack of US-style military capabilities, the EU's complex and often slow decision-making process and diverging interests and approaches to numerous international issues amongst European countries. 'Relations with Europe', this author was told over and over again by policymakers and scholars in China, 'are better but still far less important than relations with the US.'

For Europe, China will for years if not decades remain an important manufacturing base where European multinationals produce cheap goods taking advantage of cheap labour. Despite the problems with regards to market access, red-tape and other impediments, investing and producing in China is on the agenda of practically all European companies with global reach and

ambitions.

On a bilateral institutional level, the EU-China so-called sectoral dialogues (dialogues between the EU Commission and counterparts in China) are dealing with various international issues relevant not only for EU-China bilateral relations but also potentially relevant on the international level. Examples are dialogues on WTO issues, climate change and other environmental issues, non-proliferation of weapons of mass destruction, intellectual property rights etc.

‘Potentially relevant’ on the international level only as the sectoral dialogues deal above all with issues above all relevant for the bilateral context of EU-China relations.

China-International Actor with an Agenda

Recent trends of Chinese regional and global foreign, foreign economic and not least energy security policies do not indicate that Beijing is planning to make multilateralism the guiding principle of its regional and global foreign policies.

Apart from the fact that the so-called ‘principle of non-interference’. i.e. Beijing’s on paper refusal to get involved in domestic politics issue in countries it is doing business with, China has a clear-cut preference for bilateral ties and relations.

China is an emerging global foreign and security power with a clear preference for bilateral ties and agreements, be it in Asia, Africa or elsewhere. Even if Chinese political rhetoric suggests otherwise, this does limit any multilateral international policies and initiatives and policies with the EU or anybody else.

Contrary to what is commonly said and written, China hosting the so-called 6-nation talks in Beijing to de-nuclearize the Korean Peninsular e.g. does not necessarily fall under the category of ‘multilateral policies.’ Even though Chinese involvement in the efforts to convince North Korea to abandon its nuclear programme was hailed as a major achievement of Beijing’s global, in reality Beijing’s role was above all limited to providing a platform for North Korea and the US to find a solution to the crisis on ‘neutral’ ground. What’s more, in the case of the crisis in Darfur, China acted against the will of the international community and for a long time blocked a UN Security Council resolution to send multilateral troops into Darfur in view of its close economic and energy ties with Sudan. Beijing only changed its policies towards Sudan and supported the deployment of UN troops to Sudan under strong international (including EU) pressure.

The fact that Beijing ‘sold’ its changed policies towards Sudan as ‘multilateral’ afterwards is part

of international politics and the 'art' of selling policies as voluntary as opposed to under pressure.

EU-China-Jointly Shaping the International System?

Chinese political leaders intend to participate in shaping the international system. According to Beijing's policymakers this is going to take place with or in many cases without Europe. Identifying areas where the EU and China could take a lead in shaping the international system, is a challenging task indeed, not least in view of the fact that the EU as an institution representing and implementing foreign, foreign economic and security policies of 27 member states is still in the process of identifying and defining its foreign policy profile and areas of priorities.

China too is arguably in the process of finding its international identity and will for years if not decades remain almost exclusively concerned with its economic development.

Its foreign, foreign economic and increasingly energy security policies will continue to be guided by strategies, approaches and policies with the primary objectives to secure energy resources.

The EU on the other hand is not yet a coherent and always predictable global foreign and security policy actor in view of inner-European differing interests in many areas of international relevance.

The EU Commission's authority and mandate to formulate and implement one European foreign and security policy will remain limited and Beijing (like others too) is making sure to keep a balance dealing with Brussels and the individual EU Member States' capitals equally intensively.

Convergences in foreign and foreign economic policy priorities are few, the 'common interests' often exist on paper only and the bilateral relationship will for the time being continue to be shaped by bilateral trade and business interests and the problems and friction and related to them.

The Good News/Conclusions

Concluding on a positive note, Europe remains a strong investor in China, China is continuing to increase its investments in Europe and the daily exchanges between Brussels and Beijing through the above mentioned EU-China sectoral dialogues will remain important instruments to define common interests in issues and policy initiatives with potentially global implications.

For the time being, however, issues related to trade, the trade deficit in China's favour, intellectual property rights, product safety of goods 'Made in China' market access obstacles for European business will remain the priority issues on the EU-China bilateral agenda.

Nothing unusual for exchanges between developed and mature economies on the one and a developing economy on the other hand regardless of the fact that China's GDP is already the fourth largest in the world.

The resources in Europe and China dedicated to international co-operation are naturally limited and require prioritizing.

Unless there are fundamental policy shifts in both Brussels and Beijing, the expansion of bilateral trade and investment relations and the resolution of numerous problems and disagreements associated with them will be the priority in both Europe and China.

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