China and the European Union: Strategic Partners against the Status Quo?

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Overview of the Presentation

- China and the EU as strategic partners: Theory and practice
- The conceptual background to China-EU relations: Multipolarity, Multilateralism and Modernity
- Cooperation between China and the EU: Great opportunities and great expectations
- Beyond honeymoons and hangovers: Persistent problems in the China-EU relationship
- The EU’s new leadership: Continuity or change?
- Europe after the Crisis: New priorities?
- China, the European Union and the status quo: an outlook
China and the EU as strategic partners

- Long-standing cooperation between the two sides
- Trade and investment is the cornerstone of EU-China relations:
  - EU is China’s largest trading partner, China is EU’s second-largest trading partner
  - Europe the main destination of Chinese ODI, increasing massively in the wake of the Eurozone crisis (21% increase from 2011 to 2012)
  - Advanced negotiations towards an Investment agreement
- Increasing cooperation beyond the economic realm:
  - Mutual recognition of the relationship as strategic since the first agreement in 2003
  - Annual summit meetings between Chinese premier and EU leadership
  - EU-China 2020 Strategic Agenda sets out cooperation across three pillars: economic, political, and people-to-people
China and the EU as strategic partners

- **Significant areas of common interest**
  - Improving global trade regime
  - Fighting international terrorism, piracy and other non-traditional security threats
  - Facilitating green growth
  - Being recognised/respected as global actors by the US

- **However, ....**
  - China and EU are also, and increasingly, competitors (e.g. solar panel dispute)
  - Persistent disagreements about human rights
  - Chinese expectation that EU might be an ally in balancing US power neglects the deep cultural and institutional ties between Europe and America (even post-Snowden)
  - China and EU approach global politics (and hence bilateral relations) from fundamentally different perspectives
The conceptual background to China-EU relations

- Chinese foreign policy based on principles of state sovereignty, non-interference in domestic affairs and on the assumption of power politics in international affairs
  - Global politics mainly seen through the prism of US power politics
  - Multipolarity and multilateralism regarded as vehicles to counter the (perceived) global dominance of the US
- EU external relations a reflection of the hybrid nature of the Union, representing both values and interests
  - Important institutional dimensions of hybridity (i.e. supranational institutions v. member states, role of the European Parliament)
  - Concern for (universal) human rights deeply embedded within the idea of European unification
  - EU differs from other intergovernmental organisations in that it is not (primarily) about the defence of member states’ sovereignty
EU, China and the Status Quo

- Both EU and China seek to overcome the status quo in the structure of international politics
- But…..
  - Chinese aim of replacing unipolarity with multipolarity would be a change *within* the paradigm of realist power politics
  - EU – if successful as a project – presents a much deeper challenge to the structure of global politics, namely a departure from the Westphalian system
  - EU policy often remains half-hearted (or hypocritical) due to its hybrid nature (representing both states and a new polity)
- Conceptually, the EU and China seeking to change *different* (and perhaps even *contradictory*) understandings of the status quo
EU-China Cooperation: Great Opportunities

- **EU and China have considerable overlap in their interests**
  - Mutual economic interests – in fact, the Eurozone crisis has demonstrated the dependence of the two economies
  - Common interests in technology transfer, renewable energy, eMobility, etc.
  - Potential for valuable knowledge transfer in areas such as welfare state reform, taxation, health policy, financial services regulation

- **New impetus in bilateral relations**
  - Xi visit to Brussels in April 2014 demonstrates Chinese attention to EU
  - New Chinese white paper on EU in 2014
  - EU follow-up to the US pivot to the Pacific

- **The EU is not a threat to China**
  - less focus on ‘old issues’ (arms embargo, market economy status, HR)EU desire to play a global role, yet no meaningful security presence in East Asia
  - The idea of a “Civilian Power Europe” – even if less and less matched in practice - ties in well with China’s concept of “peaceful rise”
Persistent problems in the China-EU relationship

- Tibet: Debates surrounding the consequences of possible independence of Scotland and Catalonia have demonstrated the ambivalence in Europe about self-determination
- Human rights: is in the DNA of European integration, but pragmatism (or economic interest?) has shifted concern to issues of “rule of law”
- Intellectual Property Rights: remains a key issue for EU manufacturers (also in the context of the investment agreement negotiations)
- Arms embargo: demonstrates closeness of EU to the US, but remains a largely symbolic issue (e.g. dual use goods)
- China’s “aggressive foreign policy”: military build-up and intransigence in island disputes with neighbours are at odds with EU’s traditional search for negotiated solutions
- Reform of global financial institutions: clash between the interests of Chinese and some European states
- Global responsibility: Noticeable absence (or absence of cooperation) of China on key issues of European concern (e.g. Syria, ISIS, Ukraine, Russia)
The EU’s new leadership: Continuity or change?

- Lengthy process of appointing/electing new leadership implies more inward-looking EU, distracted from external relations
- Key appointments indicate member states’ continuing desire not to appoint anyone that would challenge their dominance
- Foreign policy team is unlikely to change direction of EU external relations significantly
- New key actors all have track record of normative concerns
  - European Council President Donald Tusk – former civil rights leader
  - High Representative Federica Mogherini – former foreign policy expert in the Italian Communist Party
  - Trade Commissioner Cecilia Malmström – former MEP campaigning for greater transparency, human rights, food safety, etc.
- Possibility that EU foreign policy will be more closely coordinated with other external relations (trade, development)
Europe in/after the Crisis: New Priorities?

- Eurozone crisis has been massive distraction for EU leaders
- Crisis not over – debates about need for, and impact of, structural reforms continue in many member states (incl. France, Italy, Spain)
- New return to protectionism, but desire to open markets increasingly tempered by other concerns (e.g. data protection/privacy, food safety, political conditionality)
- Europe’s pivot towards Asia/China compromised by problems closer to home (Ukraine, ISIS, Libya)
- Russia’s actions re Crimea and Eastern Ukraine have significant impact on EU policy
  - Re-thinking of policy vis-à-vis Russia
  - Concern of Central and East European member states upgraded
  - Closer cooperation with the US and renewed interest in NATO
- EU less able to be pro-active with regard to China
China and the EU may both seek changes in the current world order, but differ greatly in their analysis of the problems and their preferred solutions.

China and the EU both have ambitions to make an impact on global politics, but for different reasons lack the capacity to see through significant change.

China and the EU have many common interests, but their priorities are currently much more internal and limited to their own region.

The so-called strategic partnership will continue, and will benefit both sides, but the EU is unlikely to be valuable ally in any Chinese project to change the status quo.