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Hearing on the China-Europe Relationship and Transatlantic Implications

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Preliminary Remarks

The topic assigned to me is “EU-China relations in the foreign policy context”. It should be noted that economic and trade relations have been the centerpiece and foundation of the partnership between China and the EU, as well as between China and the EU member states. Moreover, economic and political issues are intertwined and cannot be totally left out of the considerations below.

China’s EU Policy/ies – the EU’s China Policy/ies

China cultivates its relations with the EU as a whole as well as with individual member states. Beijing knows where the competences of the different EU institutions (Commission, Council, Parliament) lie, where the governments of the member states have a say on EU decisions, and what can or cannot be negotiated with individual member states. China might try to mobilize individual EU member states to speak in favor of China’s interests at the Brussels level. China has traditionally seen individual or groups of member states as attractive cooperation partners in special fields. For example, France has been considered as the strongest supporter within the EU of the concept of a multi-polar world (in contrast to a unipolar world order dominated by the US). Scandinavian countries and Germany were seen as models for establishing social security systems. The UK has been seen as an ally of China with respect to granting China Market Economy Status due to its liberal economic model.

The biggest EU member states are important partners for China in the context of international organizations (e.g. the UK and France in the UN Security Council) and more informal groupings (e.g. Germany, France, the UK and Italy in the G8 plus and G20). In these cases there are more opportunities to foster bilateral relations through high-level meetings in the context of international events.

China has been systematically cultivating relations with member states through high level visits. For example, Chinese Prime Minister Wen Jiabao visited Swit-

zeland (Davos), Germany, the UK, Spain and the EU headquarters in Brussels in 2009¹, Hu Jintao travelled to France and Portugal in 2010, and Xi Jinping, who will most likely take over the positions as China's No. 1 in fall 2012 and spring 2013, visited Ireland and Turkey after concluding his trip to the United States in February this year.

At the EU level, a broad range of dialogue mechanisms exist at different levels. With the EU, an annual summit meeting has been held since 1998², a High Level Economic and Trade Dialogue (HED) was started in 2008 (modeled after the China-U.S. Strategic Economic Dialogue) and a High Level Dialogue on Strategic and Foreign Policy Issues was established in 2010³. In more than 50 so-called sectoral dialogues the EU and China meet regularly on the working level, covering not only economic issues (including consumer product safety, customs, IPR...), but also political and security topics (non-proliferation, illegal migration, energy...). Most of these working-level dialogues were initiated by the European side, since they usually reflect an EU interest. Twice annually, the EU holds a Human Rights Dialogue with China, which started in 1995.

Regular meetings on different issues also take place between China and almost all EU member states. Most of these dialogues are focused on economic issues, but some member states (France, Germany, Sweden and others) have also been conducting military exchanges with China, aiming at improving transparency and confidence building. Several member states of the EU hold their own human rights dialogues with China (UK, Germany, Sweden, etc.). Efforts to mainstream all these dialogues and to get a clearer focus as to what they intend to accomplish have been underway in the last two years.

Exchange of information and coordination between the EU member states on Asia and China policy takes place in Brussels in so-called COASI meetings where Asia directors or, depending on the topic, representatives from foreign ministries come together. Expert staff of the EU representation and of member states' embassies in Beijing also holds meetings on a regular basis. This includes meetings of the Heads of Mission and their Deputies.

Despite all these information exchanges and consultation mechanisms on the European side, politicians of member states do not always convey the same message

¹ This trip of Wen Jiabao was called „Tour de France“ because it left out France, most likely as a reaction to French President Sarkozy's meeting with the Dalai Lama a few months earlier.

² Two exceptions have been made in the annual rhythm: The summit schedules for December 2008 was “postponed” by China because of a planned meeting of French President Sarkozy with the Dalai Lama; and the summit 2011 was postponed by the European side because of an emergency EU summit on the European sovereign debt crisis.

³ See “EU-China Political Dialogue”, http://eeas.europa.eu/delegations/china/eu_china/political_relations/pol_dialogue/index_en.htm [access April 2, 2012].

to Chinese counterparts (see below). Both sides have declared in 2003 that their relationship is a “strategic partnership”⁴, but so far only the Chinese side has offered a definition of such a partnership – according to Wen Jiabao, it is comprehensive, long-term and transcends ideological differences.

Key Diplomatic and Foreign Policy Objectives

China’s key diplomatic issues in the relations with the EU and member states beyond the economic ones (markets for its goods, source of investment and technology) are explicit support for China’s territorial integrity (Tibet, Xinjiang, and most importantly Taiwan). In general, Beijing expects that the EU will do nothing in the Asia-Pacific region that would undermine China’s interests. (The latter is also a central U.S. expectation when it comes to the EU’s role and activities in the region.) The two main obstacles cited again and again by China for improving relations between the EU and China are Market Economy Status and the 1989 arms embargo, which – contrary to China’s hopes – was not lifted in 2004-5. Meetings of European leaders with the Dalai Lama are another cause of criticism on the Chinese side.

At the same time, China hopes that the EU will develop into a counterweight to the US on the international stage. Beijing was optimistic in this respect when preparations for the Constitutional Treaty and EU enlargement were underway (2003-5), but subsequently became more skeptical in light of the EU’s struggle for deeper political integration (failing of the Constitutional Treaty) and, more recently, the European sovereign-debt crisis.

When the concept of a “G2” started to appear in US publications, Chinese politicians and academics reacted with skepticism and mistrust to this concept. They underlined the important role of the EU in international/global affairs. So the EU was seen as an international actor that could help China get out of what was by many in the Chinese elite perceived as the “trap” of a G2.

The EU itself officially states the following priorities of its China policy:⁵

- To engage China further, both bilaterally and on the world stage, through an upgraded political dialogue.
- To support China's transition to an open society based upon the rule of law and respect for human rights.

⁴ Both, the EU and China, have many “strategic partnerships”.

⁵ See website of the EU: “The European Union and China: A Maturing Partnership”, http://eeas.europa.eu/delegations/china/eu_china/political_relations/index_en.htm [access April 2, 2012].

- To encourage the integration of China in the world economy through bringing it fully into the world trading system, and supporting the process of economic and social reform that is continuing in China.
- To raise the EU's profile in China.

Beyond pursuing economic interests, the EU and its member states would like to see China develop into a constructive, predictable and reliable partner on international issues (such as Iran, Sudan...) and on global challenges (such as energy, climate change...).

Does China Pursue a “Divide and Conquer” Strategy?

The Chinese “divide and conquer” strategy should not be overestimated in its actual effect. Of course, such a strategy would not work if the EU and its member states would consistently speak with one voice. However, European member states have different economic interests, are divided over many issues, and there is sometimes a lack of coordination and/or solidarity within the EU as well as a lack of institutional memory. All China has to do is use these weaknesses and inconsistencies within the EU to its own advantage.

China mainly uses economic sticks or economic incentives to “punish” or “reward” decisions or actions of individual European member states, although it is not always clear what is a “normal” bureaucratic hold-up and what is a deliberate decision to delay. Another instrument of “punishment” is to cancel planned visits of delegations or temporarily freezing the regular exchanges with a member state (not unlike the suspension of mil-mil exchanges with the U.S.). In 2008, China even cancelled (postponed) the EU-China summit as a reaction to French President Sarkozy’s plan to meet the Dalai Lama. Since France had at the time the European presidency, basically the entire EU was taken hostage of the French decision.

As mentioned above, China does not really need to apply a “divide and conquer” strategy when European member states are divided on certain issues to begin with. EU member states have different economic interests with respect to China. But there have also been examples of political rifts or dissent within the EU:

- In relations to China: there was no unified opinion on lifting the arms embargo in the years 2003-5, and there is no unity on granting China Market Economy Status.
- Other issues with relevance for EU-China relations: For example, the EU was divided over the military intervention in Iraq 2002-3 (Germany and France against) and, more recently, the resolution on no-fly zone in Libya (Germany abstained in the UN Security Council) – in these cases China usually underlines which of the member states shares China’s concerns.

1. Despite the EU's steps towards a Common Foreign and Security Policy (CSFP), each EU member states – and especially the big ones (EU-3) - still pursue their own China policies which focus on the respective member state's perceived particular interests. For example, Germany as the biggest trading partner of China within the EU (responsible for almost 40 % of EU-China trade) has recently (in 2011) elevated its relationship with China by establishing so-called “inter-governmental consultations.”⁶

2. Member states sometimes fail to stick to agreed positions or formulas in their dealings with China. Such deviations from the agreed language do not necessarily signal a change in policy, but can be an honest mistake, for example due to a lack of institutional memory. However, in some cases, individual member states display a special position due to their own historic or current experiences. For example, Spain, Greece and Cyprus almost by default tend to express their support for the territorial integrity of countries that face (like themselves) challenges from separatist forces in one form or another. This explains why these countries have been more reluctant to speak out on Tibet or had initially put up some resistance against a visa waiver for Taiwan.

3. In some cases, the problem of disunity is a lack of solidarity between member states rather than a result of a deliberate Chinese strategy of “divide and conquer.” For example, Germany and France traditionally compete with each other in the economic field in China. French President Sarkozy made a state visit to China in fall 2007 briefly after German Chancellor Angela Merkel had met the Dalai Lama. Sarkozy did not use this opportunity to make a statement defending the German decision to meet the Dalai Lama. Instead, he underlined that Tibet was a part of China.⁷

When the French president came back from this visit with business contracts over 20 billion euro (mainly for Airbus and two nuclear power-plants), part of the (German) media presented these deals as “rewards” for the French statement on Tibet and for the lack of support for Angela Merkel. However, we can safely assume that these contracts had been in the pipeline for a long time. Moreover, Airbus is not a French company, but a European one. By implying a causal connection that on closer inspection is not very convincing, (national) media contribute to the impression of a “divide and conquer” tactic on the Chinese side.

4. If China has applied a “divide and conquer” strategy, the success has been rather modest. After all, decisions on the two major issues of granting China Market

⁶ The only other non-European countries Germany has been holding such consultations with are Israel and Russia. In 2011, Germany started such a mechanism with India as well.

⁷ That Tibet is a part of China is officially accepted by every government in the EU.

Economy Status and lifting the arms embargo require consensus among the member states, and as long as there is disagreement among member states, nothing will change (and change would be in China's interest). On issues like meetings with the Dalai Lama, however, more solidarity within the EU would be desirable.

Competition in Third Countries

Competition in third countries due to different foreign policy approaches of the EU and/or member states and China has mainly become manifest on the African continent. Since Jonathan Holslag will testify specifically on this topic, there is no need to go into details here. The central issue is that most Western countries (OECD) have agreed on certain conditions for granting foreign aid / ODA, while China as an emerging donor has so far remained outside this framework.

A sort of competition can also be seen with respect to countries like Zimbabwe, Sudan or Myanmar⁸, where the West – mainly the US and the EU/member states – has pushed for sanctions as a reaction to human rights violations. In most cases, China has been reluctant to support sanctions and has either worked to water down the text of the resolution or prevented resolutions in the UN Security Council by using its veto power (usually in tandem with Russia). However, even though China presents a very principled position on non-interference, its actual behavior has been more pragmatic and flexible than its rhetoric would suggest.

US-European Alignment

There are many issues with respect to China where positions of the US and the EU (including most member states) are closely aligned, even without a lot of consultation and coordination. First of all, this has been the case with respect to human rights and the rule of law in China. The EU and the US might focus on different human rights – the US more on religious freedom and on freedom of expression, the EU more on administrative detention, ratification of the UN Covenant of Civil and Political Rights and the death penalty – but there is clearly a shared basis of values and norms. On the international level, U.S. and EU more or less agree on how to approach the nuclear program of Iran and North Korea, on Sudan, Myanmar and Zimbabwe, or on Libya and Syria, while China (and Russia) might subscribe to the desired outcome, but not necessarily on the concrete steps to get there.

One obstacle for closer US-European exchanges and cooperation in the past was the lack of interest on the American side – due to the lack of hard power presence of the Europeans in East Asia they were (and still are?) largely considered as an

8 On Myanmar, European sanctions are expected to be lifted within the next weeks.

irrelevant actor in the region. Despite several academic initiatives for a transatlantic dialogue on China (and East Asia) starting in the late 1990s, it has been difficult to generate interest on the US side for the EU's China policy and/or activities in East Asia. The first clear sign of interest was as the (negative) reaction to discussions in Europe about the possibility of lifting the arms embargo against China in the years 2003-5. This period has led to more exchanges and consultation between the US and the EU or some member states, at least on the working level. Moreover, the EU has outlined its position on security in East Asia and has clearly stated that the EU needs to be sensitive to the special interests of the US and its alliance partners in the region.⁹

In one fundamental respect, the US and the EU/member states differ in their perception of China: The EU does not see China as a military threat to itself. And despite some negative changes in the perception of China in Europe and a course correction that asks for more reciprocity in the (economic) partnership with China, Brussels (and other European capitals) see no real alternative to engaging China on every possible level and on every possible topic with the aim and in the hope of making China a "responsible stakeholder". However, one "camp" among US China experts and officials also argues in favor of engagement of and cooperation with China.

It is also important to mention that there are some issues where US and Chinese interests and positions seem to be aligned. The most obvious example is climate change, where the US position has certainly not been in accordance with the European one. The summit on climate change in Copenhagen was a frustrating experience for the EU, since it felt sidelined by an alliance of BASIC¹⁰ and the US which in essence negotiated the final document. On the issue of carbon emission tax on flights to and from the EU there have also been similar reactions in the US and China: China's government forbade its airlines to pay the tax; the US House of

9 Cf. Council of the European Union: *Guidelines on the EU's foreign and security policy in East Asia*, full text of the version of December 2007 available at http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf. Originally, the "Guidelines" were drawn up in 2005, but not published at the time. In 2007, a revised version was published. A new revision is apparently underway. The relevant passage reads: "The US's security commitments to Japan, the Republic of Korea and Taiwan and the associated presence of US forces in the region give the US a distinct perspective on the region's security challenges. It is important that the EU is sensitive to this. Given the great importance of transatlantic relations, the EU has a strong interest in partnership and cooperation with the US on the Foreign and Security policy challenges arising from East Asia." [p.3] Documents like the "Security Guidelines" are important since they define an agreed frame of reference which makes it easier for the EU to react to events in East Asia without long debates.

10 The BASIC group (Brazil, South Africa, India and China) had formed shortly before the Copenhagen summit.

Representatives also passed a bill against these provisions in October 2011 and a similar bill was introduced in the Senate in December 2011.

Other examples for similar stances of the US and China are the International Criminal Court and ratification of the CTBT.

On these issues, the EU and most of its member states are on a different page than China and the US and makes transatlantic coordination difficult if not impossible.

Recommendations

1. On the government level, mechanisms for exchange and consultation have been in place between the US and the EU. However, topics should be expanded. There should be a special focus on global public goods like freedom of navigation.
2. More exchanges between parliamentarians from the US and European countries could improve mutual understanding of the respective positions on China and the Asia-Pacific in general.
3. Trilateral US-China-EU exchanges could be intensified. So far, they have been limited to academic conferences.