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Discussion Paper  
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**EU-China relations 2008, the EU's foreign policy and implications  
for its China policy**

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This paper is divided in two parts. The first part looks back at the development in EU-China relations over the last year. The second part will deal with the more fundamental question of the EU's Common Foreign and Security Policy, its limitations and what this implies for the EU's relations with China.

### *Part 1: New Developments in EU-China Relations*

It can safely be stated that 2008 was the most difficult year in EU-China relations since regular summit meetings started in 1998. If we look back at the year 2008 and the first months in 2009, China had a difficult start in 2008 with several natural disasters and major unrest in Tibet. The run-up to the Olympic Games did not turn out to be as glorious as people and government in China had hoped. Due to the events in Tibet, the torch relay in European capitals (first London, then Paris) was accompanied by demonstrations and incidents. European publics devoted a lot of attention to China, and western/European media scrutinized every aspect of the Olympic Games themselves, but also of China's general development. Although the accomplishments of finishing Olympic venues, infrastructure etc. in time were acknowledged, there was also a lot of reporting on the darker sides of China's reform process (environment, water, food safety) and on the human rights situation (rights for journalists, Internet censorship). Thus, the problems in China's image in Western publics, which had come to the surface over the previous years, became more pronounced.

There can be no doubt that EU-China relations have become more complex and also more difficult to handle over the last years.

The cancellation (postponement) of the EU-China summit, which was scheduled for early December 2008 in Lyon, in reaction to French president Sarkozy's planned meeting with the Dalai Lama, demonstrated a hardening in the Chinese position. In a way, the whole European Union was taken hostage of China's anger at Sarkozy and France, who held the EU Presidency at the time. In view of the pressing global problems that would have called for a coordinated response – global financial and economic crisis and climate change, to name the two most serious – the decision of the Chinese government to cancel the summit at short notice caused concern in Europe and was seen as a sign that a cooperative stance of China on these issues could not be taken for granted.

With Wen Jiabao's "tour de France" to Europe in January 2009, which led him in a circle around France (to Switzerland, Germany, Brussels, the UK and Spain), China continued to display dissatisfaction with France, but at least in relations with the EU as a whole a return to normality could be diagnosed. Finally, the Sino-French rift/conflict was mended in time for the G20 summit meeting in

London (April 2009). In a joint press communiqué which was issued on April 1, 2009, in Paris and Beijing, the following passage appeared:

France fully appreciates the importance and sensitivity of the Tibet question and reaffirms its commitment to a One China policy and to its position according to which Tibet is an integral part of Chinese territory, in conformity with the decision taken by General de Gaulle, which has not changed and will not change [...].

And the statement also said: “In this spirit and in respect of the principle of non-interference, France rejects any support for the independence of Tibet under any form.”<sup>1</sup>

With the exception of the host of the G20 meeting, British Prime Minister Gordon Brown, Sarkozy was the only European leader who had the opportunity for a bilateral meeting with the Chinese president in London.

With the G20 meeting, EU-China relations finally seemed to be back on track. Two high-level meetings between China and the EU followed in May 2009: The High Level Economic and Trade Dialogue took place in Brussels on May 7-8, 2009. And the cancelled summit was also finally held in Prague (under EU presidency of the Czech Republic).

But while Commissioner Benita Ferrero-Waldner had called this summit a “milestone” in EU-China relations, the meeting did not even produce the usual Joint Statement. According to press reports, the Commission had prepared such a statement of nine pages. Instead, only a 44 line long joint press communiqué was issued after the meeting.<sup>2</sup> No Q&A followed the press conference. Of course, both sides pledged their willingness to cooperate and look for solutions together, for example to address climate change. But nothing concrete was announced in this respect. There seems to be a long way to go to live up to the title of the summit: “Facing global challenges together.”

Shortly before the meeting in Prague, Eurostat published the figures EU-China trade for the year 2008: Bilateral trade had gone up to 326 billion Euro. But the trade deficit of the EU also reached a new record high of 170 billion Euro.<sup>3</sup>

In light of the developments described above, the Taiwan issue sticks out, because it was no cause for friction between China and the European Union: Due to the visible progress in cross-strait relations after Ma Ying-jeou became president of Taiwan in May 2008, the EU had more reason to support developments between the two sides. The EU (the presidency on behalf of the

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<sup>1</sup> Full text at: [http://news.xinhuanet.com/english/2009-04/01/content\\_11114649.htm](http://news.xinhuanet.com/english/2009-04/01/content_11114649.htm).

<sup>2</sup> See „11th EU-China Summit, Prague, 20 May, 2009, Joint Press Communiqué”, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/er/107965.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/107965.pdf).

<sup>3</sup> Germany alone accounts for the EU-27's exports to China and also absorbed 21 % of the EU's imports from China. See <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/09/72&format=HTML&aged=0&language=EN&guiLanguage=en>

member states) reacted with a positive statement to China's willingness to have Taiwan invited as an observer to the World Health Assembly 2009.<sup>4</sup>

In sum, however, 2008-9 has been a difficult period in EU-China relations. Signals given by the Obama administration, most prominently during Hillary Clintons trip to four Asian countries, might lead to an even stronger orientation towards Washington in the Chinese leadership and government. While a new bipolar world order ("G2"), as seen on the horizon by some observers, is not likely due to the strategic mistrust between the United States and China, the EU might just not look like such an attractive and indispensable partner anymore – assuming that it ever was considered as such.

There can be no doubt that the China policy of the EU and its member states has not been particularly successful or effective in the last years. The following second part of this paper will look at the structural reasons for this weakness.

It is well known that the European Union declared in 2003 in Solana's European Security Strategy that China was one of three countries in Asia with which the EU wanted to build a "strategic partnership." Unfortunately, the document failed to define what this term actually means with respect to China. Many publications have since been arguing that it is necessary to come up with some substance for the "strategic" dimension of EU-China relations, but so far it is not clear what the EU means by strategic beyond "long-term". This lack of clarity is not only a problem with respect to China; it applies to the EU's regional policies and other strategic partnerships as well.

### *Part 2: Limitations in the EU's CFSP and implications for China policy*

The structural weakness of the European CFSP will be addressed by taking a look at the gaps and dilemmas in the EU's relationship with China.

- Gap #1: Declaratory policy *versus* priorities, instruments, follow-up, monitoring
- Gap #2: External perceptions/expectations *versus* actual capability of the EU
- Gap #3: Internal division *versus* coherent policy
- Dilemma: US approach to European China policy and involvement in the Asia

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<sup>4</sup> Council of the European Union: "Declaration by the Presidency on behalf of the European Union on the occasion of the participation of Taiwan as an observer in the 62nd session of the World Health Assembly," 8 May 20099486/09 (Presse 123)P 50 [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/cfsp/107600.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/cfsp/107600.pdf)

*Gap #1: Declaratory policy versus priorities, instruments, follow-up, monitoring*

Despite its proclamation of global goals and the publication of region- or country-specific strategy papers for practically every part of the world, the European Union is very much focussed on itself. The integration and enlargement processes, the crisis after the non-ratification of the Constitutional Treaty and the problems with ratifying the Lisbon Treaty seem to be absorbing most of the EU's attention. The European Common Foreign and Security Policy (CFSP) is a construction site at best, and this is not likely to change any time soon. It seems that EU external relations – with the sole exception of the transatlantic partnership – are structured in concentric circles around the EU as a centre: the greater the geographic distance, the more declaratory and symbolic the policy. Many documents and joint statements at summit meetings do list lofty goals, but fail to set clear priorities or a timeframe. There are also no mechanisms for monitoring progress, and if an evaluation is done, it is in most of the cases not published.

China is a good example for this sort of approach: EU-China policy has grown and now carries the baggage accumulated over the years. At every summit meeting, some new topic seems to be found on which the EU and China can at least start a political dialogue. In consequence, it is hard to keep track even of the number of dialogues (“sectoral dialogues”) going on at different levels between the EU and China. Once a dialogue is established, it is not easily given up again.

*Gap #2: External perceptions/expectations versus actual capability of the EU*

The European Union has been a success story in creating a zone of peace and stability by deepening integration and attracting new member states who have to meet certain standards before they can become members of the EU. With the enlargement round in 2004 and the formulation of the Constitutional Treaty, the EU seemed to be on track to become a viable actor on the international level, not only in terms of external economic and trade relations, but also politically. These developments created outside expectations that the EU would become an important international power, and maybe even a counterweight to the United States (which did not have the best image during the two Bush administrations).

The years 2003-4 marked a peak in EU-China relations, with official policy papers published by both sides and Javier Solana including China in the list of “strategic partners” in Asia. Within the EU, a debate was initiated by France and Germany to lift the arms embargo against China – which could be interpreted as a sign that the EU might make decisions independently of the United States.

The failure of the European Union to deliver on the arms embargo was interpreted in China as a caving in under American pressure. This “weakness” together with the EU's apparent internal problems with the Constitutional Treaty

etc. led to a disillusionment in China about the capabilities and the ambition of the EU.

*Gap #3: Internal division versus coherent policy*

EU member states have very different visions of what kind of actor they would like the European Union to be and what kind of role it should play internationally. The enlargement to now 27 member states has broadened the spectre of views even more. Member states do not only disagree on their vision of the EU, they also have different interests, different perceptions and preferences concerning external partners (e.g. Russia) and different priorities.

In a recently published study by the European Council on Foreign relations, EU-China relations have been analysed on the basis of questionnaires and interviews conducted in all 27 member states, in Brussels institutions and in China. The most interesting and useful part of this Power Audit<sup>5</sup> is an attempt to group the 27 member states in different categories based on their attitude vis-à-vis China. The report divides them into four broad groups:

- “assertive industrialists” (Poland, Czech Republic and Germany under Chancellor Angela Merkel)
- “ideological free-traders” (Netherlands, Sweden, Denmark and U.K.)
- “accommodating mercantilists” (Slovenia, Finland, Bulgaria, Malta, Hungary, Portugal, Slovakia, Italy, Greece, Cyprus, Romania, Spain)
- “European followers” (Belgium, Ireland, Austria, Luxemburg and the three Baltic States)

France under President Sarkozy has not clearly fitted into any of the four categories.

It is hard to expect a coherent China policy under such circumstances. The divisions between different member states are obvious; they even compete in the economic sphere with each other. (Example: Sarkozy’s trip to China after Angela Merkel’s meeting with the Dalai Lama.) China does not only know about these differences, but has become very apt in using them for its own advantage. The old strategy of “using the barbarians to control the barbarians” (*yiyi zhiyi*) still seems to work with the EU. As long as European member states are willing to stab each other into the back, this is not likely to change.

*Dilemma: US approach to European China policy and involvement in the Asia*

In general, the United States has not been very interested in European activities in East Asia or China. The first time Washington took note of European plans was

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<sup>5</sup> John Fox and François Godement: *A Power Audit of EU-China Relations*, London: European Council on Foreign Relations, 2009; full text available at <http://www.ecfr.eu>.

when the debate about lifting the arms embargo against China started. The transatlantic debate on this issue was fraught with symbolism, a lot of it had not much to do with the practical consequences of such a European decision. As a consequence, the EU under UK presidency formulated “Guidelines for the EU’s Foreign and Security Policy in East Asia” and a formal transatlantic dialogue on East Asia was established (both in 2005). The guidelines explicitly acknowledge that security concerns of allies (namely the United States) and partners have to be taken into consideration.

The dilemma for the EU is the following: Europe seems to be taken only seriously by the United States as an actor in the region, if the EU decides something that goes against US interests. As soon as the issue under dispute is off the table, attention from the US side starts to shrink again. The US does not seem to believe that Europe could become something like a partner in the Asia-Pacific, not necessarily with the same approach as the United States, but complementary to it. On the other hand, the EU will not be taken seriously as an actor in the region (beyond trade), if it simply follows the US lead in the region. The fact that at least some European member states took a position against the Bush administration on the invasion of Iraq was welcomed by most countries in Asia (including China) and improved and sharpened the EU’s political profile. But the EU has no intention to become a counterweight to the United States.

### *Questions*

For the discussion, I would like to raise a few questions.

- What can the EU do in order to avoid that its self-proclaimed image as “civil power” / “normative power”, its internal division and limited “actorness” will ultimately lead to marginalization?
- What would be necessary for a strategic approach vis-à-vis China?
- How do Chinese academics assess the development of the partnership? Where would they see Europe’s ranking among China’s partner?