

# EU-China Relations – Really Towards a »Strategic Partnership«?

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**Abstract:** The three year long EU-China honeymoon has come to an end and both Brussels and Beijing are now charged with re-adjusting and redefining their relations, »strategic« or otherwise. Whereas the EU found itself confronted with the task of explaining its objectives a however-shaped »strategic partnership« with China, for Beijing the objectives of the partnership with Brussels announced in 2003 were always well-defined, with two issues on top of the agenda: The lifting of the EU weapons embargo imposed on China in 1989 and the granting of market economy status (MES). Three years later, neither nor has happened and it remains very unlikely that there will be progress on either issue any time soon. Then again how realistic and credible is a »strategic partnership« between a democratic block of countries and the yet non-democratic China mainly if not exclusively preoccupied with economic development in the first place? Not very, this author argues and the analysis below will seek to explain why.

**Keywords:** EU-China relations, effective multilateralism, EU foreign and security policies, »strategic partnership«

Three years after the EU Council adopted the EU Commission's paper on EU-China relations titled »A maturing partnership: shared interests and challenges in EU-China relations« in which the EU referred to China as the EU's »strategic partner,«<sup>1</sup> there is still very little clarity what exactly the »strategic dimension« of EU-China relations is or is supposed to be. What are the EU and China's common interests beyond the rapid expansion of business and trade relations and are the expansion of business relations really enough to make relations »strategic«?

The concept of an envisioned »strategic partnership« made it into another EU strategy paper, namely the December 2003 European Security Strategy which lists China as one of the EU's five strategic partners next to Canada, India, Japan and Russia.<sup>2</sup>

Ever since political rhetoric and official statements referred to China as »strategic partner,« EU policymakers have found themselves charged with the task of explaining to the public and political analysts how exactly the EU envisions a however-shaped »strategic partnership« between itself and a non-democratic and autocratic China. Then again Brussels is the place of high-sounding political rhetoric producing »white papers,« »green papers,« »action plans,« »policy papers,« and »strategy papers« laying out the EU's foreign and security policy »visions« (as opposed to concrete and realistic policies), typically listing numerous issues and joint actions that the EU is seeking to undertake with partners or envisioned partners.

Recently, however, the EU Commission has sought to address the confusion surrounding the term »strategic« (the US and Japan initially seemed to have feared that Brussels and Beijing were about to launch some sort of military alliance aimed at

reducing US global power influence by referring to their relations as »strategic«) and now explains that »strategic« really means »comprehensive« standing for the expansion of bilateral relations in as many areas as possible.

Admittedly, the intensity of the EU's day-to-day work on relations with China is impressive and is in many ways a showcase for inter-regional co-operation, documented not least by the below mentioned EU-China strategic dialogues and other formal and informal exchanges between the EU and China.

Leaving aside that China is not a democracy and does realistically (unlike the Asian democracies Japan and India) have very little in common with the EU and its approaches towards global foreign and security policies, relations with Beijing are currently without a doubt the EU's most important leading other Asian nations to complain about Brussels' »China obsession« at the price of neglecting relations with Japan, ASEAN and others concerned about the EU's focus on China in Asia.

An analysis of EU-China relations must not fail to point out that the EU as a supra-national institution has limited competencies implementing European policies towards China.

It is essential to understand the scope and above all the limits of the EU as an institution implementing foreign and trade policies in order to make an informed and objective judgment about the quality and quantity of Brussels policies towards China.

The EU Commission, and this is still misunderstood in China (and in the US for that matter), does only implement a very limited number of policies without the formal approval of the EU Council, the institution representing the EU Member States in Brussels. The Commission is suggesting policies and strategies, but in many cases these suggestions are subject to a long and cumbersome decision-making process aimed at finding a consensus amongst the EU's 25 Member States. Formally, the EU Commission and the China Desk within the Directorate for External Relations (DG Relex) is in charge of implementing relations with China, but implementation does more than often get slowed down by inner-European disagreements

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1 A Maturing Partnership-Shared Interests and Challenges in EU-China Relations; Commission of the European Communities, Brussels 10 September 2003.

2 Solana, Javier, »A Secure Europe in a Better World – European Security Strategy«; Brussels, 12 December 2003; <http://ue.eu.int/uedocs/cmsUpload/78367.pdf>.

on the details and contents of policies. Chinese policymakers and diplomats, however, are of course by now very familiar with the EU's complicated and slow decision-making process and knew that a inner-European consensus on the embargo issue was not achievable. Nonetheless, Beijing and Brussels-based Chinese diplomats could not resist accusing the EU of »incoherence« and »breaking its promise« to lift the embargo at the time. China felt »betrayed« (and still does), the rhetoric in China goes.

Either way, the EU's executive is charged with the ungrateful and impossible task of in the worst case accommodating 25 different approaches towards policies towards China seeking to formulate and implement »one« coherent EU strategy towards China. In view of differing interests and approaches in EU Member States, that is more often than not a »mission impossible«.

Either way, after three years of high-sounding political rhetoric on the progress of expanding bilateral relations in as many areas as possible, EU-China ties need a reality-check and the below analysis will seek to explain where and how.

## 1. No Weapons, No Party

For China, the objectives of the envisioned »strategic partnership« with Brussels were clear and well-defined, with two issues on top of the agenda: the immediate lifting of the EU weapons embargo and the granting of market economy status.<sup>3</sup> Three years later, neither nor has happened which continues to lead to complaints and irritations amongst Chinese scholars and policymakers. China and the Chinese people, it is being argued emotionally, is being treated »unfairly« and »discriminated against«. These arguments, however, lack credibility as Beijing's policymakers and Brussels-based Chinese diplomats are by now aware that the lifting of the embargo requires the approval of all 25 EU Member States and that there is no consensus on the lifting or non-lifting of the embargo. Brussels-based Chinese diplomats usually well informed on the EU decision-making procedures and processes too have over the last three years complained repeatedly (at the height of the controversy over the weapons embargo issue »constantly«) that the EU is incapable of speaking with »one voice« on the embargo issue and is not living up to its »promise« to lift the embargo. Apart from the fact that the same diplomats are aware that the decision on the lifting or non-lifting of the embargo is being taken in the EU Member States, the EU has never promised to lift the embargo but promised to »work towards the lifting of the embargo«, the last time in Helsinki. This small but important difference has been conveniently ignored by Beijing.<sup>4</sup>

The Joint Statement of the 9<sup>th</sup> EU-China Summit which took place in Helsinki on September 9 reads like a long list of issues

3 For Chinese views see e.g. Huo Zhengde, On the China-EU Strategic Relationship; in: International Studies Vol. 2 March 2005; China Institute of International Studies (CIIS); Yi Wang, La Cina et l'UE: Vers une Coopération Stratégique; in: Chaillot Paper 72, Global Views on the European Union; Institute for Security Studies (ISS) Paris November 2004

4 The last time at the EU-China Summit in Helsinki in September 2006.

and joint initiatives the EU and China »agree on,« »welcome« and »agree to follow-up on.«<sup>5</sup>

Leaving aside that joint statements are usually being drafted and agreed on weeks before the actual summit takes place, both sides essentially agreed to disagree on very little.

Except, of course on the EU weapons embargo imposed on China in 1989 after the Chinese authorities chose to violently end peaceful demonstrations for democracy on Tiananmen Square. In Helsinki (like in the Hague in 2004 and Beijing in 2005 before) Chinese Prime Minister Wen Jiabao called on the EU to »correct« (read »revise«) the political decision on the embargo. »Positive action (read: »the immediate lifting of the embargo«), he said, »could wipe out barriers amidst the growth of Sino-European ties and comply with Europe's own interests.«

The embargo practically made it on the agenda of every official or unofficial EU-China encounter over the last three years and Brussels reluctance to lift the embargo, Chinese policymakers and scholars likewise complain, stands in the way of implementing the »strategic partnership«. EU-China relations cannot really be referred to as »strategic«, Beijing complains, with one side refusing to sell weapons and weapons technology to the other.

## 2. What's in it for China?

China is an emerging economic, political and military power rising »peacefully«. That is how the official China describes China's current development and Beijing is in need of the international support »confirming« that its rise is »peaceful«. The EU supports that notion and the Chinese political rhetoric surrounding it. Officially, the EU's engagement course dismisses the notion that China's economic and military rise is to be perceived as »threatening«. China is an »opportunity« not a »threat«, goes the official rhetoric in Brussels.<sup>6</sup>

Whereas the US – at least the current administration and those in charge of US policies towards Asia and China – perceive China's rapid economic rise as a potential threat to US global influence, the EU has repeatedly declared China's rise is an »opportunity« for Europe and the rest of the world. Beijing for its part does its share to point out that its rise will be »peaceful« and that its development will be accompanied by China's strategy of establishing »harmonious relations« with the rest of the world.<sup>7</sup> Zheng Bijian, Chairman of the China Reform Forum and »inventor« of the »peaceful-rise-of-China« theory argues that »China does not have the time and the resources to make its rise anything but peaceful and is above all driven by the goal to reduce poverty and develop economically.«<sup>8</sup>

5 See Joint Statement Ninth EU-China Summit Helsinki 9 September 2006; [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/er/90951.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/er/90951.pdf).

6 See also Shambaugh, David, The New Strategic Triangle: U.S. and European Reactions to China's Rise; in: The Washington Quarterly Summer 2005; The Center for Strategic and International Studies and the Massachusetts Institute of Technology.

7 Amongst many others see Wolf, Martin, China's Rise Need Not Bring Conflict; in: The Financial Times Sept. 10, 2005.

8 Zheng Bijian at a conference in Shanghai September 2006.

Beijing does indeed appreciate such an assessment of its economic development as it corresponds with its own rhetoric of »China's peaceful rise« indicating that its rapid economic growth will not turn China into an aggressive military superpower with ambitions for regional and global dominance.

In »return« for Brussels' engagement course, Beijing has over recent years done its share to make the EU25 China's biggest trading partner, has actively supported and encouraged European investments in China as well as academic and people-to-people exchanges in as many areas as possible. Increasing exchanges between the EU and China is of course positive as such, but there is no doubt that the authorities in Beijing are instrumentalizing increasing European-Chinese exchanges to demonstrate that the EU and China are »sharing values« and approaches to international politics and security.<sup>9</sup>

### 3. Too Different?

What, the critics ask, are the EU's objectives implementing the »strategic partnership« and to what extent is Brussels willing to compromise on its own values and foreign and security policy principles and norms for the sake of expanding relations on all levels with a country whose human rights record is questionable at best, detains journalists critical of the government and continues to »supervise« and censor the Internet?

Confronting the official political rhetoric on the quality and scope of EU-China relations over the last three years with the political reality of bilateral relations, it becomes clear that the one has yet to catch with the other. In the »real« world, i.e. life that is taking place outside the framework of EU-China summits and other official encounters, that might happen much later or indeed never, as scholars and analysts increasingly argue.

Does the democratic EU, as the critics argue,<sup>10</sup> differ too much from the non-democratic China and its approaches towards the conduct of foreign and security policies, global governance and international security to make a however-shaped »strategic partnership« with Beijing a reality?

The EU Commission does not seem to think so and has over the last three years chosen not to focus on the differences but on what Brussels and Beijing have in its view in common. Formulating and seeking to implement as much as possible of the »strategic partnership« with China, the EU's executive maintains, is the wisest if not the only possible approach when dealing with a country whose economy is growing at 11 % per year and is bound to rank amongst the world's biggest economies before too long.

9 The recent World Forum on China Studies which took place in Shanghai earlier in September is an illustrative example for this assessment. The first day of the forum was above all dedicated to providing a platform for government officials to »inform« the audience-amongst them many non-Chinese scholars-that China's rise will be »peaceful« and »harmonious«. The Shanghai Daily News reporting on this event on its front page placed a photo of several non-Chinese scholars under the headline that China's rise will be »peaceful«.

10 An increasing number of independent scholars would argue that way pointing to the fundamental differences with regards to respective political systems, approaches to the rule of law, governance etc.

Beijing's policymakers for their part appreciate the EU's preparedness to leave the fundamental differences between the democratic EU and non-democratic China largely unmentioned on the official record and maintain that the absence of Western-style democracy in China is a non-issue on the EU-China agenda and hence not an obstacle to implement the sort of partnership Brussels and Beijing have in mind.

China, Beijing's policymakers and diplomats stationed in Brussels typically explain, is democratizing the »Asian way« and the concepts of the rule of law, global governance, human rights and freedom of speech are »different« in China. In fact, Beijing policymakers have at times turned to arguing that Western-style does not or not »work« in Asia citing the political crisis in Thailand or political instability on the Philippines as »proof« of that admittedly questionable statement.<sup>11</sup>

### 4. Trade Friction, Intellectual Property Rights and »Economic Protectionism«

While EU-China bilateral trade is expected to exceed €200 billion this year, the trade deficit in China's favour is expected to amount up to €100 billion, roughly €25 billion higher than last year. While economists argue that the bilateral trade deficit with China does not necessarily have to be a concern for the EU as it maintains an overall trade surplus with the rest of the world, policymakers in Brussels and European capitals warn that the deficit in China's favour will continue to make negative headlines and damage bilateral relations if the issue remains unaddressed. To be sure, not all of the EU Member States maintain a trade deficit with China and it is indeed necessary to point out that Chinese manufacturers and exporters only export to Europe what European importers and retailers (mainly in northern Europe, including the UK) are willing to buy. While northern European retailers and chain-stores will remain eager to maintain and indeed increase the level of imports of t-shirts, shoes and bras »made in China,« southern European countries will continue to seek to reduce these imports.

Either way, shoe exports from China (as well as from Vietnam) have recently been subjected to additional import tariffs with Brussels accusing Beijing of providing Chinese manufacturers with what Brussels refers to as »excessive« government subsidies. The EU Commission imposed the additional tariffs after months of cumbersome inner-European debates on the issue eventually (mainly driven by the Italian shoe manufacturers lobby) deciding to impose tariffs for two years.<sup>12</sup>

The two years are aimed at giving European shoe manufacturers additional time to learn to deal with competition from China and other low labour cost countries in Asia.

Beijing which in 2005 exported roughly a billion pair of shoes has announced to »retaliate« (details have yet to emerge how

11 The author bases this assumption on interviews and conversations with Chinese diplomats and scholars over recent months.

12 See e.g. Rachman, Tom, EU imposes long-term tariffs on Asian shoes; in: The International Herald Tribune October 5, 2006; China threatens shoe retaliation; BBC News October 6, 2006.

exactly) and threatened to take this issue to the WTO calling the additional tariffs unfair and the EU »protectionist«.

Not surprisingly, China accuses the EU of »economic protectionism« maintaining that Brussels does violate the rules of free trade to protect European business from Chinese competition by threatening to impose new tariffs on Chinese shoe and textile imports.

Furthermore – and this usually gets limited coverage and attention in the press – not Chinese manufacturers and exporters but European and US importers buying Chinese goods and products take the lion share of profits taking advantage of cheap Chinese labour costs.

That is especially the case in manufacturing as well in the textile and shoe manufacturing sectors where European consumers take advantage of cheap »sweat shop-made« sneakers and T-shirts.<sup>13</sup> And the textile sector could be next.

Last year's so-called »Shanghai Agreement«<sup>14</sup> by which China voluntarily agreed to temporarily reduce its textile and shoe exports is very likely to turn out short-lived and the problem of Chinese textile imports flooding European markets will with almost certainty re-surface in 2007.

Of increasing concern to European business and Brussels policymakers is Beijing's growing involvement in China's private business sector, an involvement China until recently limited to the so-called state-owned enterprises (SOEs).

Intellectual property rights (IPR) too will remain close to the top of the EU-China agenda for years to come. China has in 2005 and so far in 2006 failed to implement transparent and efficient intellectual property rights legislation protecting European intellectual property in China. Beijing for its part has over recent years argued that China is »geographically too big« to impose standardized intellectual property rights laws and regulations and is seemingly not in a rush to change and amend its existing rules and regulations. Either way, 60% of counterfeit goods being sold in Europe originate from China and the EU will continue to urge the Beijing authorities to make progress in implementing efficient intellectual property rights and regulations in years to come.<sup>15</sup>

And there are even more problems on the EU-China business agenda. In September 2006, Beijing has announced to halt negotiations with the EU, the US and Canada on auto parts tariffs after Brussels, Washington and Ottawa requested the establishment of a WTO panel to rule on China's tariff policies on auto parts earlier this year. Currently, China levies an addi-

tional 15% duty on imported car components if they make up 60% or more of the value of the complete vehicle. While Beijing sees itself authorized to impose additional tariffs on European auto spare parts to keep their own spare part industry competitive, the EU is arguing (appropriately, as the majority the economists agree) that exporting homemade spare parts is excessively expensive and financially not sustainable.

## 5. Discussing Human Rights, Sort of

Human Rights Watch, Amnesty International<sup>16</sup> and other NGOs regularly report that China's human rights record is yet far from satisfactory, to say the least. Also of concern is the continuing imprisonment of journalists, human rights activists and lawyers critical of the government and Beijing's near-obsession to exert control over Chinese internet users and websites.<sup>17</sup>

Currently roughly 50,000 so-called »internet policemen« are helping the authorities to identify bloggers critical of the government although the government's ability to »censure« the internet is hardly sustainable in view of a rapidly growing number of internet users in China. The government, however, seems undeterred and has recently turned to »recruiting« internet literate university students helping to identify their fellow students critical of the government and its policies.

The progress of the EU-China human rights dialogue initiated in 1996 (up to date 21 sessions<sup>18</sup>) must be described as very limited, at least judging by the information publicly available from EU sources.<sup>19</sup> The information on the EU-China human rights dialogue on the EU Commission's website is outdated (the latest information is dating back to 2004) and there are no details whatsoever available what issues and human rights violations exactly the EU and China are currently discussing in the framework of the EU-China human rights dialogue.

The EU Parliament is very interested in and critical of China's human rights record and has over recent years adopted a number of human rights resolutions on China urging the EU Commission and EU Council to pressurize China to produce verifiable evidence that Beijing's human rights has improved as it claims. While Beijing typically dismisses the EP's resolutions as biased or »irrelevant« the Commission regularly finds itself under pressure to act upon the resolutions even if they are not legally-binding not obliging the Commission to follow-up on them. The result is that the Commission refers to its own approach discussing human rights issues with China pointing to the successes of the ongoing dialogue within the framework of the EU-China human rights dialogue. However,

13 See e.g. Fuller, Thomas, Billions in Trade Gap, Pennies for Workers; in: The International Herald Tribune August 4, 2006.

14 See EU – China textile agreement 10 June 2005 [http://ec.europa.eu/comm/external\\_relations/china/intro/memo05\\_201.htm](http://ec.europa.eu/comm/external_relations/china/intro/memo05_201.htm), China and EU reach temporary agreement on textiles; AsiaNews.it, <http://www.asianews.it/view.php?l=en&art=3488>; EU, China Strike Agreement to End Textile Stalemate; China Knowledge at <http://www.chinaknowledge.com/news/news-detail.aspx?id=89&cat=politics>.

15 Amongst many others see e.g. The World Fact Book 2004; also Plasschaert, Sylvain, China and the WTO; EPC Issue Paper No. 20; The European Policy Centre (EPC) Brussels; Yu, Peter K., From Pirates to Partners: Protecting Intellectual Property Rights in China in the 21<sup>st</sup> Century; Social Sciences Research Network; [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=245548](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=245548); La Croix, Sumner, Konan, Denise Eby, Intellectual Property Rights in China: The Changing Political Economy of Chinese-American Interests; East-West Center Working Papers Series No. 39, January 2002.

16 See e.g. Amnesty International People's Republic of China: Human Rights defenders at risk [http://www.amnesty-eu.org/static/documents/2005/HRDs\\_Update\\_final\\_complete.pdf](http://www.amnesty-eu.org/static/documents/2005/HRDs_Update_final_complete.pdf).

17 The most recent high-profile case reported in the international press is the detention of the prominent Chinese dissident lawyer Gao Zhisheng whom the Chinese authorities accuse of »criminal activity«; see e.g. Kahn, Joseph, Beijing detains dissident lawyer; in: The International Herald Tribune August 19, 2006.

18 See e.g. EU Presidency Press Statement on EU-China Human Rights Dialogue; EU and China Hold 21st Round of Human Rights Dialogue; [http://www.eu2006.at/en/News/Press\\_Releases/May/2605EUChinaHumanRights.html](http://www.eu2006.at/en/News/Press_Releases/May/2605EUChinaHumanRights.html).

19 The EU's Relations with China at [http://ec.europa.eu/comm/external\\_relations/china/intro/index.htm](http://ec.europa.eu/comm/external_relations/china/intro/index.htm).

as long as Amnesty and Human Rights Watch continue producing evidence to the contrary, the Commission is unlikely to convince the European public that the results are leading to measurable improvement of China's human rights record.

The EU and China have to convince the public in Europe and in China that they are a. talking about the same thing when talking about »human rights« and b. be honest and accountable about the achievements and shortcomings of the dialogue.

Linked to EU concerns about China's poor human rights record are EU requests for the release of Chinese demonstrators imprisoned after having peacefully demonstrated for democracy and freedom of speech on Tiananmen Square in June 1989. However, Beijing is not prepared to meet the EU request claiming that the imprisoned demonstrators are a »threat to China's national security«.

The continuing imprisonment is clearly a non-issue for the authorities in Beijing and it must be concluded that the EU has failed to pressurize China to address the issue. That is hardly good enough for an institution which writes democracy, free speech and the rule of law onto its flags. To address some of the European concerns about China detaining journalists, human rights activists and others disagreeing with the political leadership in Beijing, China promised the EU at the Helsinki Summit to ratify the UN Covenant on Civil and Political Rights »as soon as possible«. However, this promise was first made three years ago to the EU, and it remains yet to be seen how soon »as soon as possible« will eventually turn out to be. Chinese and government officials (usually off the record) have turned to arguing that Beijing won't »reward« Brussels with the ratification of the covenant with the EU unwilling to lift the EU weapons embargo. These tit-for-tat policies and tactics on the Chinese side, Chinese officials confirmed to this author off the record, are likely to continue until the EU decides to lift the embargo and grants China market economy status.

## 6. EU »Shyness« on the Taiwan Question

The EU, like the vast majority of countries, follows the so-called »One-China-principle« recognizing the central government in Beijing as the sole legitimate representation of the Chinese people. However, it is arguable whether the »One-China-principle« should keep the EU from having a clear-cut and more outspoken position on cross strait issues. The US approach towards Taiwan and its cross strait policies prove that this does not have to be the case although US military presence in the region (in total roughly 100,000 troops, stationed in Japan and South Korea) explain to the »credibility« of US interests and concerns in the Taiwan Strait. Other than the EU, the US has defence commitments in the region and maintains decade-long and close defence alliances with Japan and South Korea.

In view of the EU's less than outspoken position on cross strait relations, Beijing does not have to be concerned about EU »interference« in cross strait tension and Brussels' self-imposed »shyness« on this issue does indeed »prove« to policymakers

in Beijing that the EU does not yet need to be »taken seriously« as foreign and security policy actor with the influence and capabilities to threaten Chinese regional security interests.<sup>20</sup>

To be sure, armed conflict between China and Taiwan – despite the occasional cross strait sabre-rattling – is very unlikely as both the China and Taiwan sides are essentially interested in maintaining the current status quo and expanding bilateral trade relations which amounted to more the \$100 billion in 2005.<sup>21</sup>

It might indeed be the absence of an immediate danger of armed conflict between Beijing and Taipei why Brussels decided to keep a low profile on cross strait issues and tensions even if questionable whether this is an appropriate position for an EU with global foreign and security policy ambitions.

## 7. The Weapons Embargo Issue

The weapons embargo issue, of course, featured on the Helsinki summit agenda. However, the agreeing to put the embargo issue onto the Helsinki agenda is not much than a »favour« the EU is doing Beijing which for its part is by now well aware that there is no inner-European consensus necessary to get the embargo lifted. Indeed, »putting the embargo issue onto the Helsinki agenda is above all a diplomatic gesture«, argues Professor Zhongping Feng from the China Institutes of Contemporary International Relations. »The time is not right for the EU to lift the embargo and Beijing has to come to terms with that.«<sup>22</sup>

While Brussels in 2005 announced in official statements »to promise to work towards the lifting of the embargo«, China »chose« to understand that the EU »promised« to lift the embargo, conveniently ignoring this little but very important detail.<sup>23</sup> Furthermore, the Chinese reasoning on the weapons embargo is based on the (as it turned out faulty) assumption that the lifting of the embargo is a »one way street«: Brussels lifts the embargo and »in return« Beijing agrees to expand its relations with the EU on all levels offering European business favourable treatment when doing business in China.

In reality, however, the EU expected (and still does even if the EU Commission usually points out that progress on human rights and the ratification of UN Convention of Political and Civil Rights are not official »pre-conditions« for the lifting of the embargo) China to meet EU demands such as Beijing's ratification of the UN Convention of Political and Civil Rights, the release of prisoners jailed during and after the Tiananmen massacre as well as improvement of its human rights record.

20 Informal Conversations with Chinese scholars and officials over the last three years have confirmed that China's military and defence establishment does consider the EU position on cross strait relations the »proof« that Brussels is still a »weak« foreign and security policy actor.

21 For a detailed overview of China-Taiwan relations see Dancing with the Enemy; The Economist Survey Taiwan 13 January 2005.

22 See also Berkofsky, Axel, The EU and China still in the mood to party; in: The Asia Times Online Sept. 26, 2006 <http://www.atimes.com/atimes/China/HI26Ad01.html>.

23 For the official EU position on the embargo see e.g. Joint Statement of the 8th EU-China Summit, Beijing, 5 September 2005; at: [http://ec.europa.eu/comm/external\\_relations/news/barroso/sp05\\_478.htm](http://ec.europa.eu/comm/external_relations/news/barroso/sp05_478.htm).

One of the »results« of the weapons embargo controversy – negative result as Beijing is concerned – was the establishment of the EU-US (2004) and EU-Japan (2005) dialogues on East Asian security issues.

Not surprisingly, Beijing regarded the establishment of an EU-US strategic dialogue on East Asia as an US attempt to pressurise the EU not to lift the embargo and it was feared in Chinese policymaking circles that Brussels agreeing to consult on East Asian security issues with the US meant that the EU had essentially agreed to postpone the lifting of the embargo indefinitely.<sup>24</sup>

Indeed, the embargo issue was high on the agenda of this dialogue between Brussels and Washington and there is little doubt that Washington was using the exchange as an instrument to urge Brussels to leave the embargo in place.

Realistically, it is very unlikely that the US would have invested many diplomatic resources into discussing Asian security issues with the EU without the embargo issue on top the EU-China agenda. Before the embargo issue hit the headlines in the international press in 2004, the US was hardly interested in discussing Asian security issues with the EU, including the missile and now nuclear crisis on the Korean Peninsular.<sup>25</sup> The same can be said for the Japanese interests in discussing Asian security issues with the EU. It yet remains to be seen if the EU-US and the EU-Japan dialogues on East Asian security will have a raison d'être beyond the weapons embargo issue.

EU-US irritations over the embargo issue was without a doubt also caused by a lack of understanding on the US side about the procedures and obstacles to get the embargo lifted.

Over the last three years, there was a lot of ill-informed reporting in the US press about the issue. According to the US press at the time, the EU was constantly »about to lift the embargo« and was seemingly not informed that the lifting of the embargo required (and still does) the consensus of all 25 EU Member States.

Furthermore, a lot of commentators and journalists (including European ones) did not seem to be aware of the fact that a number of European parliaments have a right to veto (e.g. the one in the Netherlands and Germany) keeping governments from (even if they wanted) to approving the lifting of the embargo.

## 8. Multilateralism

According to the official rhetoric, the EU and China share common approaches towards global governance and interna-

24 Numerous interviews and conversations with Chinese government officials and scholars confirm this assessment.

25 The US e.g. never supported the EU to participate in the so-called 6-nation talks in Beijing. Neither did Japan even if both the US and Japan acknowledged that the EU contribution from the »outside« seeking to achieve a peaceful solution to the nuclear crisis on the Korean Peninsular was »useful«.

tional co-operation favouring and pursuing so-called »effective multilateralism«.<sup>26</sup>

In Helsinki, the EU and China again confirmed on the record that they are planning to jointly pursue »effective multilateralism«. This sounds good and non-controversial although EU and Beijing's policymakers have yet to go into detail explaining where and how exactly China and the EU plan to implement »effective multilateralism«.

In the »real world«, there are indeed few if any indications that Brussels and Beijing share common approaches towards multilateralism. Whereas the EU as an institution itself is a product of a multilateral approach towards international relations embracing the political will to share and indeed give up sovereignty, there are no indications that Beijing has made multilateralism a priority on its foreign and security policy agenda.

Instead, China, as e.g. its regional foreign and security policies in Asia as well as its headline-making energy security policies in Africa, Central Asia and South America show, typically favours bilateral over multilateral solutions and agreements and only turns to multilateralism when »necessary«.<sup>27</sup> The same applies to China's regional foreign and security policies in Asia.

Chinese political rhetoric over recent years has often given the impression to the outside world that »multilateralism« and »multipolarity« are being used as quasi-synonyms meaning one and the same thing in Beijing's view of the world.<sup>28</sup>

Whether Chinese policymakers using and confusing the two terms in the same context is intentional remains speculation, but there is little doubt that China's vision of the world embraces a however-shaped concept of »multipolarity« with Beijing as one of the »poles« of global power.

The EU has eventually resisted subscribing to China's vision of a so-called »multipolar world« as opposed to a world dominated by one superpower even if Beijing temporarily found a supporter for the concept of a however-shaped »multipolar world« in French President Jacques Chirac.

## 9. There is Good News Too

The expansion of EU-China economic, trade and political relations over the last three years has without a doubt been very impressive and both sides will continue to invest significant political and diplomatic capital and resources into the expansion of relations.<sup>29</sup>

26 Amongst many others see e.g. Song, Xinning, »EU-China Strategic Partnership: Domestic and International Perspectives«; conference paper presented at the international conference on »International Politics of EU-China Relations«, 20/ 21 April 2006, London, UK.

27 See e.g. Odgaard, Liselotte, Biscop, Sven, The EU and China: partners in effective multilateralism; conference paper on the international politics of EU-China relations: British Academy London April 20-21 April 2006.

28 See Möller, Kay (2006) »Europe's Policy: Neither Multipolar Nor Multilateral«; in: Wacker, Gudrun (ed.), »China's Rise: The Return of Geopolitics«, SWP Study S3, Berlin, February 2006.

29 For China's October 2003 EU Policy Paper; The Ministry of Foreign Affairs of the People's Republic of China; <http://www.fmprc.gov.cn/eng/wjbj/zjzg/xos/dqzywt/t27708.htm>; see also Opening New Phases of China-EU Friendly Co-operation; <http://www.fmprc.gov.cn/eng/topics/wenjiabaocezhohy/t174793.htm>.

Up to date, the EU and China are engaged in roughly 25 »sectoral dialogues« covering a wide range of areas such as intellectual property rights, environment, information society, energy & scientific co-operation, the peaceful use of nuclear energy, maritime safety, space co-operation, WTO issues and others. The dialogues take place at various levels, from working to ministerial level and increasingly involve business representatives from both Europe and China.<sup>30</sup>

However, only a few details on the progress or problems of the sectoral dialogues are publicly available although the EU Commission acknowledges that the dialogues on WTO and IPR issues in particular cannot yet be referred to as »successful.« Indeed, although the growing number of sectoral dialogues and other EU-China dialogue fora are positive per se, it needs to be questioned whether it will be sufficient and in the EU's interest to increase the number of dialogues with the Chinese side for the sake of discussing as many issues as possible without the prospect of achieving concrete results quickly.

## 10. The New EU-China »Partnership and Co-operation Agreement«?

The next level of EU-China relations is supposed to be a new EU-China so-called »Partnership and Co-operation Agreement« which will according to the EU »reflect the complete scope of bilateral co-operation and will determine the agenda for EU-China relations for the 21<sup>st</sup> century.«<sup>31</sup>

In Helsinki this September both sides China agreed to launch the negotiation process, but it yet remains to be defined what value the new co-operation agreement will add to the quality of bilateral relations. What areas, topics and issues will a new agreement cover and deal with that are not already being dealt with in existing fora and formats? Whereas the EU Commission maintains that a new agreement is necessary to »cover all our activities (with China), so that we can move

30 See e.g. Berkofsky, Axel, EU-China Relations-Strategic Partners or Partners of Convenience?; in: German-Chinese Relations-Trade Promotion or Something Else?; in: Maull, Hanns W. (ed.) German Foreign Policy in Dialogue Deutsche Aussenpolitik.de-Gateway to German Foreign Policy June 2005; see also Crossick, Stanley, Cameron, Fraser, Berkofsky, Axel, EU-China Relations-Towards a Strategic Partnership; EPC Working Paper July 2005.

31 See EU and China to agree on opening negotiations for a new comprehensive framework agreement <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/1161&format=HTML&aged=0&language=EN&guiLanguage=en>.

this extremely important partnership to the next level«, it can realistically be expected that a new co-operation agreement does not do much more than codify existing relations and day-to-day exchanges between the EU and China.

## 11. Conclusions

As regards European and Chinese co-operation on international issues and security, EU and China's interests and foreign and security policy conduct will continue to differ fundamentally, realistically limiting the number of international issues and problems where the EU and China can jointly produce results.

As Beijing's energy and energy security policies in Africa and Central Asia show, China is implementing its policies strictly following what Beijing refers to as the »principle of non-interference« into internal political affairs of governments it is doing business with.

Over recent years China expanded and intensified-mainly driven by China's rising thirst for crude oil and other commodities-relations with a number of African and Central Asian nations as well as with Burma/Myanmar and North Korea in Asia regardless of international concerns about serious human rights violations and civil and ethnic wars (as in Darfur).

Even if the conduct of EU foreign and security policies is certainly not free from contradictions, hypocrisy and double-standards either, Brussels' approach towards a number of autocratic regimes and dictatorships differs fundamentally from the Chinese approach in the sense that »interference« – amongst others in the form of economic and diplomatic sanctions (as in the case of Burma, North Korea or Zimbabwe or Uzbekistan) – are part of Brussels' foreign and security policy instruments.

Then there are human rights, freedom of speech, the rule of law (as opposed to the rule by law in China), press freedom and obstacles to European investments in China's banking and insurance sectors on the EU-China agenda to be tackled before relations can be referred to as »strategic«.

Indeed, a long list of issues and problems, but a »journey of 1,000 miles begins with the first step«, as a Chinese proverb says.