A critical analysis of EU-China relations: towards improved mutual understanding

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Abstract: The present-day relationship between Europe and China, emerging from past centuries of Chinese hegemony in East Asia, European colonial influence, and recent decades of ever-increasing global economic interdependence, is a complicated one. This article is an attempt to clarify the current state of EU-China relations based on a critical analysis of recent developments and emerging trends within a framework of international relations (IR) theory. It compares Chinese attitudes to the EU with European attitudes towards the People’s Republic of China, in order to highlight areas in which the approaches of the two sides tend to be at cross purposes. A clearer understanding by each side of the other’s perspective can pave the way to improved relations and avoid impasses, confusion and head off potential conflicts of interest before they appear.

Keywords: EU-China relations, People’s Republic of China (PRC), international relations (IR) theory, international critical theory.

Introduction

With the growing impact, in diverse ways, of both the People’s Republic of China (PRC) and the European Union (EU) on world trade and international affairs, the relationship between them is becoming ever more important. In terms of trade volume alone the EU has since 2004 been China’s largest trading partner, with trade sta-
tistics overtaking US-PRC trade by a considerable margin (Balme 2008: 26, Casarini 2009: 185). In the context of the unresolved European financial crisis, China's influence in European affairs has begun to take on ever greater significance, with visits to Europe by Chinese leaders such as ex-prime minister Wen Jiabao and president Xi Jinping becoming increasingly commonplace amid overtures by EU leaders for the PRC to invest in Europe.1 This in itself represents a remarkable turnaround in fortunes compared even to the last decade of the 20th century, when the EU was instead focused on investing money in Chinese development.2

The development of the relationship between the EU and the PRC has not always progressed smoothly since its official beginning in 1975. The Tiananmen Square incident in 1989 disrupted relations for a time. This was followed by an official embargo on arms sales by EU countries to the PRC — which has, however, been circumvented to an extent by bilateral trade deals between individual countries and China — and the refusal of the EU to give the PRC Market Economy Status (MES), both of which have proved to be obstacles to mutual understanding.3 Nevertheless, the growing interdependence of the world economy in an era of globalisation and the sheer size of EU-PRC trade have necessitated that the two sides attempt to establish some principles by which to interact. This was the motivation for the EU's active support of China's entry to the World Trade Organization (WTO) in 2001, even in the face of US resistance4: as far as the EU is concerned "a developing China that gradually accepts international norms and integrates its economy with the rest of the world should be much better than an isolated and possibly unstable China" (Kim 2004: 66).

Among other initiatives introduced, the joint 'strategic partnership' announced in 2003 was one of the most striking, although its efficacy and aims to date have not been entirely clear (Shambaugh 2008: 135–136). Partly, as Taneja (2010: 375) and Shambaugh (2004) have pointed out, this is because the EU — unlike the US, with its military bases in Japan, South Korea and elsewhere — has little or no security interest in the Asia-Pacific region, and also because the EU, lacking a representative military, has no hard power capability, and can therefore influence world affairs mainly through its soft power and trade relations.

In the last few years, under the pressure of the global financial crisis and growing Chinese economic strength, there have been signs that the EU-PRC relationship has been undergoing significant change. There is substantial evidence — as this paper will demonstrate — that both sides have become disillusioned with certain aspects of their relations. For instance, in the areas of human rights and democratisation the EU has seen very limited returns on its numerous initiatives and investments to promote European values in China, while the PRC, on the other hand, appears to have become increasingly exasperated with trying to deal with EU institutions (Brown and Crossick 2009). Consequently, this paper argues that due to its frustration with both the slow pace of trade negotiation within the technocratic structures of the
EU and its preference for dealing with such matters by cutting out the bureaucratic middlemen and heading straight to summit level, the PRC appears to have decided, as far as possible and for the foreseeable future, to follow an ad hoc policy of focusing on bilateral negotiations on trade and other matters with individual EU members (Kalan 2012). This has resulted in a “suspicion among EU member countries that on many important issues they were being played off against each other” (Brown and Crossick 2009: 4).

All these factors suggest that it is vitally important to critically re-evaluate the present state of the EU-PRC relationship if we are to assess its potential future direction with any degree of clarity. This paper is an attempt to point towards an improved understanding and development of Sino-European relations at both a practical and theoretical level, and will therefore begin with an analysis of the field of EU-PRC relations within a framework of IR theory. This will be followed by an examination of the historical background to the relationship between the two actors, in terms both of the Chinese and the European perspective on events and developments. Thereafter the present state of the relationship will be examined from each side’s viewpoint, and points of similarity and divergence in Chinese and European attitudes will be identified. Finally the main points to emerge from the analysis will be summarised. In this way it is hoped, despite limitations of space, that this paper can make a small but significant contribution to improved mutual understanding in EU-China relations, as well as indicating further research needed in order to continue paving the way towards achieving this goal.

EU-China relations and IR theory: is there a fit?

As Nicola Casarini’s research demonstrates, EU-China relations as a scholarly field within the larger discipline of international relations (IR) has only recently begun to take clear shape (2009: 4–5). In particular, as China’s growth into a major economic power with increasing influence on global trade became evident during the 1990s, scholarly interest in EU-China relations correspondingly increased, particularly once Europeans accepted that the Tiananmen Square incident was fading into the past without any significant impact on China’s political system or economic growth. Western academics tried to make sense of the end of the Cold War, the continued existence of the PRC, and the EU’s evolving approach to the relationship which, like any human interaction between two partners, has arguably passed through a number of phases in the two decades since Tiananmen, and is still evolving. The scholarly literature has likewise undergone a process of evolution in response to events. This section will cover these two processes, beginning with the history of EU-China relations post-1989 and then moving on to the scholarly reaction.
Initially, after the frostiness of the post-Tiananmen period, which featured the introduction by the EU of the arms embargo in 1989, there was a renewal of the relationship between the EU and China in 1995. At that time the EU arrived at “the first common political approach of the EU towards China” (Griese 2006: 547). This resulted in the publication by the European Commission of the official ‘Communication’ document entitled ‘A long term policy for China-Europe relations.’ This document had four aims which have largely been maintained since (although the emphasis on one or other of the aims has shifted at intervals): to engage China through dialogue, to promote human rights and the rule of law in China, to integrate China into the world economy, and to “raise the EU’s profile in China” (Griese 2006: 548).

In the next phase of the relationship came the establishment of the EU-China ‘strategic partnership’ in 2003, a marriage of convenience which produced a ‘honeymoon period’ of optimism on both sides of the diplomatic table (Shambaugh 2010: 99), as well as in the growing literature dedicated to analysis of the relationship. Latterly, particularly since the publication of a new set of EU directives in late 2006, there has been some evidence of a hardening in the tone of the official rhetoric emanating from both the EU and the PRC, as the EU has pushed for concessions from China on issues such as trade restrictions, human rights and intellectual property, while China has both rejected these advances and continued to push for a lifting of the EU arms embargo and the granting of MES to the PRC (Rémond 2007). These developments, which have effectively produced a stalemate to date as far as the two partners are concerned, have led to more notes of caution (and even some pessimism) in the scholarly literature, as it has become evident that the honeymoon period is over and the relationship is in danger of turning sour (Brodsgaard and Lim 2009, Pan 2010, Men 2011). On the other hand, it has become increasingly clear to both sides that there is a need to re-establish the relationship on a more mature basis (Shambaugh 2010: 100).

Moving on to the literature, although research on numerous aspects of the EU and the PRC as separate entities is copious, the literature in English on the budding relationship between the two actors has, until the last few years, been relatively sparse. Shambaugh et al (2008a: 10n) point out that prior to their own volume there was only one recent book-length study in the field, published in 2002, while noting that “the periodical literature is a bit more plentiful” (Shambaugh et al 2008a: 3). From about 2008 onwards, however, book-length publications written by (or consulted with) China-EU relations scholars such as Shambaugh and Nicola Casarini have become more frequent, especially with regard to extended reports issued by institutions such as the European Council on Foreign Relations (Fox and Godement 2009) or the British House of Lords (2010). The number of journal articles and other scholarly papers has also continued to increase since Shambaugh and Casarini published their surveys.
Much of the recent literature is concerned with practical aspects of, and issues within, the EU-China relationship such as trade (Messerlin and Wang 2008), human rights and sovereignty (Men 2011), the arms embargo (Tang 2005), MES (Rémond 2007), and soft power (Chan 2010), while attempts to place Sino-European ties within a framework of IR theory are rare (Casarini 2009 being an exception). Broader, macro-level assessments such as Casarini's are urgently needed in view of the fact that political experts and practitioners on each side of the fence often appear to be conducting separate debates concerning the future of the relationship (see Pan 2010), set within theoretical and attitudinal frameworks which, although there are points of intersection, suffer from what former German ambassador to the PRC Volker Stanzel tentatively calls ‘cultural dissonance’ (2008: 269n). In other words, there are clear misunderstandings by each side of the other's attitude to the relationship which could be considerably clarified in two ways: first, by making out the exact nature, history and content of EU-China relations; and second, by clarifying the broader framework of IR theory within which the set of political experts and practitioners drawn up on each side of the fence views the relationship.

It is important to point out here that IR theory as a global academic field is a Western, not a Chinese, construct (Acharya and Buzan 2010). Its points of historical and ideational reference, such as Bretton Woods, the League of Nations, Kantian ethics, balance of power and so on, are all Western, for the simple reason, as Ian Clark (1989) points out, that the Western nations have dominated the international order for the last two centuries. As a consequence the Chinese have been forced, in joining the global IR conversation late in the day, to adapt this Western-formulated debate to their needs and understandings. Thus the two main paradigms that have dominated the debate within Western IR theory since the inception of the field in the wake of the First World War, which are generally referred to as ‘realism’ and ‘liberalism,’ may not be seen in precisely the same way by Chinese as by Western scholars, coming as they do from a very different political tradition which does not include European-style democratic institutions, and which had the Westphalian system of sovereign states imposed upon it (Qin 2010).

There is no need or space here to go into a lengthy discussion of the major paradigms of IR theory, which have, at any rate, been dissected extensively elsewhere: the reader is referred to surveys of IR theory for a more in-depth analysis (e.g. Smith et al 1996, Knutsen 1997, Viotti and Kauppi 1999). Suffice it to say, for the sake of brevity, that conventional IR theory places (neo-)realism, with its emphasis on states as ‘billiard balls’ in an anarchic system of international realpolitik, in opposition to (neo-)liberalism, which claims, in its contemporary form, that both state and non-state actors (such as corporations and NGOs) are significant in a world of globalized trade and complex interdependence. Recent years have seen the rise of alternative perspectives in challenge to the dominant realist-liberal dichotomy, most notably constructivism. This is defined
by Alexander Wendt’s (1992) title ‘Anarchy is what states make of it,’ and has a focus on inter-subjective ideational values and, in Wendt’s words, ‘the social construction of power politics.’ Other competing perspectives in Western IR include post-modernism, feminism and critical theory, meaning that the field of IR theory, in attempting to break away from what many scholars perceive as the dominant dichotomy, has become more fragmented (Viotti and Kauppi 1999: 430).

To return to our discussion of the distinctive Chinese interpretation of the received Western paradigms of IR theory, it seems that realism and its offshoots such as neo-realism and neo-conservatism are generally more popular than liberalism among Chinese IR scholars, many of whom tend to be suspicious of what they see as the creeping influence of Western liberal institutions on the development of their nation (Shambaugh 2008b, Leonard 2008). This is because many of them believe that Western liberalism, if gradually absorbed into the Chinese socio-political sphere, has the potential to undermine China’s sovereignty over its own affairs (Lilla 2010). Indeed, as Zhongqi Pan (2010: 229) perceptively points out, for Chinese IR (in both its academic and political manifestations) the concept of sovereignty “has been a key word for many decades and will continue to be so in years to come,” due to the painful collective recollection of the ‘loss of sovereignty’ in the wake of the Opium Wars with the British (1839–1842). This emphasis, as Pan explains, on the concept of sovereignty — defined as “the right of a state to be independent externally and supreme internally” (2010: 229) — in Chinese political discourse tends to push Chinese IR in the direction of state-centric realism. There is also an emphasis, given the assumption of global anarchy, on multipolarity as a way of diffusing power among a number of global leaders to head off the threat of unipolarity (e.g. US hegemony) or bipolarity (e.g. the US-Soviet confrontation during the Cold War) (Shambaugh 2008a: 129). Thus, while in recent years the Western IR discourse has shifted somewhat from the realist-liberal dichotomy to alternative paradigms such as constructivism and feminism, Chinese IR has, for logical reasons when viewed from a Chinese historical and political perspective, largely ignored these increasingly intricate debates and been dominated by the realist paradigm (Shambaugh 2013: 43).

The important question here is: how does this affect the study of EU-China relations? Above all it has an impact on interpretations of the relationship. While for Europeans what they see as the ‘rise of China’ has mainly affected trade issues, and thus has tended to be seen within a liberal framework of globalised economic interdependence, for Chinese IR, with its greater emphasis on sovereignty and multipolarity, the stakes have been different: the EU has been taken at the level not of an international organisation but as a unitary actor in an anarchic global system. Thus there has been much talk in Chinese IR of a ‘strategic triangle’ of the US, the PRC and the EU, creating a multipolar balance of power in which no one actor can dominate (Shambaugh 2008a: 139–142).
While these debates may seem at first glance to be of only theoretical interest, the end result of these rather different overall takes on the relationship has been a tendency towards misunderstandings at the level of practical politics as well as academic debate. For example, Pan (2010) analyses the different interpretations of sovereignty and their consequences, while Chan (2010) looks at misunderstandings over attempts by Europeans to exercise soft power in the PRC: it quickly becomes clear from articles such as these that there is a need for both sides to step back and analyse the relationship with more objectivity, as well as greater understanding of the other’s viewpoint, if EU-China relations are to be set on a sounder footing.

As far as IR theory is concerned, the realist-liberal dichotomy seems to have produced a parallel dichotomy in EU-China relations: while the EU, lacking the hard power of a unified military, sees itself as operating within a framework of liberal institutionalism based on trade relations, the PRC leans on the realist paradigm in its geopolitical dealings and wants either to deal with the EU as a unitary actor representing a federation of European states or to give up and deal with those states individually. In the meantime, constructivism does not seem to have taken a firm enough grip on the imagination of either side to displace the prevailing paradigms and present a way to work through the mutual misunderstandings.

In the midst of such pessimistic theoretical musings, an alternative approach within IR theory presents itself as a way of re-interpreting the relationship and, normatively, potentially setting it on a new footing. This approach is to reinterpret Sino-European relations within a framework of the international critical theory developed by Robert W. Cox and others. Basing his ideas on elements of Marxian and Vichian thought concerning historical cycles, Frankfurt School critical theory, as well as Antonio Gramsci’s reinterpretation of the concept of hegemony as a form of ideological and cultural domination (which includes the possibility of a counter-hegemonic challenge to the existing order), Cox (1981, 1987) undertook what Andrew Linklater calls an “ambitious attempt” (1996: 133) to synthesise elements of each into a new theoretical framework. This framework was designed not only to provide “explanations of the existing realities of world politics” but also “to criticise in order to transform” those realities (Devetak 1996: 151). A critical approach of this type, aimed at analysing the historical circumstances of real-world situations, with a normative focus on transformational outcomes, would seem to be a good fit for an attempt to understand the current impasse acknowledged by many EU-China relations scholars. Cox explains that

Critical theory … contains an element of utopianism in the sense that it can represent a coherent picture of an alternative order, but its utopianism is constrained by its comprehension of historical processes. It must reject improbable alternatives just as it rejects the permanency of the existing order. (Cox 1996: 90)
In other words, the challenge for international critical theory is to design achievable scenarios for transformation of the present order while always recognising that “the potential for transformation exists within the prevailing order but it is also constrained by the historical forces that created that order” (Smith 2001: 236). Thus, a crucial component of a international critical analysis is to examine the historical processes underlying whatever phenomenon in the international political economy is being addressed, and to interpret it in the context of the power relations amidst which it emerged. The aim of such an analysis is to locate a “pathway to conversations” (Leysens 2008: 136) which will permit a dialogue between two sides to begin on the basis of reconstructed and mutually respectful understandings of the phenomenon. This can be achieved “through an understanding of the intersubjective ideas that people have acquired with respect to their institutions and practices” (ibid.: 143). In other words, international critical theory seeks to enable, by achieving a deep understanding of the viewpoint of the other side through painstaking historical excavation, a bridging of the divide between ‘us’ and ‘them’ in both theory and practice. In this way it may be possible to re-establish EU-China relations at both political and scholarly levels on a new footing, with shared understandings as well as a greater respect of each side for the historical context of the viewpoint the other brings to the negotiating table. It is to such a critical re-evaluation of the EU-China relationship that we now turn.

Contextualising the relationship historically

While for Europeans the EU-China relationship is taken to originate in 1975 with the introduction of official relations, the Chinese collective memory of interaction with Europeans stretches back much further, to the historical record of European involvement in their country, particularly in the nineteenth century. David Shambaugh (2010: 93) points out that a series of humiliations suffered at the hands of the British, French and Germans — including the Opium Wars with the British, numerous naval defeats, unequal treaties negotiated at the barrel of a gun, the destruction of the old Summer Palace in Beijing by British and French troops, the British annexation of Hong Kong, and the German occupation of Qingdao — have left a deep scar in the Chinese psyche which is not going to be immediately expunged by a few EU trade commissions and platitudes (however well-intentioned on the part of both sides) about creating a ‘strategic partnership.’

For the Chinese, accustomed to more than two millennia of being the imperial ‘Middle Kingdom’ surrounded by tribute-bearing land-based barbarians, the appearance of relatively small numbers of Europeans who could defeat them with superior military technology came as a tremendous shock in terms of “intangible psychologi-
cal and intellectual effects" (Yahuda 2008: 17). The revelation of the clear inferiority of their development — seen chiefly in terms of their military defeats and lack of scientific progress compared to the Western newcomers — undermined at a deep level the Chinese sense of being a natural hegemon innately superior to other nations (Spence 1990).

On a political level the Chinese are also taught to associate the series of European interventions with the early stages of the weakness, fragmentation, chaos and carving up of China which was ended only in 1949 with the full reunification of the nation as the PRC under Mao Zedong’s Chinese Communist Party (CCP). At the same time, at a cultural level it gradually became clear to the Chinese that Europeans perceived them as being somehow in need of the civilising influence of European religion, art, philosophy, education, law and other traditions. Rightly proud of their long history, unique civilisation and mass of cultural artefacts, many Chinese have therefore instinctively tended to view European attempts to educate or proselytise — whether concerning culture or Christianity (e.g. missionary activity) or about democracy and human rights (e.g. EU initiatives in the late 20th and early 21st centuries) — with thinly-veiled suspicion. In the last decade the Chinese sense of being looked down on by Europeans has solidified into an “accusation by many in China that the EU often adopts a tone of moral superiority” (Brown and Crossick 2009: 6). It is in this historical context that the current state of the EU-China relationship needs to be viewed if Europeans are to fully understand Chinese attitudes towards Europe.

From the European perspective, on the other hand, the historical relationship, when considered with reference to the period since the opening of China from the late 1970s onwards, has chiefly consisted of a desire to influence China’s development and behaviour through a series of declarations, policy directives and initiatives such as the Common Foreign and Security Policy and the EU-China Dialogue (see the following section for detail). This has tended only to confirm the Chinese attitude that the Europeans condescend to them, and may have contributed to the problems with setting EU-China relations on a solid footing. In addition, as Shambaugh (2005) points out, in contrast to the better-informed Chinese, the European approach tends to suffer from a lack of expertise and China-specific training on the part of EU academics and advisers. Together these factors have contributed to the overall under-performance of European approaches to China up to the present, especially in the areas of security, human rights and the rule of law.

Mao’s policy of isolationism meant that Europe-PRC relations were more-or-less non-existent until their 1975 renewal; even then at first they were quite limited. However, trade ties between the then European Economic Community (EEC) and the PRC began to grow rapidly from a low base during the 1980s. The Tiananmen Square incident in 1989 presented Europeans with the dilemma of whether to continue to engage with the PRC or to cut off diplomatic and trade ties; ultimately
pragmatism won out and EU-PRC trade continued to grow, tripling between 1985 and 1994 (Sutter 2008: 340–342). However, in the wake of Tiananmen an EU-wide embargo was introduced on arms sales to the PRC. This embargo remains in place today, and remains a bone of contention between the two sides, with the Chinese constantly pressing for the lifting of the embargo while the USA counters this with pressure of their own (Ting 2008: 166). On the other hand, as Jean-Pierre Cabestan indicates, the embargo can by now be seen as largely irrelevant (except on the level of formal relations) since bilateral trade in military technology from EU members such as France, Italy and the United Kingdom to the PRC is taking place outside the confines of the arms embargo (2006: 24–25). The extent of this is such that “American specialists admit that controlling dual technology transfers is quasi-impossible,” and that efforts to control the arms trade with China constitute de facto “a leaking basket” (Cabestan 2006: 25).

The present state of the EU-China relationship: a critical account

Apart from the post-Tiananmen arms embargo, EU approaches to the PRC since 1989 have mostly revolved around three other main areas: security and foreign policy issues (including China’s transition to a global leadership role), human rights and the rule of law (including intellectual property) and, inevitably, trade issues. Taking security issues first, it is clear that the EU’s influence on China in this area is limited by its lack of hard power (i.e. there is no EU military force) and by its lack of involvement in the Asia-Pacific theatre (Shambaugh 2005: 20). Often EU rhetoric towards China appears to be restricted to a hollow echo of the US instruction that China should become more of a ‘responsible stakeholder’ in international affairs instead of relying on the US and the UN to police the world, or to empty declarations and warnings concerning Chinese involvement in Sudan, Syria, Zimbabwe and other states considered to be beyond the pale. Obviously the US, with its bases in Japan, South Korea and around the world, can bring more hard power influence to bear on China and is therefore more likely to have an impact of some kind on Chinese foreign policy, as well as in encouraging the PRC to take a more active role in international relations (Shambaugh 2005: 20). Nevertheless, the Chinese insistence on a policy of non-interference in the internal affairs of sovereign states (in order, essentially, to protect its own control over its domestic affairs) will continue to mean that it will be reluctant to assume such responsibilities in the short to medium term, and will probably continue to avoid overt involvement in the US-led ‘war on terror’ and other international policing activity (Shambaugh 2013: 76).
Nevertheless, as Karen E. Smith (2008) demonstrates, the EU has attempted at times to influence Chinese decision-making through its Common Foreign and Security Policy (CFSP), albeit with minimal impact. According to Smith’s analysis, there are at least three main reasons for this lack of impact: first, given the lack of an EU military, CFSP declarations “may constitute the only EU ‘involvement’” in events (2008: 57); second, the EU’s interest in Asia is “not … very deep” (idem.); and last, “the political relationships between the EU and Asia (as a whole) or Asian countries (in particular) have much room for growth” (2008: 63). Given that the CFSP is also voluntary and can be vetoed by just one dissenting EU member, its effectiveness is certainly limited at best as long as it remains, as David Shambaugh notes, “little more than a series of declaratory ideals” (2005: 13). In short, the EU’s influence on China in the area of security issues is negligible, and the CFSP itself, insofar as it can be said to be a unified policy at all at the present time, appears to be more-or-less a white elephant, an abstract construct rather than a pragmatic contribution to EU-China relations.

Moving on to the issues of human rights and the rule of law, the EU has expended a great deal of time and money in the last two decades attempting to change or at least influence the Chinese government’s approach to these two connected issues. In 1995 the EU-China Human Rights Dialogue was established in order to initiate debate at summit level: according to a House of Lords Committee report on the EU, since 1997 this EU-China Dialogue has taken place twice a year (2010: 60). However, to date this process “has been widely criticised, and has shown few if any results” (Fox and Godement 2009: 62), with the NGO Human Rights Watch labelling the Dialogue “largely a rhetorical shell, lacking in accountability, transparency, and clear benchmarks for progress” (House of Lords 2010: 60). Cabestan suggests that “EU and China government officials and experts on human rights meet on a regular basis to discuss these issues, but without producing any concrete results, both because of the lack of preparation and interest among EU officials and the inflexibility of Chinese participants” (2006: 29). There is also evidence that a majority of Chinese leaders regard European efforts to “transform China according to the value system of the Europeans” (Ting 2008: 159) with great scepticism as a patronising attempt “to push China to receive Western ideology” (ibid.: 161), and that this helps to explain why the Dialogue has been “not very successful” (ibid.: 162), and why “the EU needs to think of an even more subtle way to apply pressure to China in this regard” (idem.). As regards its promotion of the rule of law (including issues surrounding intellectual copyright) in China, despite numerous projects and attempts to pressure the Chinese the progress made by the EU in this area has been equally limited. Thus it can be seen that EU initiatives in the area of human rights and the rule of law have so far met with much the same fate as those concerning security issues.
With regard to trade, the EU’s attempts to engage with the PRC have arguably met with far greater success than in the areas of security and human rights. The simple reason for this is that, in a globalised economic system, China’s need to grow its economy quickly in order to develop allied with Europe’s need to sustain its faltering economy demand that the two sides do as much business as possible. In fact, as mentioned earlier, EU-PRC trade volumes have mushroomed in recent years: for example, between 2004 and 2008 exports from Europe to China grew by 65 per cent, while in the same period Europe’s imports from China grew by approximately 18 per cent per year.12 Unfortunately for Europe, the trade deficit with China has also been growing rapidly: as an illustration, the EU-China trade gap expanded from 49 to 130 billion euros between 2000 and 2006 (Messerlin and Wang 2008: 11). This spiralling deficit means that a large part of Europe’s interest, like that of the USA, lies in persuading China to open up its domestic markets to European imports and investment, as well as allowing its currency (the renminbi, or RMB) to rise relative to the euro. While chiefly US pressure has forced the PRC gradually to allow the RMB to climb against the dollar (and hence also against the euro), the opening of China’s markets has proved more problematic for both the US and Europe. As Balme points out, despite the EU’s support for China’s entry to the WTO in 2001, there still remain “persisting difficulties in access to the Chinese market, which have become more evident with time” (2008: 131). In essence, it remains difficult for European companies to break into the Chinese market successfully, although some (for instance the Czech-German car manufacturer Škoda13) have managed to encourage a growing Chinese demand for their products.

From the Chinese perspective, in recent years the EU has come to be seen by Chinese leaders and experts as an unwieldy and ineffective amalgam of 27 member states rather than an efficient, decisive actor on the world stage. There are signs of Chinese disillusionment with PRC-EU negotiations. For example, a 2009 Chatham House paper quotes one unnamed Chinese official as stating “that the constant failure of the 27 member states to come up with common positions was profoundly frustrating, and had caused many leaders in China to regard the EU as marginal” (Brown and Crossick 2009: 6). This has led the Chinese increasingly to negotiate bilateral trade agreements with individual member states, thus bypassing the bureaucracy of EU institutions, a commerce-based policy Beijing has already tried and tested elsewhere in the world, for example in Africa and Latin America (Shambaugh 2013: 55). Thus bilateral trade deals have already been “inaugurated, without fanfare” (Godement 2011: 6) with the UK, France and latterly Germany, as well as with other EU members such as Greece, Portugal and Hungary. This arguably constitutes a policy of ‘divide and rule’ on China’s part which “is beginning to call into question the very construction of the European Union itself” (Godement 2011: 1).
Conclusion: EU-China relations into the future

Overall, there is a consensus among experts that EU-China relations have plateaued or even deteriorated in recent years as the relationship has exited its ‘honeymoon’ period. For instance, Jing Men concludes that

\[\text{since 2005, the partnership has been encountering increasing difficulties ... the initial enthusiasm about the partnership has been gradually replaced by disappointment. Both Brussels and Beijing have become more realistic.} \text{ (Men 2008: 8)\]}

Richard Balme confirms that “mutual expectations came back to greater realism” (2008: 129) after 2005. Jean-Pierre Cabestan also points out that China’s dealings with regimes the EU and the US consider tyrannical, such as those in Sudan, Zimbabwe and Iran, have “soured EU-China relations” (2006: 33), while Jonathan Holslag suggests that “[r]elations between China and the European Union (EU) are in a profound state of transition” (2010: 325). Although it could be said that the direction of this transition is not altogether clear at the present time, given the EU’s continued insistence, despite the obvious lack of success of these policies, on pressuring China concerning the issues of human rights, the rule of law, intellectual copyright, and so on, allied with the reluctance of the Chinese (for reasons already indicated above) to commit to a clear Europe policy, it is possible in summing up this paper to point out some major trends.

First, amid the economic wreckage of the global financial crisis and the European debt crisis, trade issues are clearly the dominant aspect of the relationship. These now tend to colour the approaches of individual EU nations to China as they scramble to win contracts and do deals with the Chinese, even in the face of formal EU policy (e.g. selling military hardware to the PRC even as the arms embargo, which is “perceived as outdated” (Balme 2008: 136), remains in place). This has led, for instance, to obvious U-turns on the issue of Tibet (e.g. by Nicolas Sarkozy, who provoked Chinese anger in 2008 when he met the Dalai Lama, yet by 2011 had apparently forgotten Tibet and was actively pursuing Chinese investment in France\textsuperscript{14} as European leaders realise that maintaining a tough stance on human rights in Tibet will cause a breakdown in trade relations.\textsuperscript{15} This type of policy reversal may be labelled hypocrisy or pragmatism, depending on one’s point of view; but there is no doubt that bilateral trade agreements between EU members and Chinese firms (which inevitably have to be authorised by the Chinese state) have become the order of the day, even if they fly in the face of overall EU policy.\textsuperscript{16}

Second, and closely connected to the first point, as the European debt crisis becomes more acute and begins to spread from Greece to other major debtors such as Portugal, Italy, Ireland and Belgium, there are likely to be more and more calls by Europeans of all political persuasions for the Chinese to invest in Europe on a
number of levels, including the buying of bonds, and involvement in infrastructure projects such as the reconstruction of roads and ports. Already fee-paying Chinese students constitute a considerable (and growing) proportion of the UK’s foreign student population, and Chinese tourists are — and will be — travelling to Europe in ever-larger numbers (Jacques 2009: 378–379). So as the Chinese economic miracle increasingly props up a faltering Europe, the issues of conscience with which the EU’s China policies have for so long been concerned are likely to be quietly shelved or ignored: even the Dalai Lama, previously courted by European leaders such as Sarkozy and the Czech ex-prime minister Mirek Topolánek, will become a peripheral or forgotten figure as the realities of a new world economic order begin to bite.

Third, amidst the profound changes to the global economic order that are already occurring, the need for Europeans to re-evaluate their overall approaches and attitudes to China will become more acute, especially since the Chinese are (as discussed above) already ahead of the game in terms of re-evaluating their approach to Europe in terms of a shift from negotiations with the cumbersome bureaucratic structures of the EU to bilateral agreements with individual countries. David Shambaugh has pointed out the need for Europe to invest more in training China experts (2005: 18–19), and the need for more professionals with a deep understanding of China and the Chinese language to rival the Chinese government’s body of Europe experts will also become increasingly urgent. At the same time, Europeans need to reconsider their tendency to clumsy and ineffective hectoring concerning issues such as human rights, and to cultivate a more sophisticated attitude to the PRC’s sensitivities about its sovereignty and right to self-determination.

Fourth, and last, running parallel to the European re-evaluation of their position, on the Chinese side there needs to be a keener understanding that what Gramsci and Cox would call China’s counter-hegemonic challenge to the status quo is not likely to be received by Europeans with open arms. A Chinese policy of divide and conquer — pursued without fanfare but still noted by observant Europeans (e.g. Godement et al 2011, Kałan 2012) — is not going to fulfil China’s aims of increasing its soft power within an official policy framework of ‘peaceful development’. China therefore needs, for its own practical purposes and for the benefit of all, to demonstrate a greater sensitivity to, and understanding of, European sensibilities if its relations with EU nations are to be established on a basis of cooperation rather than conflict.

From all points of view it is thus, as the empirical and theoretical arguments in this paper have suggested, necessary to increase the frequency and quality of meetings and interactions among government officials, scholars and business people, while encouraging participants in dialogue to learn to be tolerant of conceptual gaps and cultural differences. Removing misunderstandings and mutual mistrust requires us, in the words of Robert W. Cox, “to accept the vision of a plurality of cultures
and civilizations, each with their own truths, and to search for compatibilities and reconciliation among them” (Cox and Schechter 2002: 56). Development of better cross-cultural training programmes in both the EU and China is therefore to be recommended, and funding and educational resources should be set aside for this purpose. Measures such as these should lead in the long term to strengthened relations as well as improved dialogue and sounder diplomatic processes.

In the end it should be remembered that, in contrast to Europe, China has the obvious advantage of having one unified polity rather than being 27 disunited entities struggling to cooperate. This fact, unpleasant as it may be for Europe to accept, gives China a huge advantage in terms of its ability to formulate and apply effective policies. Ultimately, from the European perspective, if Europe does not take measures to work out a new, unified and more pragmatic approach to China in order to engage the PRC with one voice instead of 27, it risks being left behind in the global race towards an uncertain new world order.

Notes


2 David Shambaugh (2010: 98) notes that “China is also a significant recipient of European Union overseas ‘cooperation assistance’ (external aid) – with the EU spending €250 million on such cooperation projects during the four-year period 2002–2006.”

3 See pages 4–5 below for a fuller account of these developments.


5 The classic works inspiring these opposed viewpoints in the contemporary era are Waltz’s (1979) account of neo-realism and Keohane and Nye’s (1977) statement of the neo-liberal paradigm.

6 The historical background to Sino-European relations will be analysed in greater detail in the next section of this paper.

7 There is limited space for a discussion of critical international theory here. For more detailed analysis see Devetak (1996) or Leysens (2008).

8 For more detail on European involvement in China in the imperial era, see Spence (1990) or Keay (2008).

9 See Hessler (2006: 21) for an account of the author’s experience of residual Chinese bitterness over the events of the Opium War (1839–1842).

For a detailed outline of EU rule of law projects in China, see Wacker (2008).


For details of Škoda’s growing penetration of the Chinese market, see Han Tianyang, ‘Škoda: China anchoring global sales’, *China Daily*, 13 December 2010.


As an illustration of the problems that can arise from antagonising the Chinese over the issue of Tibet, in 2008 the Chinese public boycotted the French supermarket chain Carrefour in large numbers when rumours spread via the internet that the company was financing the Dalai Lama. The boycott then threatened to spread to French producers of luxury goods, which are heavily dependent on Chinese consumers, who constitute their single biggest group of customers. Sarkozy was forced to personally intervene to calm the situation down (Jacques 2009: 316–317).


Barry Buzan’s alternative formulation is that the PRC is a ‘reformist revisionist’ power (2010: 18).

For more on China’s international ‘charm offensive’ see Kurlantzick 2007 and Li 2009.
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**Online resources**

