# THE EUROPEAN UNION AND CHINA: ON THE CHALLENGES OF THE STRATEGIC PARTNERSHIP

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DOI: 10.24193/subbeuropaea.2017.3.13 Published Online: 2017-09-30 Published Print: 2017-09-30

#### Abstract

China and the EU are both skilful and pragmatic powers which shape their foreign policies in different manners, according to their principles. In the case of PRC, we can notice primordially domestic priorities like the need to sustain economic growth and to cover political legitimacy. In recent years, its foreign policy has been challenged by the need to manage the consequences of its own success, which have come as a response of new demands for securing global stability. The EU strategy states that the engagement with China will be "principled, practical and pragmatic", staying true to its interests and values. As such, the present article discusses the challenges of EU-China partnership as it has to respond to the interferences of national, European and global interests.

**Keywords:** foreign policy, strategic partnership, global stability, national interests, security

#### Introduction

In the last years, more and more focus has been shown upon longterm partnerships in both economic and military ties between the EU and PRC. In order to understand the directions toward China is moving in terms of cooperation with the European Union, this paper will try to understand what the major challenges are encountered by China in establishing a strategic partnership with the EU.

China is seeking solutions in order to promote stability and equilibrium; as such it moves the attention from the speed of its development towards the quality of manufactured goods. Guidelines and

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objectives referring to the most expansionist state in the world in terms of economy and culture have been already drawn and the social-economic implications have been closely analysed. Efforts are being concentrated to keep China's strategic position as a permanently developing country and also to consolidate its influence in the world, even if some official statements are expressing proposals to impose a global hegemony.

Another aspect to be observed is the authorities' decision expressed in their long-term strategies that funds are required in fields like education, healthcare system, social security and employment stability, but also for agriculture, water resources, public transportation and environment protection. The last two are of most urgency due to the problems encountered on a daily basis by locals' in their living standards. Poverty and urban development is still in the top of their priorities mainly because it is time and financially consuming.

Increasing the regional GDP both through huge investments in capital and energy consuming industries, may be possible if proper policies formulation and implementation is being decided, but we need to keep in mind that some imbalances in China's economic growth may cause serious issues globally.

#### The brackground

Considering strictly the European Union-China relation, it manifests itself as a stability and safety policy for the EU as a genuine economic structure. As Strategic Partners, they increasingly cooperate in key international and regional issues. To be more specific, the EU is also China's biggest trading partner, while China is the second largest trading partner for the EU. The trade and investment relationship is an essential source of wealth, jobs, development and innovation for both sides.<sup>1</sup>

In terms of social partnership, Europe's approach to the Chinese value system is rooted in the past. The Peoples Republic of China is now a global player: decisions taken in Beijing are shaping one way or another all EU's pressing global concerns, among which climate change, nuclear proliferation, or rebuilding economic stability are just few to highlight, but

<sup>&</sup>lt;sup>1</sup> See Hans Dietmar Schweisgut, "The European Union and China: Global Partners with Global Responsibilities", in *European Union: EU Relations with China*, [http://eeas.europa.eu/china/index\_en.htm], accessed April 2017.

in the same time, China's strictly and closely observed economic and industrial policies strongly affect the EU as an economic organism. Yet the EU continues to treat China as the emerging power it used to be, rather than the global force it has become.<sup>2</sup>

Despite the current situation the global sphere is dealing with, it has been noticed that a new imperative has emerged for China, one that is stepping it forward to a much more active posture despite economic, social and political undercurrents domestically. It is necessary to underline some of the key assumptions that are often made regarding China's sea power, the reasons behind this assumption making it sometimes irrelevant, and the background in which sea power is being concerned.

The belief of China being the dominant power in Asia is based on the assumption that its continued and rapid economic rise will continue in the same manner as in the last decade. Such a belief derives force from the projection that a fundamental strategic reestablishment of the Asian continent is inescapable, and that it will be necessary and perhaps even desirable to concede to China significant "strategic space"<sup>3</sup>.

The People's Republic of China managed to formulate its main concerns in all the held summits in regard to its relation to the European Union in an extremely synthetic, pragmatic and clear manner, overcoming any emotional interventions based on cultural differences or perceptions. When it comes to concrete facts, we consider as a relevant example the fact that EU is the main trading partner of China, tightening relations becoming more and more prominent. The European Union is fully committed to further develop its trading relations with China, but on a natural way, it wants to ensure that China plays fairly, respecting intellectual property rights on one hand, and meets its WTO obligations, on the other.<sup>4</sup>

All negotiations regarding future cooperation are based upon the progressive liberalisation of investments and elimination of imposed

<sup>&</sup>lt;sup>2</sup> John Fox, François Godement, *A Power Audit of EU-China Relations*, 2009, [http://www.ecfr.eu/page/-/ECFR12\_-\_A\_POWER\_AUDIT\_OF\_EU-CHINA\_RELATIONS. pdf], accessed April 2017.

<sup>&</sup>lt;sup>3</sup> P. Dibb, J. Lee, "Why China Will Not Become the Dominant Power in Asia", in *Security Challenges*, Vol. 10, No. 3, 2014, pp. 1-21, [http://www.regionalsecurity.org.au/ Resources/Documents/SC10-3DibbLee.pdf], accessed September 2017.

<sup>&</sup>lt;sup>4</sup> European Commission, Trade. Countries and Regions. China, [ec.europa.eu/trade/policy/ countries-and-regions/countries/china/], accessed May 2017.

barriers for investors to access each other's market. This cooperation should provide simplicity and security in terms of legal premises from which investors of both sides can benefit. "By securing predictable long-term access to EU and Chinese markets respectively and providing for strong protection to investors and their investments" we can trace the track of future developments and agreements implemented on the desired global level from a strong economy's point of view.

In the last few years, the Chinese Foreign Affairs Minister's agenda was filled with priorities like the necessity of the country to focus on strengthening its relations with the other strong actors, encouraging positive interactions and a fruitful development. Discussions with Russia and the United States are still central for China, representing strong realizations for the country and its future cooperation.

#### Today's challenges

Relying merely on linear prognostications about the future, we cannot ignore the implications of China's economic, social and national brittleness, its improvable friendship with major actors or allies in the region, as well as the considerable military deficiencies and challenges faced by the People's Liberation Army. It is a permanent obstacle faced by the government until now, planning for a more balanced coercion and contribution to the military operations, so necessary to be kept under a critical eye. Some challenges have been already identified by some authors and the elaboration on some of them is required in order to establish some pillars of orientation in the current research.

It is assumed by some skeptics that China has already approached the apogee of its power and what comes next is its economy encountering serious structural impediments and demographic barriers to growth. This phenomenon can be considered to have important implications for the contingency costs forgone of ever-increasing deterrence expenditure in a technological arms race against other global powers, which Beijing may lose. This approach will try to illustrate a China in which worsening domestic dilemmas will remain the government's highest priority. Consequently, formulating such concerns will take up an increasing share of economic resources and national wealth. On the other hand, China's 12<sup>th</sup> Five-Year Plan puts emphasis on some crucial social implications like resource saving, care for the environment, combating effects of global warming and climate changes, as well as green industry promotion.

Although, it is obvious that the Communist Party leadership will also struggle to take control over growing popular discontent, which may end up having serious implications upon its well-functioning. This powerful rising country needs to dedicate effort and time in regaining its friends in Asia. Although China's world view of itself is shaped by strong historic impulses of a hierarchic order with itself at the apex, very few countries in the region, appear willing to concede to China the status of the dominant power. Indeed, it is more likely that countries such as the United States, Japan and India will concert together—either directly or indirectly against an increasingly aggressive China.<sup>5</sup>

## **EU-China Strategic Partnership**

In several recently elaborated programmes, objectives regarding the political objectives of China in its relation to the EU have been underlined. Strategic partnerships for peace, economic growth, civilization and reforms are only some of the key points developed in bilateral cooperation plans for the following ten years with major focus on combating terrorism and rejection of Taiwan claims for independence.<sup>6</sup> The so-called "partnership for peace" shows China's intention to collaborate with the EU in order to develop peacefully in a tormented world by accepting and respecting reciprocal interests for building a more stronger, just and equitable international relations.

Partnership for economic growth tries to facilitate trade on the international market in an organized, agreed way in order to improve living standards and assure access to specific goods. A win-win relationship will conduct to the arousal of an open global economy, diminishing corruption and other barriers more or less visible, but unfortunately so present in both societies.

By combining both eastern and western values and norms, EU and China will experience another phase of globalization but will also offer an example of responsiveness without a forced "uniformization" of which

<sup>&</sup>lt;sup>5</sup> Ibidem.

<sup>&</sup>lt;sup>6</sup> Dan Tomozei, Diplomația Panda, Iași: Junimea, 2014, p. 210.

sceptical voices are so frightened. This may represent the basics of a "partnership for civilization".<sup>7</sup>

Another challenge formulated in future objectives resides in China's readiness of playing in the same team with the EU by renewing current reforms, turning them into more comprehensive and applicable ones, but also its openness to "share reform dividends, jointly improve the ability of reform and governance, and actively participate in the formulation and reform of the rules of global governance".<sup>8</sup>

China's historical experience taught her that human rights protection, economic equilibrium and counter-terrorism are crucial for a functional trustworthy state and "believes that these issues should be properly handled through dialogue in the spirit of equality and mutual respect."<sup>9</sup> Similar efforts need to be made in each EU member state.

Even though the issue of cultural differences is still a sensitive one, our world needs to be conducted by rational leaders who overcome egos, personal satisfactions and insufficiencies. Cooperation on the political level can be maintained by transparent dialogues and prominent guidelines in policies formulation, strengthening also in this regard the EU-China relations.

In terms of geostrategic positioning and defence, China pressures to some extend the European Union to lift its arm embargo, on one hand, and to vehemently "oppose Taiwan's independence, support peaceful development of cross-Strait relations and China's peaceful reunification and handle Taiwan-related questions with caution",<sup>10</sup> on the other. Even if the latter is hard to be applied due to the fact that it should avoid any human interaction, it can be limited, in China's opinion, to daily activities without political and significant economic implications and definitely ban any weapon or military equipment trading activities.

<sup>&</sup>lt;sup>7</sup> \*\*\*, "China-EU partnerships focus on peace, growth, reform, civilization", in *European Dialogue*, 2014, [http://www.eurodialogue.eu/ChinaEU%20partnerships%20focus%20on%20 peace,%20growth,%20reform,%20civilization], accessed May 2017.

<sup>&</sup>lt;sup>8</sup> Ibidem.

<sup>&</sup>lt;sup>9</sup> Ibidem.

<sup>&</sup>lt;sup>10</sup> Ibidem.

Besides climate change, energy security, financial and trade relations, public health and pandemics, political stability and security,<sup>11</sup> environment protection has a strong influence in China's future development. After 2003, the European Union agreed with China upon a strategic partnership covering three layers, technical cooperation for mutual interest, continuous dialogue for economy and politics, and daily activity exchanges. These can be covered with sufficient respect for established policies when it comes to defence, economic development and obedience to the "non-interference principle".<sup>12</sup>

### Conclusion

There are still different paths in which proper policies and agreements on implementation are required. China still needs to face several challenges for establishing a strategic partnership. Sustaining economic growth, assuring a significant level of political legitimacy, citizen's trust and green technological industries, are just a few to spotlight in the following years. Responsiveness from both China and EU is imperative in this glance.

The European Union's concerns regarding the China include lack of transparency, specific industrial policies and non-tariff measures, intervention from government in shaping the economic structure and lack of protection for intellectual property rights.<sup>13</sup>

Even though some issues like climate change, energy security, financial and trade relations, political stability and social acceptance are big areas in which improvements and discussions are required, China plays an important role in establishing some implementation rules and directions in collaboration with the European Union as an institutionalist construct, and its member states as parts of bilateral negotiations.

Furthermore, the EU-China 2020 Strategic Agenda for Cooperation places strong emphasis on bilateral relation with China stating that "Negotiating and concluding such a comprehensive EU-China Investment Agreement will convey both sides' joint commitment towards stronger

<sup>&</sup>lt;sup>11</sup> Etienne Reuter, Jing Men, *China-EU. Green Cooperation*, Singapore, Hackensack: World Scientific, 2014, p. 25.

<sup>&</sup>lt;sup>12</sup> *Ibidem,* pp. 27-28.

<sup>&</sup>lt;sup>13</sup> European Commission, op. cit.

cooperation as well as their willingness to envisage broader ambitions including, once the conditions are right, towards a deep and comprehensive FTA, as a longer term perspective".<sup>14</sup> It is known by both players that standing on the same side may be laborious and effortful but good things come with small steps.

The "Chinese dream" represents a junction of both government political ambitions and the realistic needs of people and by promoting green cooperation, the strategic partnership will bring greater benefits for political leaders as well as to their citizens.

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<sup>&</sup>lt;sup>14</sup> European Commission, op. cit.

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