

# **The EU and China: emerging global powers capable of countering US hegemony and shaping a multipolar world order?**

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The world order that has emerged after the Cold War is characterized by unipolarity and more specifically by US hegemony. Even though some authors believed that the distribution of powers among states and other international players after the end of the Cold War was going to lead to a multipolar world order, US hegemony was showing no signs of decline. The financial crisis has strongly reminded us of the extent to which the post-Cold War world is increasingly interconnected and interdependent. An increasing number of issues can no longer be tackled by a single country alone. US dominance has been more and more put into question by an increasing number of emerging global powers, such as the EU and China. These two actors strongly believe that a multipolar system will provide for a more secure and stable world. More concretely, recent events, such as the global financial crisis and the negotiations at the Copenhagen Climate Change Conference have shown a possible geostrategic shift in the world's balance of power.

In this paper we will raise the question whether the EU and China, who are both emerging global actors, are capable of countering US hegemony and shaping a new world order characterized by multipolarity. In order to do so, we believe that it is useful to first give a brief overview of the legal framework of EU-China relations. We will then analyze both actors view on multipolarity and the relationship between the EU, the US and China. Finally, we will argue that, even though the US remains the most important global actor, the world order is evolving towards a more multipolar balance of powers and emerging actors such as the EU and China will definitely (even if to different extents) have a role to play in the redefinition of this new world order.

## **A brief overview of the (legal) framework of EU-China relations**

It is first of all important to recall that the EU can engage in relations with third countries both in matters relating to the Common Foreign and Security Policy (CFSP) and in respect of all other aspects of external action. In non-CFSP matters, the procedure under which the EU can conclude international agreement with third countries has been laid down in article 207 TFEU (ex. art. 133 TEC) in the framework of the Common Commercial Policy and article 218 TFEU (ex. art. 300 TEC). The Common Foreign and Security Policy (CFSP) has been put into place by the Treaty of Maastricht (1992). Article 24 TEU (ex. art. 11 TEU) states that “[t]he Union's competence in matters of common foreign and security policy shall cover all areas of foreign policy and all questions relating to the Union's security, including the progressive framing of a common defence policy that might lead to a common defence”. Based on article 37 TEU (ex. art. 24 TEU) “[t]he Union may conclude agreements with one or more States or international organisations in areas covered by this Chapter”. With the entry into force of the Lisbon Treaty the pillar structure has been formally abolished but this does not mean that there are no longer differences between the different procedures. For example, concerning the conclusions of international agreements, there still are different tracks. The Lisbon Treaty unifies in article 218 TFEU the procedure for concluding international agreements by the Union, but there are still specific rules for the conclusion of international agreements under the CFSP.<sup>1</sup>

Formal relations between the EU and China were first established in 1975. The momentum for starting these relations was there for the EU as well as for China. In fact, China had just signed an anti-soviet partnership with the US and on the EU side we were witnessing the beginning of the European Political Cooperation (EPC) process, the predecessor of what was going to be the CFSP.<sup>2</sup> In 1985, the then EEC and China signed a Trade and Cooperation Agreement.<sup>3</sup> This agreement was adopted

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<sup>1</sup> J. WOUTERS, D. COPPENS & B. DE MEESTER, “The European Union's External Relations after the Lisbon Treaty”, in S. GRILLER and J. ZILLER (eds.), *The Lisbon Treaty: EU Constitutionalism Without a Constitutional Treaty?*, Vienna, Springer, 2008, p. 181.

<sup>2</sup> N. CASARINI, *Remaking Global Order. The Evolution of Europe-China Relations and its Implications for East Asia and the United States*, Oxford, Oxford University Press, 2009, p. 25.

<sup>3</sup> Agreement on trade and economic cooperation between the European Economic Community and the People's Republic of China, *OJL* 250, 19.9.1985, pp. 2-7.

on the basis of what is now article 207 TFEU (at the time Article 113 TEEC) and article 352 TFEU (at the time Article 235 TEEC). This agreement was thus primarily adopted in the framework of the Common Commercial Policy. At that time, the main drive behind the relationship was an economic one. The 1985 Trade and Cooperation Agreement mentions two objectives: (1) to promote and intensify trade relations between both actors and (2) to encourage the steady expansion of economic cooperation. Even though the relationship has nowadays evolved to include issues other than economic issues, the 1985 Trade and Cooperation agreement still remains the main legal framework for the EU's relations with China. In order to adapt the legal framework to this new reality, the EU and China have since 2007 started to negotiate a Partnership and Cooperation Agreement (PCA). The EU believes that these negotiations shall “result in an upgrade of the original 1985 Trade and Cooperation Agreement, covering a wider range of issues, in line with our deeper and more comprehensive twenty-first century relationship”<sup>4</sup>. Benita Ferrero-Waldner, who at the time of the decision to launch the negotiations for a PCA was the Commissioner for External Relations, said: “EU-China relations now span political and security issues, trade and economic co-operation, science and technology, environment, and sensitive questions such as human rights. We need a comprehensive agreement to cover all our activities, so that we can move this extremely important partnership to a higher level”<sup>5</sup>.

The long-term strategy of the EU vis-à-vis China has also been set out in a series of communications by the Commission. The first one was adopted in 1995 and entitled “A long term policy for China-Europe relations”<sup>6</sup>. It was followed by a 1998 Communication on “Building a comprehensive partnership with China”<sup>7</sup>. The two most recent statements about EU's relationship with China are the 2003 Commission

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<sup>4</sup> [http://ec.europa.eu/external\\_relations/china/dialogue\\_en.htm](http://ec.europa.eu/external_relations/china/dialogue_en.htm) (consulted 07/04/2010).

<sup>5</sup> Press release ‘EU and China to agree on opening negotiations for a new comprehensive framework agreement’, Brussels, 8 September 2006, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1161&format=HTML&aged=0&language=EN&guiLanguage=en%22> (consulted 07/04/2010).

<sup>6</sup> Commission of the European Communities, *A long term policy for China-Europe relations*, Communication from the Commission to the Council and the European Parliament, COM(1995) 279 final, Brussels, 5 July 1995, [http://ec.europa.eu/external\\_relations/china/docs/com95\\_279\\_en.pdf](http://ec.europa.eu/external_relations/china/docs/com95_279_en.pdf) (consulted 07/04/2010)

<sup>7</sup> Commission of the European Communities, *A long term policy for China-Europe relations*, Communication from the Commission to the Council and the European Parliament, COM(1998) 181 final, Brussels, 25 March 1998, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:1998:0181:FIN:EN:PDF> (consulted 07/04/2010)

Communication entitled “A maturing partnership – shared interests and challenges in EU-China relations”<sup>8</sup> and the 2006 Communication on “EU-China: Closer partners, growing responsibilities”<sup>9</sup>. A thorough analysis of these communications falls outside the ambit of this paper, but it is interesting to briefly look at their recurring themes. The policies of the EU towards China are, and have always been, based on the following four goals: (1) engaging China further, both bilaterally and on the World Stage; (2) support China’s transition towards an open society based on the rule of law and respect for human rights; (3) encourage China’s integration in the world economy and (4) to raise the profile of the EU in China.<sup>10</sup> To this extent, we can also briefly refer to the European Security Strategy (ESS)<sup>11</sup>, adopted by the European Council on 12 December 2003, in which is stated that “[o]ur history, geography and cultural ties give us links with every part of the world (...). These relationships are an important asset to build on. In particular we should look to develop strategic partnerships, with Japan, China, Canada and India (...)”<sup>12</sup>

China has also adopted a policy paper on its relationship with the EU. This paper entitled “China’s EU Policy Paper”<sup>13</sup> was adopted in October 2003. It was the first, and still is the only, policy paper adopted by China in the area of bilateral relations. This document is quite an interesting one. It starts by recognising the importance of the EU, both as an international actor and as a partner for China. Statements such as “[t]here is no fundamental conflict of interest between China and the EU (...)”<sup>14</sup> and “[t]he common ground between China and the EU far outweighs their disagreements”<sup>15</sup> are made at the beginning of the paper. This very positive picture is

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<sup>8</sup> Commission of the European Communities, *A maturing partnership - shared interests and challenges in EU-China relations*, Commission Policy Paper for transmission to the Council and the European Parliament, COM(2003) 533 final, Brussels, 10 September 2003, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0533:FIN:EN:PDF> (consulted 07/04/2010)

<sup>9</sup> Commission of the European Communities, *EU-China: Closer partners, growing responsibilities*, Communication from the Commission to the Council and the European Parliament, COM(2006) 631 final, Brussels, 24 October 2006, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0631:FIN:EN:PDF> (consulted 07/04/2010)

<sup>10</sup> O. GRIESE, “EU-China relations – an assessment by the Communications of the European Union”, *Asia Europe Journal*, vol. 4, no. 4, 2006, p. 548.

<sup>11</sup> Council of the European Union, *A Secure Europe in a Better World*, Brussels, 12 December 2003, <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf> (consulted 07/04/2010).

<sup>12</sup> *Ibid.*, p. 14.

<sup>13</sup> Ministry of Foreign Affairs of the People’s Republic of China, *China’s EU Policy Paper*, 13 October 2003, <http://www.mfa.gov.cn/eng/topics/ceupp/t27708.htm> (consulted 07/04/2010).

<sup>14</sup> *Ibid.*, p. 2.

<sup>15</sup> *Ibid.*, p. 2.

later on contrasted by a certain number of demands that China makes to the EU. For example, “[t]he Chinese side requests the EU side not to have any contact with the Tibetan Government in exile”<sup>16</sup>. China’s policy paper on the EU is thus a quite paradoxical document, because as J.P Cabestan rightly mentions; “[o]n the one hand, it glorifies the EU’s power and influence in the world as if the EU were a real political and military pole, a prerequisite that is far from being met (...) [and] [o]n the other hand, this document lists a series of odd-looking demands on Taiwan, Tibet, human rights, and the lifting of the arms embargo”<sup>17</sup>.

Lastly, we believe it is important to briefly assess how arms embargoes are decided upon in the EU. The European Council decided to impose an arms embargo on China in June 1989 as a response to the dramatic Tiananmen square incident. At the time the decision was taken, the CFSP did not yet exist. Consequently the decision to impose the arms embargo was taken under the European Political Cooperation and implemented by the individual Member States making use of the policy margin left by article 296 TEC (now art: 346 TFEU) under which: “any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material (...)”. The measure was thus formally adopted under the jurisdiction of the Member States, even though it was preceded by consultation in the framework of the EPC leading to a reference in the European Council conclusions<sup>18</sup>. As J. Kreutz mentions: “this suggests that there is not an EU arms embargo in place against China, but rather an EU-wide set of national arms embargoes”<sup>19</sup>. The creation of the CFSP after the adoption of the Treaty of Maastricht slightly modified the general arms embargo regime. The imposition of sanctions became a mixed instrument falling both under the 1<sup>st</sup> Pillar and the CFSP pillar. Consequently, “[i]n the years after the TEU, all but one of the EU sanctions regimes have been renewed through the new CFSP instrument of Common Position. The only exception is the arms embargo against

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<sup>16</sup> Ministry of Foreign Affairs of the People’s Republic of China, *op. cit.*, p. 4.

<sup>17</sup> J.-P. CABESTAN, “European Union-China relations and the United States”, *Asian Perspective*, vol. 30, n°4, 2006, p. 17.

<sup>18</sup> Madrid European Council, Presidency Conclusions, June 27, 1989, annex II, declaration on China, [http://aei.pitt.edu/1453/01/Madrid\\_june\\_1989.pdf](http://aei.pitt.edu/1453/01/Madrid_june_1989.pdf) (consulted 07/04/2010)/

<sup>19</sup> J. KREUTZ, “Reviewing the EU Arms Embargo on China: the Clash between Value and Rationale in the European Security Strategy”, *Perspectives: Central European Review of International Affairs*; Summer 2004, Vol. 22, p. 46.

China which is still based on the Joint Statement of 1989”<sup>20</sup>. The decision-making concerning the arms embargo vis-à-vis China thus continues to lie in the hands of the Member States.

The procedure for the adoption of sanctions that has just been analyzed demonstrates the complexity of the EU decision-making process in the area of external relations. In fact, there are different levels of decision-making. The first pillar covers mainly trade, aid and development relations with third countries. The European Commission communications fall under this category of decision-making. Next to the first pillar there is also the CFSP. The proposal to lift the arms embargo falls under that pillar. Even though the Treaty of Lisbon formally abolishes the pillar structure, there still remain differences in the decision-making process between issues that fall under Community or CFSP competence. Finally, next to these two pillars, we also have to take into account the different foreign policies on China of all the EU member States

### **The EU, China and their belief in a multipolar world**

Over the last decades; the emergence of the EU as an external actor and the rise of the People’s Republic of China, have greatly influenced world politics. Due to their size, their economic weight and their strategic importance, these new global actors are most likely to, and in a sense already have, become important players on the international scene. In other words, “these new players provide (to different degrees) a formidable challenge to the post-Cold War international order centred around the US”<sup>21</sup>.

The relationship between these two new global actors has evolved over time. While at the beginning the relationship was purely based on trade and economic cooperation, it has now evolved to include other issues as diverse as climate change, migration and the fight against organised crime. The relationship has evolved in such a manner that David Shambough<sup>22</sup> has argued that there is an ‘emerging EU-China ‘axis’. “This highly evocative term suggest that China and Europe are beginning the shape a new

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<sup>20</sup> J. KREUTZ, *op. cit.*, p. 46.

<sup>21</sup> N. CASARINI, *op. cit.*, p. 1.

<sup>22</sup> See D. SHAMBOUGH, “China and Europe: The Emerging Axis”, *Current History*, September 2004, pp. 243-248.

balance of power, reined against the United States, as part of an emerging multipolar international system”<sup>23</sup>. Our aim here is to assess whether this is true or not.

The evolution of the EU-China relationship has to be seen in the light of broader global evolutions. We live in a world that has become more and more interconnected and globalised. The number of global issues has grown and global problems require global solutions. As it has been stated in the ESS: “no single country is able to tackle today’s complex problems on its own”<sup>24</sup>. Even though the main drive behind their relationship remains of economic nature (China is the EU’s second largest trading partner and the EU is China’s largest trading power), both parties recognised the need for global problems to be addressed by all global actors. “The EU and China have an ever-greater interest to work together as strategic partners to safeguard and promote sustainable development, peace and stability”<sup>25</sup>. Both the EU and China are striving to find their place in a US-led world and consequently their relationship will “inevitably impinge on (and have implications for) the emerging global order as well as the strategic state sitting on top of the international system”<sup>26</sup>.

One of the main priorities for the EU in its relationship with China is the promotion of its integration in the international community. According to the European Commission: “Europe must set itself the overriding general objective of promoting the fullest possible Chinese involvement in the international Arena”<sup>27</sup>. The EU does not merely want to involve China in international affairs, it wants to make China become a *responsible* actor on the international scene. “The EU is eager to see China sharing in the opportunities and responsibilities at the heart of the international Community as China opens to a freer flow of ideas and cooperation, both in the key Asian region and globally”<sup>28</sup>. In order for China to be able to fulfil this role, the EU believes it is important to fully support China’s internal development process. “Europe has a major political and economic stake in supporting China’s successful

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<sup>23</sup> T. NARRAMORE, “China and Europe: engagement, multipolarity and strategy”, *The Pacific Review*, vol. 21, n°1, March 2008, p. 87.

<sup>24</sup> Council of the European Union, *A Secure Europe in a Better World*, *op. cit.*, p. 1.

<sup>25</sup> Commission of the European Communities, *A maturing partnership - shared interests and challenges in EU-China relations*, *op. cit.*, p. 3.

<sup>26</sup> N. CASARINI, *op. cit.*, p. 11.

<sup>27</sup> Commission of the European Communities, *A long term policy for China-Europe relations*, *op. cit.*, p. 3.

<sup>28</sup> *Ibid.*, p. 3.

transition to a stable, prosperous and open country that fully embraces democracy, free market principle and the rule”<sup>29</sup>. This objective has to be linked to what has been declared in the ESS: “[t]he quality of international society depends on the quality of the governments that are its foundation. The best protection for our security is a world of well-governed democratic States”<sup>30</sup>. The EU thus wants to help China in its internal reform process in order to make sure that it becomes a ‘well-governed democratic State’ capable of playing a role in the international society. Next to the support for the internal reform, the EU also finds it important to integrate China into as many international institutions as possible.<sup>31</sup> One of the latest examples is of course China’s accession to the WTO. To summarize, the EU thus “expects China as an emerging global power to shoulder global responsibilities and to contribute actively and constructively to effective multilateralism”<sup>32</sup>.

When we analyze the different Commission Communications and China’s EU Policy Paper, it seems that the promotion of multilateralism is very important for both actors. The 2003 Commission Communication mentions that the “EU and China share views on the importance of multilateral systems and rules of global governance, which includes the further strengthening of the United Nations system, its role in regional and global conflict resolution and in the co-ordination of actions addressing global concerns (...)”<sup>33</sup>. China’s Policy paper states that “[b]oth China and the EU stand for democracy in international relations and an enhanced role for the UN”<sup>34</sup> and that one of the objectives of its relationship with the EU is to “[s]trengthen China-EU cooperation at the UN and work together to uphold the UN’s authority, promote its leading role in safeguarding world peace (...) and support UN’s reform”<sup>35</sup>.

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<sup>29</sup> Commission of the European Communities, *A maturing partnership - shared interests and challenges in EU-China relations*, *op. cit.*, p. 3.

<sup>30</sup> Council of the European Union, *A Secure Europe in a Better World*, *op. cit.*, p. 10.

<sup>31</sup> David SHAMBOUGH, “The New Strategic Triangle: US and European reactions to China’s rise”, *Washington Quarterly*, vol. 28, no. 3, 2005 p. 8.

<sup>32</sup> L. ODGAARD and S. BISCOP, “The EU and China: Partners in Effective Multilateralism?”, in D. KERR and L. FEI (eds.), *The International Politics of EU-China Relations*, Oxford, Oxford University Press, 2007, p. 62.

<sup>33</sup> Commission of the European Communities, *A maturing partnership - shared interests and challenges in EU-China relations*, *op. cit.*, p. 8.

<sup>34</sup> Ministry of Foreign Affairs of the People’s Republic of China, *op. cit.*, p. 2.

<sup>35</sup> *Ibid.*, p. 5.

Both the EU and China are supportive of an international system with multiple poles of power and are opposed to the US hegemony. But they have a different idea on how to realise this new world order. The vision of the EU on ‘effective multilateralism’ has been outlined in the ESS. “In a world of global threats, global markets and global media, our security and prosperity increasingly depend on an *effective multilateral system*. The development of a stronger international society, well functioning international institutions and a rule-based international order is our objective [emphasis added]”<sup>36</sup>. In order to realise this objective of effective multilateralism the EU is “committed to upholding and developing international law”<sup>37</sup> and “want[s] international organisations, regimes and treaties to be effective in confronting threats to international peace and security and must therefore be ready to act when their rules are broken”<sup>38</sup>. Multilateralism from the EU point of view can be summarised as the importance of effective international (and regional) organisations capable of enforcing their decisions and the importance of international law. What China refers to can be better qualified as multipolarity rather than multilateralism. Multipolarity refers to “the balanced distribution of the ability of individual powers to prevent unilateral options from prevailing”<sup>39</sup>. It is not exactly the same as multilateralism. In fact, “[n]ewer and aspiring world powers (...) have a different conception of multilateralism from the one of the European Union, closer to the containment of the more powerful states and the assertion of their own sovereignty than to playing their part in building an effective multilateral system”<sup>40</sup>. For China, the new world order should be composed of different poles of power rather than one unique pole of power.<sup>41</sup> We find ourselves thus quite a long way from the concept of multilateralism promoted by the EU, as outlined by then external relations commissioner Ferrero-Waldner: “For the EU (...) it is not the number of poles which counts, but rather the basis on which they operate. Our vision is a world governed by rules created and

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<sup>36</sup> Council of the European Union, *A Secure Europe in a Better World*, *op. cit.*, p. 9.

<sup>37</sup> *Ibid.*, p. 9.

<sup>38</sup> *Ibid.*, p. 9.

<sup>39</sup> A. DE VASCONCELOS, “‘Multilateralising’ multipolarity”, in G. GREVI and A. DE VASCONCELOS (eds.), *Partnerships for effective multilateralism. EU relations with Brazil, China, India and Russia*, Institute for Security Studies, *Chaillot Paper*, n°109, May 2008, p. 24.

<sup>40</sup> *Ibid.*, p. 27.

<sup>41</sup> D. SHAMBAUGH, E. SANDSCHNEIDER and Z. HONG, “From honeymoon to marriage. Prospects for the China-Europe”, in D. SHAMBAUGH, E. SANDSCHNEIDER and Z. HONG, *China – Europe relations. Perspectives, policies and prospects*, London, Routledge, 2008, p. 313.

monitored by multilateral institutions”<sup>42</sup>. The EU’s conception of multilateralism seems to be difficult to reconcile with the strong adherence of China to the concepts of sovereignty and non-interference in domestic affairs.<sup>43</sup> It seems difficult (if not impossible) to picture China pooling sovereignty and having to obey to decisions taken by international (or regional) organisations. We can say that, in the bottom lines, China and Europe want to achieve the same goal. They both want to put an end to US hegemony and build a world order based on a better distribution of power, but the ways in which they want to realize this differs. For the EU, this new world order would be based on better international norms and more effective international (and regional) organisations, whereas “China’s view of multilateralism seems to err more towards its long-cherished fidelity to multipolarization (...), whereby multiple mechanisms counter a hegemonic global order”<sup>44</sup>. International institutions can constitute one of these mechanisms, but rising global powers such as China itself, but also for example India and Brazil, can also constitute such poles of power, capable of countering US hegemony. The EU as an important global actor is also seen by China as such a pole. The importance for China thus lies in a great multiplicity of poles rather than in the value of international law and effective international institutions.

### **The failure of the EU to act as a coherent actor in EU-China relations**

The relationship between the EU and China has not only become more intensive and more extensive but it has also become more complex over the years. The ‘honeymoon period’<sup>45</sup> seems to be over and the growing disagreements on matters such as, for example, human rights, the future role of China in Africa and the lifting of the arms embargo have created tensions between the two actors. A change in tone can be measured in the latest communication from the Commission in which is stated that “[t]he EU’s fundamental approach to China must remain one of engagement and partnership. But with a closer strategic partnership, mutual responsibilities increase. The partnership should meet both sides’ interest and the EU and China need to work

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<sup>42</sup> Speech by Commissioner Ferrero-Waldner, *The EU, China and the Quest for a Multilateral World*, 4 July 2005, [http://www.europa-eu-un.org/articles/en/article\\_4854\\_en.htm](http://www.europa-eu-un.org/articles/en/article_4854_en.htm) (consulted 10/04/2010)

<sup>43</sup> T. NARRAMORE, *op. cit.*, p. 97.

<sup>44</sup> D. SHAMBAUGH, E. SANDSCHNEIDER and Z. HONG, *op. cit.*, p. 313.

<sup>45</sup> The term that was used by some authors to qualify the period of intensification of the relations between the EU and China.

together as they assume more active and responsible international roles, supporting and contributing to a strong and effective multilateral system”<sup>46</sup>.

A major element contributing to the tensions in EU’s relationship with China is the incapacity for the EU to act as a coherent actor and to define a common policy vis-à-vis China. The general difficulties and the multi-level process of decision-making in the area of external relations has already been described in the first section of this paper but it is important to link it more specifically with the EU-China relationship and the question whether these two actors can challenge US hegemony and define a new world order. The debate surrounding the possible lifting of the arms embargo is an important illustration of this incapacity. Indeed, disagreements on this issue could be found at different levels of the decision-making process: there were disagreements between (and even inside) the different institutions at EU level, between the different Member States and even inside some of the Member States. The policy of the EU on the lifting of the arms embargo has been described as “a shambolic mess”<sup>47</sup>.

The decision of imposing an arms embargo on China was taken in 1989 right after the Tiananmen incident. The arms embargo was “part of a package of political and economic sanctions imposed on China in reaction to the violent suppression of the Tiananmen democracy movement”<sup>48</sup>. Since then all the other sanctions have been lifted, with the exception of the arms embargo. With the intensification of the relationship, the pressure to lift the arms embargo became more and more important. On the Chinese side, it is argued that “the EU cannot be serious about building a strategic partnership with China while leaving it in the same category as Africa’s and Asia’s worst-run countries”<sup>49</sup>. The lifting of the arms embargo is thus fundamental for the building of mutual trust and the emergence of a strategic partnership with China. On the EU side, France and Germany made an official proposal to lift the arms embargo in December 2003. A consensus in favour of lifting the arms embargo was found quite rapidly but things got more complicated in the beginning of 2005.<sup>50</sup> The

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<sup>46</sup> Commission of the European Communities, *EU-China: Closer partners, growing responsibilities*, *op. cit.*, p. 2.

<sup>47</sup> K. BARYSCH, “Embracing the dragon: The EU’s partnership with China”, *CER*, may 2005, p. 65.

<sup>48</sup> G. AUSTIN, “The 1989 China Arms Ban: Putting Europe’s Position to Congress”, *The Foreign Policy Centre*, April 2005, p. 1.

<sup>49</sup> K. BARYSCH, *op. cit.*, pp. 60-61.

<sup>50</sup> J. MEN, *EU-China Relations: from Engagement to Marriage?*, EU Diplomacy Papers, 7/2008, p. 14.

adoption by the Chinese of the anti-secession law in March 2005, growing US pressure not to lift the embargo and the modification of the German position after the election of Angela Merkel, altered the interests at stake in the debate.

At EU level, there were some divergences in the position of the different institutions. The European Parliament, which has an advisory role in CFSP matters, was strongly against lifting the arms embargo. In a resolution on EU-China relations adopted in 2005, it “strongly recommend[ed] – as endorsed by numerous of its resolutions – that the EU arms embargo against China remain intact until greater progress is made on human rights issues”<sup>51</sup>. The High Representative for CFSP, Javier Solana, was in favour of lifting the arms embargo.<sup>52</sup> His position has to be put in perspective with the ESS which was issued during the same period as the debate on the lifting of the arms embargo. The will to develop a strategic partnership with China is clearly mentioned in the ESS. We can therefore easily assume that Solana was supporting the lifting in order to favour the good development of such a relation. Finally, the position of the Commission is quite interesting. In fact, there seem to have been a difference in position between the President of the Commission, Romano Prodi, who was in favour of the lifting, and the Commissioner for External Relations, Chris Patten, who was against.<sup>53</sup> Not only did the different European institutions adopt different position but there were even different positions within the same institution.

Concerning more specifically the positions of the different Member States, France and Germany were the strong advocates of the lifting of the embargo. They argued that “the embargo ha[d] become an ‘anachronism’ in the EU’s rapidly evolving partnership with China”<sup>54</sup> and that, in any case, the arms embargo did not prevent Member States from selling arms to China because in the absence of a common list of embargoed goods “the embargo never became EU coherent in implementation and scope”<sup>55</sup>. Although this was the official argument used, we can of course highly suspect that the main drive behind this position was of commercial nature. While most

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<sup>51</sup> European Parliament, Resolution on EU-China relations (2005/2161(INI)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P6-TA-2006-0346+0+DOC+PDF+V0//EN> (consulted 10/04/2010).

<sup>52</sup> J. KREUTZ, *op. cit.*, p. 51.

<sup>53</sup> *Ibid.*, p. 50.

<sup>54</sup> K. BARYSCH, *op. cit.*, p. 61.

<sup>55</sup> J. KREUTZ, *op. cit.*, p. 47.

of the Member States adhered to this position, not all of them were in favour of lifting the arms embargo. The Netherlands and Denmark were even particularly opposed to it. Their main argument was the question whether human rights in China had improved sufficiently in order to justify the lifting of the embargo.<sup>56</sup> This position is in line with the more general foreign policy interests of these countries that tend to emphasize human rights. These Member States are also “less likely to win large-scale contracts in China”<sup>57</sup>, consequently the commercial incentive is not so important to them. The influence of the US is an important factor in the position of some Member State, especially those, such as the UK or some of the newer member States, who are traditionally close to the US. As we will see later on in this paper, the US was strongly opposed to lifting the embargo and this has certainly played a role in the position of some Member States. The position of some Member States also evolved over time. The most striking example is Germany, whose position shifted from being an initial advocate for the lifting the arms embargo to being against the lifting of it, especially for human rights reasons, once Angela Merkel had been elected.<sup>58</sup>

The lifting of the arms embargo is only an illustration of the difficulty for the EU to act as a coherent actor in its external relations, and this more precisely vis-à-vis China. There are of course other examples. It seems that the “European divisions reflect a lack of faith among Member States that the EU can act as an effective guarantor of their national interests”<sup>59</sup> vis-à-vis China. Of course there are major commercial interests behind and large Member States such as France and Germany both want to become “China’s partner of choice in Europe”<sup>60</sup>. The main problem is that this undermines the actorness of the EU in the eyes of its Chinese interlocutors. China does no longer, at least for now, perceive the EU as a serious political partner.<sup>61</sup> Consequently China has reevaluated its approach towards the EU and has moved some of the focus from the European Commission back to some key member states.<sup>62</sup> China has also learned how to play with the internal divisions and use them to its advantage.

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<sup>56</sup> K. BARYSCH, *op. cit.*, p. 61.

<sup>57</sup> K. BARYSCH, *op. cit.*, p. 61.

<sup>58</sup> J. MEN, *op. cit.*, p. 15.

<sup>59</sup> J. FOX and F. GODEMONT, “A power audit of EU-China relations”, *European Council on Foreign relations*, April 2009, p. 30, [http://ecfr.3cdn.net/532cd91d0b5c9699ad\\_ozm6b9bz4.pdf](http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf) (consulted 10/04/2010)

<sup>60</sup> *Ibid.*, p. 28.

<sup>61</sup> *Ibid.*, p. 33.

<sup>62</sup> T. NARRAMORE, *op. cit.*, p. 94.

“It treats its relationship with the EU as a game of chess; with 27 opponents crowding the other side of the board and squabbling about which piece to move”<sup>63</sup>. In this sense, China has not hesitated to punish those Member States who were interfering with its internal affairs, as it was the case vis-à-vis the Netherlands and Denmark when they supported an attempted resolution to condemn China at the 1996 Annual Geneva conference on human rights, and to reward ‘the good Member States’, such as France, with lucrative commercial contracts.<sup>64</sup>

It has been generally advanced that the entry into force of the Lisbon Treaty will bring some clarity and consistency in the EU’s external relations.<sup>65</sup> As we are still into the transitional phase, it is too soon to analyze the concrete consequences of the entry into force of the Lisbon Treaty and one can only hope that its entry into force will strengthen the EU to become a more coherent actor on the international scene.

### **The relationship between the EU, the US and China**

We have seen that both the EU and China want to counter US hegemony and promote a multipolar world (even though they have a different vision on how this multipolar world should be). Accordingly, it is important to analyse the potential influence of the US on the EU-China relationship in order to assess whether they are really ready to counter US hegemony in practice. In order to do so we must look once more at the debate surrounding the lifting of the arms embargo. In fact, this debate has not only highlighted internal discrepancies inside the EU but has also clearly demonstrated that the US still has a big influence on the EU.

In order to establish the weight of the US on the EU-China relation, it is first of all important to determine the relationship between the EU and the US and the vision of both actors vis-à-vis China. The ESS mentions that “one of the core elements of the international system is the transatlantic relation”<sup>66</sup>. The US is thus an important partner for the EU. This does not mean that there were never any tensions between the two actors. Recently the relation has been under a lot of pressure, especially on

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<sup>63</sup> J. FOX and F. GODEMONT, *op. cit.*, p. 3.

<sup>64</sup> T. NARRAMORE, *op. cit.*, p. 94.

<sup>65</sup> See for example: J. WOUTERS, D. COPPENS & B. DE MEESTER, *op. cit.*, p. 196.

<sup>66</sup> Council of the European Union, *A Secure Europe in a Better World*, *op. cit.*, p. 9.

questions such as the war in Iraq and the global war on terror. Concerning their vision on China, the two actors more or less agree on the principle terms. They both want to successfully integrate China in the international community and to help it become a 'responsible stakeholder' in international affairs.<sup>67</sup> While their goal is thus more or less the same, the differences are to be found in the way they believe this goal can be achieved. This of course has to be linked with the fact that the US is a hard power and the EU is a soft power. Both actors do not have the same means at their disposal. From a more geopolitical point of view, the main difference between both actors, and this will be highlighted by the debate on the lifting of the arms embargo, is the fact that, contrary to the US, the EU has no real security and defence interests in the region. In fact, the only security threats that the EU sees emanating from China are issues of 'soft security' such as human rights, environmental issues, economic competition, illegal immigration, organised crime and drugs smuggling or 'hard security' issues such as proliferation of weapons of mass destruction, which only constitute an indirect security threat.<sup>68</sup> The US on the other hand has defence responsibilities vis-à-vis Taiwan. It thus has direct security and defence interests in the area. This important military and political commitment made by the US to Taiwan makes its relationship with China much more complicated than the relationship the EU has with China.<sup>69</sup>

The fact that the EU, contrary to the US, has no defence responsibility in the region was one of the main reasons why the US was so strongly opposed to the lifting of the arms embargo. In fact, the US warned "that the EU should not upset the balance of power in a region in which it has no defence responsibilities"<sup>70</sup>. Indeed, in the eyes of the US, the lifting of the arms embargo would most probably affect the military balance in the Taiwan Strait in favour of China and this would affect the balance of power in the region.<sup>71</sup> This argument became even stronger after the adoption of the Chinese anti-secession law in March 2005.

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<sup>67</sup> J.-P. CABESTAN, *op. cit.*, p. 36.

<sup>68</sup> B. GILL, "The United States and the China-Europe relationship", in D. SHAMBAUGH, E. SANDSCHNEIDER and Z. HONG, *China – Europe relations. Perspectives, policies and prospects*, London, Routledge, 2008, p. 278.

<sup>69</sup> B. GILL, *op. cit.*, p. 279.

<sup>70</sup> J. Watts and N. Watt, "Rice Tells EU: Don't lift China Arms Ban", *The Guardian*, 21 mars 2005, <http://www.guardian.co.uk/world/2005/mar/21/china.usa> (consulted 10/04/2010)

<sup>71</sup> T. NARRAMORE, *op. cit.*, p. 100.

The EU found itself in a difficult position “since the lifting or keeping of the embargo would deliver a political message to both the US and China”<sup>72</sup>. Both China and the US are the EU’s most important trade partners and the way the EU was going to handle this difficult situation would in any case affect its trade and its political relation with either the US or China. In the end, the EU gave in to US pressure and decided not to lift the arms embargo. Of course there were internal divergences within the EU on the issue but it is generally believed that this was not the main reason why the EU decided not to lift the arms embargo in the end. The EU did not want to put its relationship with the US at risk. Swanstrom reminds us “that the transatlantic link is far more important than short-term benefits with China, unless China can provide the same cooperative structures as the US”<sup>73</sup>. The EU thus preferred ‘disappointing’ their Chinese interlocutors instead of risking to harm the transatlantic relationship. We can even go further and say that they preferred undermining their capacity to act as an external actor, especially in the eyes of China, over upsetting the US. Indeed, the final outcome of this diplomatic defeat is precisely the weakness of the EU to act as a coherent and fully independent international actor.

After the debate concerning the lifting of the arms embargo, the EU realized the importance of its relation with the US and has renewed contact with its transatlantic partner. An example of this can be found in the EU’s recent guidelines on its foreign and Security Policy in East Asia, where it has stated that “[t]he US security commitments to Japan, the Republic of Korea and Taiwan and the associated presence of US forces in the region give the US a distinct perspective on the region’s security challenges. It is important that the EU is sensitive to this. Given the great importance of transatlantic relation, the EU has strong interest in partnership and cooperation with the US on the Foreign and Security policy challenges arising from East Asia”<sup>74</sup>. The arms embargo issue “has served as a wake-up call for both the EU and the United States”<sup>75</sup>. They have realised that it was important to communicate about their respective strategies vis-à-vis China.

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<sup>72</sup> N. SWANSTROM, “EU-China relations: Troubled Relations?”, *The Quarterly Journal of Defense Policy Studies*, vol. 24, no. 1, 2008, p. 163.

<sup>73</sup> *Ibid.*, p. 173.

<sup>74</sup> Council of the European Union, *Guidelines on the EU’s foreign and security policy in East Asia*, [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressdata/en/misc/97842.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf) (consulted 10/04/2010).

<sup>75</sup> J.-P. CABESTAN, *op. cit.*, p. 36.

We believe that the issue of the arms embargo has not yet been fully resolved. The issue continues to be important for China and will most certainly be raised again. And indeed this has recently been the case. At the beginning of this year, Spain, who is holding the EU presidency for the first half of 2010, has indicated that “it is willing to reconsider the bloc’s arms embargo with China”<sup>76</sup>. In light of some recent events we can wonder whether the outcome of the debate would be the same if it was put on the agenda again now. In fact, China has grown considerably on the international scene lately and might perhaps have a greater influence on the EU and the US nowadays. Two issues can be advanced in order to support this view: the global economic crisis and the negotiations at the Copenhagen Climate change conference. The aim of this paper is not to analyse these issues into detail but just to demonstrate how they affect the relationship between China, the EU and the US.

The financial crisis broke out in September 2008 and resulted in “the near-collapse of the established world economic order”<sup>77</sup>. The EU, China and the US, as well as many other important powers, were highly affected by this crisis.<sup>78</sup> Huge efforts were undertaken by all major powers in order to restore their systems and maintain stability.<sup>79</sup> Apart from affecting the economic system, the financial crisis has also had an impact in the world order and more specifically on the distribution of powers. In fact, even though all major powers were highly affected by the economic crisis, some were worse off than others. Whereas the financial crisis has “diminish[ed] the status of the United States as the world’s only superpower”<sup>80</sup>, China confirmed its status as a crucial economic partner. Indeed, as a holder of huge current account surpluses China was able to help the rest of the world cope with the financial crises by lending them money.<sup>81</sup> China lent a huge amount of money to the US and to the IMF in order to allow the fund to assist the numerous countries suffering from the economic

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<sup>76</sup> A. WILLIS, “EU presidency reconsidering China arms embargo”, *EU Observer*, 27/01/2010, <http://euobserver.com/13/29343> (consulted 14/04/2010).

<sup>77</sup> D. FOUQUET, “The Economic crisis and a new balance of power?”, *EU-China observer*, Issue, 2, 2009, p. 10.

<sup>78</sup> *Ibid.*, p. 10

<sup>79</sup> *Ibid.*, p. 10

<sup>80</sup> P. REYNOLDS, “US superpower status is shaken”, *BBC news*, 1 October 2008, <http://news.bbc.co.uk/2/hi/business/7645743.stm> (consulted 14/04/2010)

<sup>81</sup> “The financial crisis: Into the storm”, *The economist*, Issue 950, 25 October 2008.

crisis.<sup>82</sup> China thus not only played a fundamental role in the resolving of the crisis but the US still owes China a lot of money. This has without any doubts affected the balance of powers between both countries and has pushed China towards a greater role on the international scene. This has of course also affected the EU-China relationship. As Fouquet aptly puts it: “[t]he (...) global crisis has (...) called into question the previous models and power-centres of economic and political development in the West and raises the issue of what new order and relations will emerge between China and its Asian neighbours and with the US and Europe”.

After having successfully passed through the financial crisis, China has become more assertive on the international scene.<sup>83</sup> This has been clearly demonstrated during the Copenhagen Climate change conference. It has been widely put forward that “China single-handedly ruined any positive outcome”<sup>84</sup>. The way the Chinese delegation behaved during the conference strongly demonstrates the role China wants to play on the international scene. They no longer want to be ‘thwarted’<sup>85</sup>. A journalist that was present in Copenhagen mentions that “China wrecked the talks, intentionally humiliated Barack Obama, and insisted on an awful ‘deal’ so western leaders would walk away carrying the blame”<sup>86</sup>. Copenhagen clearly demonstrated that China is aware of the fact that it is becoming an uncontested superpower and to this extent China demonstrated “its newfound muscular confidence”<sup>87</sup>. The conference also highlighted another important element: the EU failed to play a role in the Copenhagen conference. This is particularly surprising since international climate policy has been a field in which the EU has since the beginning played a leading role.<sup>88</sup> Even more importantly, it is a field in which it managed to develop a coherent and consistent

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<sup>82</sup> D. FOUQUET, *op. cit.*, p. 12.

<sup>83</sup> “Geopolitics: Facing up to China”, *The Economist*, Issue 950, 6 February 2010.

<sup>84</sup> G. WACKER, “Caught in the Middle: China’s Crucial but Ambivalent Role in the International Climate negotiations”, in S. DROGE (ed.), *International Climate Policy. Priorities of Key Negotiating Parties*, SWP Research Paper, Berlin, March 2010, p. 58, [http://www.swp-berlin.org/en/common/get\\_document.php?asset\\_id=6914](http://www.swp-berlin.org/en/common/get_document.php?asset_id=6914) (consulted 14/04/2010).

<sup>85</sup> “Geopolitics: Facing up to China”, *The Economist*, Issue 950, 6 February 2010.

<sup>86</sup> M. LYNAS, “How do I know China wrecked the Copenhagen deal? I was in the room”, *The Guardian*, Tuesday 22 December 2009, <http://www.guardian.co.uk/environment/2009/dec/22/copenhagen-climate-change-mark-lynas> (consulted 14/04/2010)/

<sup>87</sup> *Ibid.*

<sup>88</sup> O. GEDEN and M. KREMER, “The European Union: A Challenged Leader in Ambitious International Climate Policy”, in S. DROGE (ed.), *International Climate Policy. Priorities of Key Negotiating Parties*, SWP Research Paper, Berlin, March 2010, p. 31.

position vis-à-vis third parties.<sup>89</sup> This can make us wonder whether the development of a coherent external relations policy would be enough for the EU to play a major role in world politics. To conclude, Copenhagen not only left us without a concrete policy on how to deal with global warming but more importantly it demonstrated a potential shift of powers in global politics.<sup>90</sup>

## **Conclusion**

Even though the US remains the most important global power for now, there are clear signs that the world order is evolving. Emerging global actors such as the EU and China are playing a more and more important role in world politics. Lately, this has especially been the case for China, who has emerged more powerful than ever out of the financial crisis and has shown that it is well aware of the fact that it is becoming an uncontested international actor. The way China took the lead in Copenhagen, should serve as a wake-up call for both the US and the EU. If the US will most likely remain the most important global power, it will not remain so in the way it used to be in the period just after the Cold War.<sup>91</sup> “Close and friendly relations with both the EU and China will be necessary for it to retain its status as the prime superpower”<sup>92</sup> The EU, on the other side, has to become a more coherent external actor if it wants to play a real role in world politics. It is the EU’s ambition that this will improve with the entry into force of the Lisbon treaty. However, we have to be aware that a clearer external representation and a better decision-making procedure cannot resolve all the problems. If some Member States want to continue pursuing their own national interests on some issues, they will not be prevented from doing so by these new rules. Rules can only do as much. What we really need for things to change is the political will to do so.

The world order seems to be shifting towards more multipolarity, characterized by the existence of diverse poles of power. All poles nevertheless do not have the same power. For now, the US remains the most important pole. But it is unsure whether this

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<sup>89</sup> O. GEDEN and M. KREMER, *op. cit.*, p. 31.

<sup>90</sup> *Ibid.*

<sup>91</sup> R. DELLIOS and H. FIELD, “China and the European Union: potential beneficiaries of Bush’s global coalition”, *Australian Journal of International Affairs*, Vol. 56, n°1, 2002, p. 96.

<sup>92</sup> *Ibid.*, p. 96.

will remain the case. It is of course too soon to draw conclusions from the way China has been demonstrating its power lately, but we do believe these signs should not be ignored. Different potential future scenarios have been advanced. Some have suggested the emergence of a new type of bipolar world composed of two superpowers: the US and China, while others visualise a 'triumvirate' composed of the previous two actors and the EU, or others see a major role for China and the other BRIC Countries.<sup>93</sup> It is of course still unclear in which precise way the world order is going to evolve, but it surely is changing and the EU and China (even if to different extents) will definitely play a role in the redefinition of this world order.

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<sup>93</sup> D. FOUQUET, *op. cit.*, p. 10.