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Chinese Thinking on EU-China Relations

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Background Briefing: Chinese thinking on EU-China relations

Executive summary

- The mainstream discourse on EU-China relations in the Chinese strategic community is changing. There is a display of optimism regarding the future of EU-China relations unheard of since the 2003-2004 honeymoon years.
- This optimism is linked to the visit of Xi Jinping to the EU Headquarters in Brussels in March 2014. Many interpret Xi's visit as having created a momentum to increase substantial cooperation within the framework of the strategic partnership. The visit to Europe was also conceived as a strategic reassurance move, to reaffirm the importance of Europe on China's foreign policy agenda.
- The key word used by Chinese experts to describe the current state of EU-China relations is 'upgrade'. Foreign Minister Wang Yi has defined the EU as a 'strategic partner with enormous potential'. Chinese experts have clearly been assigned the task of analysing how to upgrade economic and political cooperation with the EU.
- Most Chinese experts remain evasive regarding what issues should be pushed in priority, but they can be expected to come up with concrete policy recommendations in the second semester of 2014, as Chinese foreign policy officials will need to deliver on Xi Jinping's general guideline to "upgrade" relations with the EU.
- Despite China's intention to deepen ties with the EU, many experts mention the need to use multiple channels to pursue Chinese foreign policy goals in Europe. The Chinese interest in sub-regional frameworks should cause concern and be closely monitored by the European External Action Service (EEAS).
- Chinese experts' assessment that the improvement of China's image in Europe depends exclusively on top leadership diplomacy indicates a misunderstanding of European public opinion. Addressing China's public image deficit in Europe has been identified as a priority and Chinese experts argue that 'incorrect understanding of China' in Europe is a major obstacle to advance Chinese goals. They think it is easier to improve Chinese image in Europe than in Asia and the US, given the lack of geopolitical competition but this improvement does not depend exclusively on top leadership diplomacy.
- Non-involvement of the Chinese strategic community on important issues is perceived as best serving Chinese diplomacy towards the EU and Russia. Chinese experts no longer mention the lifting of the EU arms embargo as a foreign policy goal and do not comment on the impact of the crisis in Ukraine on EU-China relations.
- The EU should take advantage of the current wave of optimism and leadership commitment in China to 'upgrade' EU-China relations. It should prioritise consular protection, risk assessment, non-combatant evacuation operations, prevention work and other aspects of the protection of nationals abroad. This can be a convenient vector by which to advance military diplomacy in non-sensitive areas.

1. Introduction

Xinhua agency has characterised Xi Jinping's March 2014 visit to the EU Headquarters in Brussels and four European countries, all founding member states of the European Steel and Coal Community, as heralding the beginning of a 'splendid spring' in EU-China relations (绚烂的春天, *xuanlan de chuntian*).¹ Opinion and analytical pieces published by academics and experts showcase the same optimism regarding the future of China's relations with its largest trade partner. In the first half of 2014, the core issue addressed by Chinese experts is how to 'upgrade' (升级, *shengji*) the EU-China strategic partnership.

A literature review conducted on major newspapers and International Relations academic journals indicates that Chinese strategists and the European studies community are drawing lessons from ten years of 'European work' spearheaded by Wen Jiabao, whose name they never mention. All ignore the relative deterioration of EU-China political relations after the climax reached in 2003-2004. Divergences on human rights are barely mentioned, while the lifting of the arms embargo is simply no longer raised. Instead, Chinese analysts focus on positive trends and try to identify opportunities to expand bilateral relations beyond trade in areas such as investment, finance and international security cooperation. In addition, all publications suggest that addressing China's public image deficit in Europe has also been identified as a major priority.

Section 2 presents a literature review of Chinese analyses of Xi Jinping's European tour and his EU policy agenda. Section 3 looks more precisely at Chinese analyses of the current dynamics and challenges in trade and security relations with the EU. Section 4 synthesises Chinese experts' debates on the EU as an institution after the Lisbon Treaty and looks in particular at the May EU Parliament elections. Finally, section 5 presents the main concluding points and policy recommendations for the EU.

2. Chinese analyses of Xi Jinping's visit to Europe

An overwhelming majority of Chinese analysts argues that Xi Jinping's visit to Europe was a turning point in the recent history of EU-China relations. Feng Zhongping, Vice-President at the China Institutes of Contemporary International Relations and CICIR's most influential expert of Europe, points out that the visit has weakened 'the discourse on China's overlooking the importance of Europe'.² Many European observers had noted at the beginning of 2014 the secondary importance of the EU in China's foreign policy priorities. Once in office, Xi Jinping travelled to the US, Russia, Africa and Central Asia before Europe.

Xi Jinping's European tour, especially his unprecedented visit to the EU headquarters in Brussels, was conceived to dismiss these concerns. Many Chinese analysts insist on the notion of the 'strategic importance' of Europe and that the visit casts light on the thinking and the priorities of the current Chinese leadership. For example Ding Chun, director of the Europe research centre at Fudan University, argues that the main purpose of Xi's visit was to set the strategic direction for EU-China relations in the next ten years and create a momentum to advance cooperation. According to Ding, the decision to include the EU headquarters on the agenda stems from China's assessment that the EU's importance as a political actor will continue growing as a result of the gradual institutionalisation of the arrangements set by the Lisbon Treaty.³ This approach is in line with Beijing's constant reiteration that the Chinese diplomacy welcomes and supports the European integration.

Another recurring line of interpretation points to China's intention to deepen engagement with the EU beyond trade to the realm of international security. Xi's direct involvement in China-Europe relations clearly indicates

¹ 迎接中欧关系更绚烂的春天, (Welcoming a splendid spring in EU-China relations), *Xinhua*, 23 March 2014, accessed at <http://politics.people.com.cn/n/2014/0323/c1001-24711698.html> (July 2, 2014).

² 冯仲平：“中国不重视欧洲”的言论逐渐失去市场, (Feng Zhongping: the discourse on China's overlooking the importance of Europe is losing traction), *Renmin Wang*, 1 April 2014, accessed at : <http://theory.people.com.cn/n/2014/0401/c148980-24795795.html> (July 5, 2014).

³ 国内学者解读习近平主席访欧之旅 开启未来十年中欧关系良性发展大门 (Scholars interpret Xi Jinping's Europe visit, opening of the gate of good relations for the next ten years), *Zhongguo Shehui Kexuebao*, 28 March 2014, accessed at : <http://www.csstoday.net/xueshuzixun/guoneixinwen/88560.html>. (July 1, 2014)

more political considerations, as the relationship has traditionally been spearheaded by the Premier of the State Council – because it is mainly perceived in Beijing as managing trade relations. Feng Zhongping argues that the visit had three main objectives: setting a strategic direction to continue deepening trade relations in an evolving political and economic environment in Europe and China, clarifying long-term goals to develop the relationship beyond trade, and improving mutual understanding in order to avoid unnecessary perturbations that could alter the course of bilateral relations.⁴ Guo Chunrong, dean of the European studies department at Tongji University, argues that Xi's visit sends the signal that China is not only a huge market, but also a potential partner to jointly tackle other issues, such as international security challenges.⁵

Alongside a certain degree of strategic reassurance, Xi Jinping's visit hints at a number of evolutions in China's thinking regarding the EU, particularly its potential to be in a supportive position for China on regional issues and economic integration. Most evidently according to Mu Chunshan, an editorialist at *Takungbao*, two new priorities have emerged under Xi Jinping. First, in the context of rising China-Japan tensions over territorial disputes and historical issues, China has probed Europe for support. According to Mu, Beijing perceives that Europe is capable of being supportive of China, suggested by the fact that the China-Japan "war of words" (口水战, *koushui zhan*) broke off in London with an interview of the Chinese Ambassador to the UK. European thinking is perceived as close to China's on historical issues.⁶ Second, as China's thinking regarding economic integration along a 'new silk road' becomes more concrete, Central and Eastern Europe are increasingly perceived as part of China's "great neighbourhood" (大周边, *da zhoubian*). Consequently, Europe has been given a new position in China's long-term grand strategy.

Finally, Xi Jinping's visit is intimately tied to China's public image. Several Chinese experts continue to write that the main obstacle to deepening relations with the EU is the 'incorrect perception' of China in Europe. They all insist that Xi Jinping and Li Keqiang communicated the only authentic and authoritative "voice of China" to European audiences, including China's "vision of peace" and "vision of the oceans".⁷ The agenda of Xi's visit was arranged to maximise benefits in terms of soft power. Huang Jing, another expert on Europe with CICIR, praises China's policy towards Europe as 'increasingly sophisticated, deep and pragmatic', as exemplified according to her by the choice of the College of Europe, 'a microcosm of the history of European integration after the war', to deliver a policy speech.⁸

3. The EU as an economic and security partner after ten years of EU-China strategic partnership

Under Xi Jinping, the mainstream policy discourse on the strategic partnership seems to be evolving from Wen Jiabao's version, which was focused on long-term stability to a new version emphasising specific Chinese national interests and concrete results that the two sides can advance through cooperation. In face of widespread criticism in European foreign policy circles in 2008/2012 regarding the lack of meaningful political cooperation between the EU and China despite their 'strategic' partnership, Wen Jiabao famously defined the term 'strategic' as meaning 'long-term' and 'stability transcending the differences in ideology and social system', so that the relationship is 'not subjected to the impact of individual events that occur from time to time'.⁹ Many Chinese experts still reiterate Wen Jiabao's clarification today. For example, Huang Jing argues that the strategic partnership is an important institutional framework that ensures the overall stability of the relationship, in contrast to US-China relations that lack a similar framework and therefore are more prone to ups-and-downs. However, in practice, there are many signs that China understands "strategic" as a relationship that can deliver outcomes deemed as strategic by China.

⁴ Ibid.

⁵ 国内学者解读习近平主席访欧之旅 开启未来十年中欧关系良性发展大门 (Scholars interpret Xi Jinping's Europe visit, opening of the gate of good relations for the next ten years), see note 4.

⁶ Author's interview with senior military scholar, Beijing, 17 June 2014.

⁷ Tian Dewen, 中国对欧战略迈出新步伐, (China's Strategy towards the EU moves one new step forward), *Jiefangjunbao*, 30 June 2014, accessed at http://www.mod.gov.cn/opinion/2014-06/26/content_4518534.htm (3 July 2014).

⁸ Huang Jing, 欧盟：新时期外交布局的关键环节 (The EU: a key moment in our diplomatic architecture in a new era), *Huanqiu Shibao*, 2 April 2014, accessed at http://www.gstheory.cn/gj/gjsdfx/201404/t20140402_336559.htm (3 July 2014).

⁹ Quoted in Ye Jiang, « Challenges and Opportunities of EU-China Comprehensive Strategic Partnership », Track II Dialogue on EU-Taiwan Relations and the Taiwan Issue, SIFS, Shanghai, 5/6 June 2010. Available at www.swp-berlin.org.

According to Tian, three areas of untapped potential converge towards one priority: 'European work' needs to contribute to the global reduction of fears linked to the rise of China. Before Xi Jinping's visit, Foreign Minister Wang Yi defined the EU as a 'strategic partner with an enormous potential'.¹⁰ Most Chinese observers anticipate the development of EU-China relations beyond trade ties into finance and international security. Mu Chunshan observes that political gains take precedence over economic gains on Xi Jinping's foreign policy agenda, which also applies to his approach of relations with Europe.¹¹ Tian Dewen (European Studies Department, CASS) argues that after Xi Jinping's visit to Europe, the key question for Chinese diplomacy has been how to "increase the global influence of EU-China relations".¹² Europe plays a role in China's overall diplomatic posture, according to Tian. Relations with Europe help adjust China's diplomatic language (话语体系, *huayu tixi*), reinforce China's soft power and can potentially help China exert greater influence on world affairs in the next decade.

While there is no structural obstacle to the China-EU bilateral relationship, according to Zhang Zhen, there is no urgent incentive to advance political cooperation as the EU and China have neither major competing nor common geopolitical interests. .¹³ This general strategic background explains the lack of significant international security cooperation. However, according to Zhang, the two sides want a proper mechanism to address international security and thus it is necessary to look at institutional factors. The two sides interact at the Munich Conference and in nuclear summits. Their military interactions have started very late and are limited to "soft" aspects, such as strategic dialogue, peacekeeping training, educational exchanges, port calls, military diplomacy and very limited joint exercises, such as in March 2014. Interestingly, the high-level strategic dialogue is not mentioned, nor the on-going reflections regarding the establishment of a defence and security dialogue.

Despite these limitations, the EU and China have similar approaches and interests on a range of non-traditional security issues, such as the proliferation of WMD, terrorism, international crime, global health and illegal immigration. This is a basis on which to build international security cooperation further. To advance political cooperation between the two sides, Zhang Zhen raises two ideas that deserve consideration. First, he notes the growing importance of protecting nationals overseas on China's foreign policy agenda. The issue was confirmed as China's priority for security cooperation with Europe at the highest level after Xi Jinping's visit to Europe and Li Keqiang's visit to Africa; some Chinese experts are already actively contacting European counterparts to develop concrete policy recommendations.¹⁴

Second, Zhang Zhen recommends reinforcing the institutional framework for EU-China exchanges, which he sees as unfit to address international security cooperation. He advocates finding inspiration in transatlantic relations. By comparison with the transatlantic relationship, EU-China relations have three major institutional weaknesses. First, the substance of the dialogue is much less ambitious, as EU-US exchanges address advanced issues such as high technologies and market management. Second, the EU and the US have specific high-level dialogues on third parties, including China, while China does not have similar arrangements with the EU. Third, the EU and China do not have working-level task forces to implement common goals and manage aspects of their relationship. Zhang Zhen's recommendations are unusually ambitious as he describes EU-US relations as a model to emulate, and does not denounce transatlantic cooperation on international security or stress the lack of strategic trust between Europe and China as many have in recent years. Zhang's article also follows a recent

¹⁰ Wang Yi, 欧洲是中国极具潜力和空间的战略合作伙伴, (Europe is a strategic cooperation partner with enormous potential), *Zhongguo Wang*, 8 March 2014, accessed at http://news.china.com.cn/2014lianghui/2014-03/08/content_31716286.htm (1 July 2014).

¹¹ *Takungbao*, op.cit.

¹² Tian Dewen, 推动中欧关系发展的新理念, (A new concept to promote the growth of EU-China relations), *Zhongguo Shehui Kexue Bao*, no. 584, 14 April 2014, accessed at <http://www.csstoday.net/guojiguancha/guojij/89092.html> (2 July 2014).

¹³ Zhang Zhen, 中欧：极具潜力和空间的战略合作伙伴, (EU-China relations : a strategic partnership with enormous potential), *Xuexi Shibao – Study Times*, 25 March 2014, accessed at http://www.gmw.cn/xueshu/2014-03/26/content_10801586.htm (15 July 2014).

¹⁴ Author's interview with senior security analyst, CICIR, 14 May 2014.

trend in the Chinese strategic community under which dialogues on third parties without their physical presence is no longer politically taboo.

As noted in a previous ECRAN report, Chinese analysts continue their advocacy of using multiple diplomatic channels to work with Europe.¹⁵ This is because China's European policy is issue-oriented: the political entity in Europe including the EU, which is the most disposed and capable of delivering on Chinese foreign policy goals. Mu Chunshan argues that the Chinese diplomatic guideline according to which "great powers are the key, the neighbourhood is the priority, developing countries are the base, multilateral frameworks are an important scene" (大国是关键、周边是首要、发展中国家是基础、多边是重要舞台, *daguo shi guanjian, zhoubian shi shouyao, fazhangzhong guojia shi jichu, duobian shi zhongyao wutai*) applies fully to China's Europe policy: when conducting diplomacy towards Europe, China deals with great powers, quasi-neighbours, developing countries and the EU as a multilateral organisation.¹⁶ Huang Jing also argues that China's policy towards the EU is a mix of bilateral and multilateral channels and policies towards great powers and small countries, because 'working only with the EU and not with the UK, France and Germany risks deploying great efforts for minor results and vice versa, while working only with the EU and not with small European nations risks wasting many opportunities to secure huge gains with only small efforts'.

This perception of Europe as a sum of political entities to engage with separately is one of the major challenges the EU faces in conducting its foreign policy towards China. There are signs that the challenge is becoming increasingly acute instead of subsiding despite the construction of the EEAS and the EU's efforts to federalise European policies towards China. For example, Chinese diplomacy is currently probing the opportunity to engage at the level of Nordic countries, in a fashion similar to the dialogue developed with Eastern and Central Europe; the idea was recently floated at the track II level in Europe.¹⁷

4. Internal evolutions in the EU and EU-China relations

As noted earlier in this report, the mainstream view in the Chinese strategic community is that the EU will become stronger as a foreign policy actor as a result of the Treaty of Lisbon. The general orientation of the EU's China policy is perceived as stable, although Chinese experts of Europe are still assessing the impact on EU-China relations of the recent parliamentary elections and subsequent top leadership changes. The Xinhua editorial commenting the designation of Jean-Claude Juncker as the President of the EU Commission played with the Chinese characters used to transcribe his name (容克, *rongke*): to upgrade EU-China relations, the Commission will need 'tolerance' (*rong*) and 'resistance' (*ke*) to prevent differences from evolving into disputes.¹⁸

Tian Dewen argues that the rise of far-right populist parties is clearly "not a good thing" for EU-China relations. For Tian, populism in Europe explains to a certain degree that "ideological prejudices" against China are no longer a minority view in EU member states. In addition, as far-right parties support trade protectionism, their rise will exert additional pressure on EU-China trade relations. However, Tian appreciates the fact that the influence of the far-right will remain limited as they don't control European institutions. Li Qingkun (CASS European studies department) shares the perspective that mainstream European parties remain in the driving seat to conduct policies towards China. The Lisbon Treaty has strengthened the power of Parliament in the area of foreign policy, especially foreign trade and investment. However, 'even if the Parliament is relatively prone to ideological approaches when it comes to EU-China relations, the Commission is more neutral and pragmatic on policy towards China' and retains more powers to conduct European diplomacy.

¹⁵ Gill B., Duchâtel M., *US-China Relations, Current Developments and Implications for the European Union*, ECRAN report, April 2014, p. 44.

¹⁶ 独家评论：欧洲在中国外交话语体系中排老几？, (Original comment : What is the rang of Europe in China's diplomatic language system ?), *Takungbao*, 10 April 2014, accessed at : http://news.takungpao.com/world/gife/2014-04/1380664_2.html (July 1, 2014)

¹⁷ Source : visit of a Chinese delegation to SIPRI, Stockholm, June 2014.

¹⁸ 中欧关系需要“容”与“克”精神 (EU-China relations need a spirit of tolerance and resistance), *Xinhua editorial*, 28 June 2014, accessed at http://news.xinhuanet.com/world/2014-06/28/c_1111363427.htm (14 July 2014).

Overall, there is a consensus among Chinese experts that the rise of far-right parties in Europe will only indirectly affect EU-China relations as a factor reinforcing opposition to free trade. But Zhao Zhen argues that if far-right parties work together in the EU Parliament to reach foreign policy goals, their priority target will be the Transatlantic Trade and Investment Partnership (TTIP). If this occurs, Chinese economic interests will be affected but in a way that is uncertain so far. On the negotiation of the bilateral investment protection treaty, CASS experts do think that far-right parties will be able to obstruct negotiations.¹⁹ The negotiations will be technical and low-key, and European populist parties in Parliament are unlikely to play up the issue in the media.

5. Key findings and recommendations for the EU

5.1 Conclusion

- Enthusiasm and optimism in the Chinese strategic community regarding the current state and the future of EU-China relations are to some degree driven by self-censorship. Experts and academics were to be expected to publicly praise Xi Jinping's visit to Europe as an important turning point for EU-China relations.
- However at the same time, these analyses should not be dismissed as mere propaganda. The literature review suggests that China counts on cooperation with Europe to increase its clout on international and global security affairs. The Chinese strategic community sees value in strengthening ties with Europe at times when China's relations with its Asian neighbours and the US are deteriorating. Europe is perceived as a potential partner to advance several Chinese foreign policy goals. Thus, interestingly, these goals are not defined purely in terms of trade and economic benefits.
- The above analysis suggests that Chinese diplomacy will work as following up on Xi Jinping's visit in order to deliver on his openings and promises. China's diplomacy on international security cooperation with Europe will need to be watched closely for signs of substantial change. The anti-piracy joint exercise in the Gulf of Aden was pushed by China in the context of Xi's visit to Europe and efforts by foreign policy officials to satisfy top leadership expectations may work as a more powerful incentive to deepen EU-China exchanges in political affairs than any European initiative.
- The Chinese discussion on the country's public image reveals a profound misunderstanding of European public opinion. Given European history, the claim that Europe is inclined to understand Chinese outrage at revisionist behaviours in Japan makes sense but only to some extent, as other factors shape European perceptions of China. Chinese scholars' misread the social and intellectual dynamics of Europe when they insist on Xi Jinping and Li Keqiang being the only authoritative voices to represent 'China' and thus capable of clearing misunderstanding in Europe regarding the rise of China. European public opinion on China is shaped by perceptions of China as a security actor, but also by contacts with Chinese civil society and observation of domestic politics. As a result, it appears over-optimistic for Chinese scholars to hope that the EU can play a pivotal role in dismissing global concerns regarding the rise of China thanks to top-level involvement.
- The literature review confirms China's new approach on the EU arms embargo in the post-Wen Jiabao era. The EU arms embargo is simply not mentioned. As described in a previous ECRAN study, the issue is no longer a Chinese priority.²⁰ Wen Jiabao's efforts to link the embargo to other issues of EU-China relations are now being assessed as unproductive. Instead, China is determined to work within the current framework of European export control regulations to get access to the technologies that it needs for its economic and military modernisation.
- The silence of Chinese experts on the Ukraine crisis and the impact of the deterioration of EU-Russia relations on EU-China relations is also noticeable. The assumption might be that by sticking to a posture on non-involvement, China will be able to maintain the current positive course on relations with both the EU and Russia.

¹⁹ 深度讨论：对 2014 年欧洲议会选举的看法, (In-depth debate on 2014 EU Parliament elections), Website of European Studies Department, CASS, accessed at <http://ies.cass.cn/Article/sdtl/201406/8641.asp> (2 July, 2014).

²⁰ Gill, Duchâtel, op.cit, p. 43-44.

5.2 Recommendations for the EU

- China's willingness to upgrade relations resonates with the EU's foreign policy goals. The current atmosphere is clearly favourable to advancing European priorities by taking advantage of the momentum created by Xi Jinping's visit. The fact that the arms embargo issue is no longer brandished as a major obstacle hindering international security cooperation is a positive development.
- To move forward on the international security agenda, the EU should prioritise the protection of nationals overseas. There is a strong demand in China for European expertise on consular protection, risk assessment, non-combatant evacuation operations, prevention work and other aspects of the protection of nationals abroad. The EU can proceed at different levels, including Track II. The issue can be a convenient vector to advance military diplomacy in non-sensitive areas. The EU should carefully assess what it can win in developing cooperation with China to protect nationals overseas. The EU should take the lead on behalf of member states, some of which already develop exchanges with China in that area.
- Monitoring the channels developed by China with European political entities, including EU member states and sub-regional groupings, should remain a high priority.
- China's seemingly greater willingness to develop international security cooperation with Europe should not distract the EU from the importance of playing a positive role to help prevent the deterioration of the security environment in maritime East Asia. The EU should maintain the issue on the top of its political dialogue with China and conduct an assessment of its added value as an external stakeholder of Asian regional security, to identify what positive steps it can contribute.