



Russia-EU-China.

Perceptions of China's changing role

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Whereas at previous EUREN events participants from the EU and Russia critically assessed Moscow's and Brussels' respective policies in a given region or vis-à-vis a given international actor (the neighbourhood, Wider Middle East, USA), the discussions on China were more exploratory and focused on explaining to each other **how China's role and policies are perceived in Russia and the EU and what kind of relationship the EU and Russia seek to have with China.**

Both sides agreed that contemporary China is a regional actor, albeit with growing political, economic and military ambitions at the global level. Speakers from both sides stressed that from a Chinese perspective both Russia and the EU are in decline. Shifting power relations with China in East Asia and at the global level strongly affect – and complicate – the environment in which the EU and Russia operate. One speaker underlined that in the future both Russia and the EU would have to deal with a China which is very focused on its self-interest and will engage only selectively where engagement suits its interests: “If the Chinese empire is to come, all roads will lead to Beijing”.

EU policy starts from the assumption that with regard to some of the EU's core international issues, such as sustainability and climate change, China will either be a powerful partner or a powerful spoiler. The EU, therefore, must be ready to engage at different levels. EU speakers pointed out that the EU has given up on a “natural trajectory of convergence” in its relations with China (and other international players), in other words on the idea that actors like China would become “more like us” through increasing political, economic and societal convergence. At the same time, however, EU policy remains targeted at the preservation and strengthening of a rule-based liberal international order, while China keeps questioning the universal applicability of liberal norms. Moreover, internal economic and political crisis within the EU, but also the US, has strengthened the Chinese conviction that Western liberal democracy is dysfunctional and Western capitalism is not able to sustain itself. This has had a negative impact on Chinese perceptions of Western actors. The EU is no longer seen as a model, one EU speaker said, neither economically nor as a player in international relations. Until 2016 the

most important benchmark in terms of international power was the US, while Russia played a secondary role in the Chinese discourse. Today the US under President Trump leaves a big vacuum as the most important promoter of globalization and free trade, which China cannot fill – not yet at any rate. One EU speaker wondered if Trump's policy could actually bring China and the EU closer together in their interest to preserve multilateralism, globalisation and free trade.

Regarding **bilateral EU-China relations** EU participants conceded that the EU had been rather slow to acknowledge the extent to which China's presence and investments had grown everywhere – including in the EU. It was pointed out that through initiatives such as the 16+1 Platform, which China uses to expand its economic engagement with 16 Central and South Eastern European EU and non-EU states, Beijing could try to drive wedges between EU member states and accumulate influence in countries which are on the EU accession path. One EU speaker claimed that the EU had lost its position as an agenda-setter in its relationship with China and was now “constantly behind the curve” of Chinese policies and initiatives.

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The illusion of a partnership among equals

Russian participants said that Moscow's initial approach to Sino-Russian relations as a “partnership among equals” was based on an illusory premise. This was mainly due to the asymmetric trade structure, which is still very much dominated by energy relations, while other sectors and areas remain underdeveloped. One Russian speaker noted that in the rectangle between Russia, China, the EU and the US, Russia was currently in a rather unfavourable position because the crisis in its relations with Western players also weakens its stance vis-à-vis China.

Russian speakers identified **two main goals of Chinese foreign policy:** First, China wants a stronger say on a broad range of global governance issues; secondly, Beijing aspires to create a Sino-centric system of regional (in the medium term) and international (in the long term) relations. Russia, they explained, could easily accom-

moderate the first goal with its own vision of a multipolar world. The second goal, however, is more ambivalent from a Russian perspective since Russia cannot allow itself to be downgraded to an object of Chinese policy.

Russian participants rejected allegations that China had transformed Russia into a **“raw materials colony”**. Rather, as a country whose external trade was based on raw materials, Russia was far better off with two large export markets than with only one. It was pointed out that the Russian-Western crisis and sanctions caused difficulties for Russian-Chinese economic relations. Russia’s isolation from international financial markets forced the partners to create a new payment infrastructure and new legal institutions to limit vulnerabilities. One Russian speaker explained that China-Iran trade relations during the sanctions period were used as a model, but the process was complicated and time-consuming.

China’s potential role as a **model for other developing countries** was another issue for discussion. Participants agreed that today China taking global leadership in terms of economic development was a realistic option. Russian speakers were generally supportive of the idea. EU speakers, on the other hand, perceived China’s ambition to provide other countries with an alternative path for development as implicitly anti-Western: “China claims it can do what the West failed to do” – especially because its engagement comes without a “hidden” democratization agenda. Some EU participants – unlike their Russian counterparts – questioned the sustainability of China’s economic trajectory and, accordingly, Beijing’s long-term ability to maintain its role as an economic model.

One Belt one Road Initiative

The Chinese **Belt and Road Initiative** was the subject of a separate discussion. **Russian analysis** of the BRI started from the sober acknowledgement that Russia was not able to compete with China as an economic partner for Central Asia. Nevertheless, Russian participants saw many advantages in cooperation with China on the BRI. They stressed the positive implications of the BRI and increased Chinese engagement in Central Asia for the Eurasian Economic Union. China’s contribution to economic growth in Central Asia, they claimed, helped trade and economic interaction within the EAEU. At the same time, the EAEU served to protect Russian positions in the region. Negotiations on a free trade area between China and the EAEU would take time, but were a step in the right direction.

‘Russian participants saw many advantages in cooperation with China on the One Belt one Road Initiative’

Russia’s key challenge is to find the right balance between different external players in Central Asia. Russian speakers were rather sceptical about Chinese soft power in the region, even though Beijing had become more active in this area by, for instance, letting more young people from Central Asian countries study at Chinese universities. They believed that Central Asian countries feared Chinese domination and would continue to see Russia as an important partner. China, for its part, seemed to be eager to avoid misunderstandings with Russia. Russian participants, therefore, did not consider the BRI to be contrary to Russian interests in Central Asia.

Russian speakers strongly emphasised **opportunities for EU-EAEU cooperation** emerging from the Belt and Road Initiative. This cooperation could entail expanding trade links and creating new frameworks for economic interaction. They regretted that the current political crisis between Russia and the EU made such cooperation and its potential positive implications for EU-Russia relations difficult to achieve.

EU participants were less specific about the Belt and Road Initiative. They noted that the EU had not yet formulated a consolidated position in respect of the BRI. Several EU speakers stressed the vagueness of the concept, which they considered, at the same time, to be the main reason for its success – because it allowed everyone to fill it with their own interpretations. From an EU perspective, the Belt and Road Initiative is mainly about trade and investment, infrastructure and transport corridors, targeting the EU. EU participants claimed that China does not dispose of sufficient financial resources to implement the BRI. Beijing’s search for international investment partners was considered a good opportunity for the EU and its financial institutions to get involved and also impact on the process. One EU speaker stressed that if this were to happen, Central Asia could indeed become a bridge between the EU, China, and Russia. In other words, EU participants considered the BRI an opportunity to reengage with the Eurasian, and specifically Central Asian, region without, however, referring explicitly to the EAEU. They also reflected upon the implications of the BRI for EU political and security interests. The 16+1 Platform was cited again as one somewhat worrisome example of increasing Chinese influence inside the EU. One

speaker anticipated potential negative implications of the BRI for the transatlantic relationship if the EU became more involved and the US did not.

Both Russian and EU participants were in agreement that the BRI is not only an economic but also a **geo-political project.**

China, the new security provider?

Participants also discussed **China's growing military power and its role as a security actor** in the Asia Pacific and beyond. On security issues, assessments and priorities appeared to be rather different. **EU participants critically assessed China's ambition** to become a security provider in the Asia Pacific. In their view, this would require a substantial revision of the existing regional security order, especially of the role of the US. Many Chinese actions, they argued, such as disputes about maritime rights, the creation of artificial islands in the South China Sea etc., were aiming to upset the existing order – resulting in attempts by other regional actors to push back and a nascent arms race.

For EU participants **North Korea** was the most pressing security issue in the region. They gave China credit for accepting the enlargement of the increasingly comprehensive sanctions regime but criticised a lack of political will to implement it. EU speakers were of the opinion that China's freeze-for-freeze suggestion, supported also by Russia, whereby North Korea would suspend its nuclear missile testing in exchange for a suspension in military exercises by American and South Korean forces, was currently the only credible diplomatic proposal on the table.

Concerning China's military ambitions beyond the Asia Pacific, EU speakers called the **Chinese naval base in Djibouti** a turning point and a potential basis for EU-China security cooperation in Africa. One EU speaker pointed out that although peace and security cooperation had been declared the fourth pillar in the EU-China Strategic Partnership, tangible results remain modest at best. China would, including in Africa, remain more interested in the evacuation of its own citizens than in broader security engagement, which would limit options for cooperation.

EU speakers noted that the **EU arms embargo against China** no longer appeared to constitute a serious obstacle in EU-China relations. Since 2012 the question has been more how EU companies could contribute to Chinese efforts to modernize its armed forces within the existing export regulations. The EU, however, has no intention of lifting the embargo – rather there is an ongoing debate about additional restrictions.

Russian participants argued that Moscow was aware of the growing Chinese military potential as well as growing Chinese capabilities in economic

warfare. They stressed, however, that this was not a serious concern from a Russian perspective. Rather, Russian speakers described an **unspoken agreement between Moscow and Beijing** to steer clear of each other's neighbourhood conflicts. "They do not want to follow our interests in relations with Europe and we do not want to be part of their quarrels in the Asia Pacific." One Russian speaker argued, however, that it was much easier for Moscow to keep up this mutual "neutrality" than for China with its emerging global economic empire.

Chinese-Russian new cooperation

Security cooperation between Russia and China remains limited. Russian hopes that China would become more involved in the Middle East, for instance through economic assistance in Syria, have not come to pass. Russia and China have developed a limited

degree of interoperability regarding the exchange of information and intelligence on terrorists. One speaker claimed that Russian-Chinese security cooperation could become more intense (including joint military action) if a dangerous contingency happened in Central Asia. If US pressure on both Beijing and Moscow rose, for instance as a result of a military attack against North Korea, they could even form a military alliance.

Discussions during the meeting reflected a certain degree of overlap but also many differences between EU and Russian perceptions, expectations and concerns regarding China's rise. The idea of dissolving potential geopolitical tensions in the triangle between the EU, Russia and China within the Russian concept of "Greater Eurasia" was dismissed by European speakers, who considered it contrary to the EU's values-based policies. Russian participants, on the other hand, stressed that Russia was not willing to integrate with a Western-dominated liberal order. When discussing appropriate **Russian and EU policies** in a changing international environment, most participants favoured pragmatic step-by-step approaches. They argued that the EU and Russia should be on the look-out for international issues in which China is an important factor, such as crisis management and conflict prevention, climate change and renewable energy, the development of economic connectivity, the preservation of the JCPOA etc., and try, where possible, to jointly engage with China in the hope that at a later stage this could contribute to the resolution of the existing larger political and value conflicts.

'EU speakers called the Chinese naval base in Djibouti a turning point and a potential basis for EU-China security cooperation in Africa'

EU-Russia Experts Network on Foreign Policy (EUREN)

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Not all core group members were present.
The Chronicles do not necessarily reflect the opinion of the core group.

About EU-Russia Experts Network

The **EU-Russia Experts Network on Foreign Policy (EUREN)** was initiated by the EU Delegation to Russia at the beginning of 2016 as a new form of interaction between EU and Russian foreign policy experts, analysts and think tanks.

EUREN brings together experts, analysts and foreign policy think tanks from Russia and EU member states to discuss topical foreign policy issues with the aim of coming up with concrete recommendations. The network meets on a quarterly basis inviting approximately 30 experts for one or two full days of discussions on a given topic. The meetings take place at the venues of the participating think tanks, both in Russia and different EU capitals.

About this edition

This edition of the **EUREN Chronicles** is the result of a two-day meeting discussion that took place on the premises of the **German Institute for International and Security Affairs (SWP)**, Berlin, 23-24 November 2017



Public Diplomacy EU and Russia offers a platform for dialogue between Russian and EU selected audiences on a number of bilateral and global issues. Personal ties built over the years are an indispensable element of our relations with Russia, particularly with an eye to the future of the next generations.

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