

RIDING THE ASIAN TIGER? HOW THE EU ENGAGED CHINA SINCE THE END OF THE COLD WAR

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ABSTRACT

This article examines the China-European Union (EU) relationship after the end of the Cold War. It argues that the EU uses a 'benign Wilsonian' foreign policy style and is committed to a Wilsonian worldview that is couched in promoting normative values and principles of democracy, the rule of law, freedom of people, free markets and open access to international economic markets. Brussels tries to 'entice' and engage Beijing to follow and adopt European values and principles. However, despite Europe's normative posture, the EU is not hesitant to pursue its own interests.

In this article, the theoretical 'benign Wilsonian' construct will be applied in order to examine particular components of the China-EU relationship: the push for political and social reforms, the human rights issue, economic relations, and geopolitical visions of the nature of the international system.

INTRODUCTION

European security interests in Asia were evident throughout the Cold War and subsequently expanded in line with the post Cold War diversification of the security agenda. However, it was not until 1994 that the European Commission's policy paper 'Towards a New Asia Strategy' developed potential European Union

(EU) contributions to regional stability in Asia particularly by strengthening the Union's economic presence (European Commission 1994a). The objective of the EU was to maintain the Union's leading role in the world economy and to promote economic development in the Asia-Pacific region. Second, a larger EU involvement contributed to more stability and developed greater international cooperation and understanding. The third objective was to contribute to the development and consolidation of the rule of law, respect for human rights and democratic principles, particularly in China.

Since then the relationship between the EU and China has improved considerably beyond the economic dimension. China has been the EU's largest trading partner and its economy currently attracts large sums of foreign direct investment (FDI) from companies based in the EU. At the same time, European multinationals are not hesitant to push China to open its markets even more and to modernize its system of governance to allow the rule of law and democratic control of institutions and decision-making processes. The EU has achieved some success in this regard, but no doubt, there still are significant shortfalls particularly with regards to respecting international human rights. China, however, seems to be willing to learn from Europe's historical experiences of unifying disparate markets and developing remote areas of its continent.

The EU-China relationship is also remarkable in the sense that both have shown the willingness to shoulder more responsibility in global affairs. China is a permanent member of the United Nations Security Council and thus holds a veto power whereas the EU intends to become a member of the same council but has not achieved this goal yet. The claim of this article is that relations between the EU and China will become more important over the next few years, not only economically but also geopolitically.

Why Is China So Important for the EU as a Global Player?

The European Union and China are continental sized economies and are thus powerful players, not only in international business. As a result, they also hold significant geopolitical weight. China had three times the population of the EU before its eastern enlargement and is four times as large as the United States in terms of its landmass. Its gross domestic product (GDP), however, is only about a tenth of the size of either the EU and the US, but with growth rates in the double

digits it is encroaching on these two large Western economies.¹ In 2003, China went through an economic boom and became the third largest trading entity in the world. The EU slowly started to become aware of China's influence in international affairs and its unique position as a stakeholder in major international conflicts and problems, such as the current crisis in Darfur or Lebanon. The European Commission paid respect to the rising power by formally recognizing China's importance in global affairs in its strategic document of 2001: 'A country the size of China is both part of the problem and the solution to all major problems of international and regional co-operation' (European Commission 2001:7). The European Security Strategy of 2003 further highlights the importance of China:

'Our history, geography and cultural ties give us links with every part of the world: our neighbours in the Middle East, our partners in Africa, in Latin America, and in Asia. These relationships are an important asset to build on. In particular we should look to develop strategic partnerships, with Japan, China, Canada and India as well as with all those who share our goals and values, and are prepared to act in their support' (European Council 2003: 14.

In light of all this, the following research questions arise: how could one classify the EU's foreign relations with China? What style, principles, values and interests do Brussels pursue in the bilateral relationship?

I will argue in this article that, based on the European Security Strategy of 2003 and other official EU documents, the Union espouses a 'benign Wilsonian' foreign policy with regards to China. This is a foreign policy style that is closely associated with former US President Woodrow Wilson. Europe's Wilsonian style, however, is somewhat different from that of its closest ally, the United States, which itself enjoys a very close bilateral relationship with China. The European Union's foreign policy approach is in stark contrast to the US strategic ambition of changing regimes of sovereign countries around the world (this strategic outlook was best explained in the US National Security Strategy and its notion of pre-emption and prevention) in order to promote democratic institutions, the rule of law etc. Brussels acts passively, it attempts to 'entice' and engage other countries to follow and adopt European values and principles. Thus, one gets the impression that it appears less coercive and using its 'softer power' (See for example Nye 2004a, Nye 2004b, and Nye 2002). Meanwhile, Brussels was not

¹ The problem with determining China's exact GDP is the highly imprecise aggregated data published by the government.

hesitant to pursue its own interests, but, not as forcefully and coercively as the US.²

Aim of the Article and Contribution to the Literature

This article provides an overview of developments of the EU-China relationship since after the end of the Cold War and in light of the ‘strategic partnership’ signed between the two countries at a joint EU–China summit in The Hague in 2004 (Crossick 2006: 1). The ‘benign Wilsonian’ hypothesis helps to characterize this relationship as well as to show the importance of China for EU’s external relations. Its aim is also to demonstrate that China, as an evolving power in Asia, and the EU, share similar normative values of how to conduct international relations.³ The scope of the article, however, is limited to an examination of the EU as a supranational organization including its agencies. As a result, this article excludes an examination of the relationship individual EU member states might have established with China but, nonetheless, acknowledges that such a relationship exists.

The article is novel in its contribution to the body of literature on EU external relations in two ways: first, Europe’s foreign and defence policy was traditionally preoccupied with an examination of the transatlantic relationship with the United States and Canada.¹ This pre-occupation was understandable given the commitments the US and Canada made to European stability and security since World War I. Both countries committed their political, economic, and military resources to a peaceful European continent and institutionalized their relationship with Europe most chiefly in the North Atlantic Treaty Organization (NATO). Nevertheless, the European Union also enjoys external relations with other regions and states beyond those in North America. A description and evaluation of the relationship of other states in the world with the EU beyond North America have largely been marginalized in the body of literature of EU external relations. This article offers to fill this gap by choosing the EU-China relationship as a starting point of analysis. It is also novel in the sense that it offers an additional dimension of analysis in the China-EU relationship beyond the economic one. It

² The limitation of Europe’s external relationship with China will be examined from a European perspective largely because of language barriers and restricted access to government documents in China.

³ It is recognized that it is difficult to interpret Chinese decision making processes because they are neither ‘monolithic’ nor ‘centralized’. See for example Crossick (2006: 1).

makes reference to the political and security dimension of the relationship.⁴ Third, the theoretical foreign policy construct of Wilsonianism is also new to the literature of EU's external relations. However, it appears to be rather beneficial in the sense that it allows for a focus on shared norms and values.

The article is structured as follows. Section one explores the theoretical settings and assumptions of the 'benign Wilsonian' foreign policy style. In section two this construct will be used to explain four specific components of the China-EU relationship: the push for political and social reforms, the human rights issue, economic relations, and geopolitical visions of the nature of the international system and China's and the EU's role in it. The final section draws some conclusions of the EU-China relationship by allowing a discussion of the convergence of the norms and values of the bilateral relationship.

THE THEORETICAL CONSTRUCT OF 'BENIGN WILSONIANISM'

The notion of Wilsonianism made its first appearance in the literature of International Relations and US foreign policy in reference to Woodrow Wilson's fourteen-point speech in 1919. Wilson advocated, among other things, 'political independence and territorial integrity to great and small states alike'.⁵ He proposed the League of Nations, the world's first collective security agreement. Wilson himself, however, was not necessarily an idealist or a pacifist. No doubt, he was an idealist in nature but also mindful of pursuing and enhancing America's national interests. This, one might argue, put him more into the realist camp. Since then, the Wilsonian voice in international affairs has not been silent and continues to attract considerable scholarship.⁶

Wilsonianism is associated with the beliefs of promoting democracy, the rule of law, freedom of people, liberal market economies and open access to markets. Wilsonian's guiding principles are strong commitments to human rights and the rule of law. The assumption is that once the threats to liberty are removed, peace and security are more likely to flourish across the globe. It was understood that democracies would make better and more stable partners than dictatorships or

⁴ I am not arguing here the preoccupation with the economic relationship was necessarily a bad. Indeed, it was an important and significant contribution to the literature considering the large trade interests of both actors.

⁵ quoted in McDougall (1997: 124).

⁶ See for example Ibid; Mead (2001).

monarchies.⁷ This was a pursuit of strategic as well as moral objectives: strategically, poverty, crime and corruption could pose a threat to national security. Morally, poverty in the world affects Western values. As the US government put it succinctly, ‘a world where some live in comfort and plenty, while half of the human race lives on less than \$2 a day, is neither just nor stable’ (Bush 2002).

Another characteristic of Wilsonians are their commitment to democracy as a means of preventing states from going to war with one another. This, in their view, allows for societies to prosper and to advance. Monarchies and dictatorships are seen as unpredictable forms of government where the will of the people is not reflected. Consequently, the support of democracy abroad is not only a moral duty but also a ‘practical imperative’. Wilson himself said: ‘We are participants, whether we would or not, in the life of the world. The interests of all nations are our own also. We are partners with the rest’.⁸

Wilsonianism, however, is not limited to spreading normative values of democracy and the rule of law around the globe. Based on the US tradition, international Wilsonians also believe that Wilsonianism is not only the better choice but indeed has a moral duty to the world for changing international behaviour. In this sense, based on the maximization of their national interest, Wilsonians pretend to have a natural right of projecting their values on other countries and to create global free trade regimes and producing wealthy and peaceful countries around the world. As such, the domestic politics of nation states is a fundamental concern for Wilsonians.

Taken all together, one might argue that Wilsonian’s effort of trying to spread Western values and norms of democracy, the rule of law, and enhancing the governance structure of sovereign states can be understood as a nation-building effort.

CHINA AS A CASE STUDY

As Anthony Foster argues, the EU’s relationship with Asia and specifically China is not particularly strange; indeed, both parties had close relationships for a long period of time (Foster 1999: 744). After Beijing’s relationship with Moscow deteriorated in the 1960s, China was forced to look for like-minded countries that

⁷ This is commonly referred to in the literature of international relations as the democratic peace theory. For an elaborate reading on the democratic peace theory see for example Doyle (1985a); Doyle (1985b).

⁸ Quoted in McDougall (1997: 122).

did not necessarily associate with the two superpowers, the United States and the Soviet Union. Hence, China established diplomatic relations with France in 1964, with Italy in 1970 and with Great Britain and Germany in 1972. Diplomatic relations with the (then called) European Communities (EC) were formally established in 1975. Only three years later, the EC signed an economic agreement with China and included it in its preferential trading system by offering lower tariffs for importing goods and services. China, on the other hand, has seen Brussels mostly as a counterweight to other global powers, particularly the United States. However, after the end of the Cold War, the government in Beijing quickly realized that the EU was striving to become an international political actor with global aspirations that reach beyond its trade interests. Hence, Beijing opened up its relationship with the EU and its Member States in the late 1990s.

The 1985 trade and economic cooperation agreement concluded between the European Economic Community and China manifested Europe's economic interests of the bilateral relationship. Both parties to the agreement were able to concentrate on economic issues while the EC was assured that the United States would provide security for the European continent through NATO. The EC therefore could exclusively concentrate on enhancing its economic prosperity. China, however, saw the EC as a member of the 'West' and therefore was less inclined to promote overall friendly relations with the EC.

After the end of the Cold War, however, conflict over economic issues became more important and over-toned the geopolitical struggles of the Cold War. Hence, economic issues slowly found their importance in the bilateral EU-China dialogue and marked a transition from Cold War geopolitics to multipolar geo-economics (Dent 1999: 149). For its part, the EU subscribed to a policy of Chinese engagement on a multilateral and bilateral (member states) level by offering Beijing various incentives such as development aid, technical assistance for various programs, food aid, and by setting up exchange programs. Brussels also encouraged China's accession to international financial institutions such as the World Trade Organisation (WTO).⁹ All these principles and objectives, as we will see shortly, are consistent with a Wilsonian worldview of international affairs. They were laid out in the Commission's document entitled 'Building a Comprehensive Partnership with China', which was adopted in 1998 (European Commission 1998). In this document, the EU called for an upgraded political dialogue with Beijing, showed its support for socio-economic reforms in accordance with the principles of sustainable development and called for the development of a Chinese civil society that is based on the rule of law and respect

⁹ China's negotiations for a WTO membership lasted from 1985-2001.

for human rights. In short, the EU's objectives can be summarized as promoting sustainable development in China, support its integration into the world economy, fighting poverty by promoting democracy, human rights, and the rule of law. All these principles can be interpreted as being consistent with a Wilsonian foreign policy style.

The Push for Political and Social Reforms

It was not until after the end of the Cold War that the China-EU relationship fully materialized and flourished. Meanwhile, a process of transformation took place in Europe. The member states ratified the Maastricht Treaty in 1993, which transformed the European Community (EC) into the European Union (EU) and gave the Union competences in the field of common foreign and defence policy (CFSP). Indeed, with Maastricht, the EU became a more influential international actor that was actively seeking representation in international organizations. This development has also left the impression with the international community that the EU is aspiring greater international responsibility.¹⁰ The European Union gained further international influence through its enlargement process. The EU now consists of twenty-seven member states with more than 450 million people. As a result, the EU has grown to become an economic powerhouse that produces a quarter of the world's economic output. This enlarged European Union has given Brussels various new powers and instruments for engaging China bilaterally.

A major turning point in the China-EC relationship, however, was the Tiananmen Square massacre on 4 June 1989, where a large pro-democracy demonstration was repressed by armed forces. The regime in Beijing realized that if it would accommodate the striking workers was likely to lose its governing power. Mao's successor, Deng Xiaoping, himself a victim of the Cultural Revolution, had an interest in strengthening the rule of law, and an interest in relaxing political control enough to prevent a public outbreak. He intended to mobilize a democratic sentiment against the left and supported his protégé Hu Yaobang. However, when Hu refused to suppress the next great democratic demonstration at Kei Da University in 1986, Deng forced Hu's dismissal and he died only three years later. By that time Hu had already become a hero of the democratic movement. When the leadership arranged a demeaning low-key funeral for Hu, students marched to **Tiananmen Square** to protest and caused large

¹⁰ For a good discussion about EU's new role see for example Hill (1993).

demonstrations against the regime (Liang et. al. 2001). It was apparent that students and workers were inspired by the 'wave of democratization' taking place in Eastern Europe.¹¹ The reactions of the international community and the EC to the massacre were condemning. 'Europe froze its political dealings with Beijing, cut off military contacts and banned all arms sales' (Byrysch et. al. 2005: 9). Those reactions forced the Democratic Republic of China (DRC) onto the defensive. In Europe itself, the Commission as well as the Union's member states closely examined their relationship with China. A major factor in determining a new China policy was public opinion in European capitals, which pushed the European Parliament to pass a resolution urging the Chinese government to enter into an immediate peaceful dialogue with the protestors (Weidenfeld and Wessels 1991).

When twelve member states of the EC unanimously condemned the massacre on June 6 they also suspended all high level talks between the government of China and EC officials. The EC also froze all high-level bilateral meetings, postponed new cooperation projects and cutback existing bilateral programs. The intention of those policies was to force China to resolve the conflict through dialogue rather than by using force (European Political Cooperation Bulletin 1990: 1). One day later, the EC decided to suspend all economic and cultural relations with China. By the end of the month, EC officials urged China during the Madrid European Council meeting of 26-27 June to suspend the executions of dissidents and announced to start human rights talks with the regime in Beijing. However, talks and negotiations are one thing and do not necessarily correspond to coherent policy actions. In early August, however, the EC granted China an emergency loan worth US\$ 70 million for humanitarian purposes in the Suchan province. This marked a renewal of a political engagement process. This political will was endorsed unanimously by EC foreign ministers. It also helped to shape a more consistent European foreign policy towards China: the bureaucrats in Brussels preferred private diplomacy negotiations with Chinese officials and eschewed the United Nations (UN) system in this respect (Shambaugh 2005: 10). It also showed the 'benign' nature of the Wilsonian foreign policy style. This appeared to be somewhat different from the American approach, which espoused a harsher tone towards Beijing.¹² Even though the then EC was aware of China's

¹¹ According to Samuel P. Huntington a third wave of democratization started to affect the European continent back in 1974, beginning on the Iberian Peninsula. Earlier waves refer to the period between 1945 and the mid 1960s. The first wave of democracy took place in the American and French revolution. See Huntington (1991).

¹² This article does not examine the China-US bilateral relationship. However see for the most recent examination of the US-China relationship especially Ibid.

appalling human rights record, it tried to engage the regime in Beijing also in other policy areas with the hope that they would then translate into greater democratic reforms. Contrary to the US, the EC (and later also the EU) also put emphasis on ‘workplace safety, reducing gender discrimination, was decreasing state control of the media, improving prison conditions, and eliminating the death penalty’ (Shambaugh 2005: 10) as well as ethnic minorities, particularly those in Tibet.¹³

In the early 1990s, the US and the EC used an engaging foreign policy style by relaxing the economic sanctions that were imposed on China after the 1989 massacre. This was done in the wake of Gulf War I when the Bush administration was seeking the support from the Chinese government for authorizing a UN chapter VII intervention mission for the liberation of Kuwait. What followed was a package put together by various international actors to engage China diplomatically and economically and tie it closer into the world trading system. In 1990 President Bush extended the most favoured nation status for another year. During the July summit meeting of the G-8 countries, Japan also pushed for a relaxation of sanctions against China and the World Bank extended Beijing’s line of credit. In October, the EC foreign ministers decided to gradually resume economic cooperation as well as high-level political contacts with China (European Political Cooperation Bulletin 1990). Restrictions on high-level contacts, cultural, scientific and technical cooperation were also loosened. Nonetheless, the embargo on arms sales and military cooperation continued to be in place. The policies of engagement and enlargement were justified by the international community (mostly by Western countries) by arguing, as the French Foreign Minister, Ronald Dumas, did that the EU supported this move because of China’s favourable behaviour in the United Nations Security Council during the Iraq crisis. Moreover, as Möller argues, Europe’s rapprochement had to do with the fact that the continent was faced with the beginning of a recession in the early 1990s caused largely by the unification of Germany and needed access to China’s economic market (Möller 2002:20). During this time of recession China became the destination for the majority of Europe’s technology and industrial plants and a place that provided cheap labour conditions (Möller 2002: 23).

EU foreign policy towards China was shaped more precisely in 1995 when the EU Commission published a document entitled ‘A Long-Term Policy for Relations between China and Europe’ in which it called for economic and social reforms in China. At that time, the EU had become accustomed to its new role in

¹³ The United States, on the other hand, places more emphasis on religious and cultural freedoms, fair treatment of political prisoners and dissidents. The literature on this aspect is vast. For the latest work see for example Delegation of the European Commission to China (2005).

the world and had managed to solidify its foreign policies and interests. This solidification occurred at a difficult time for Europe not only because the new competencies it acquired with the Maastricht Treaty were put for a test but also because of its preoccupation with the conflicts on the Balkans. Nevertheless, the EU tried to push Beijing to open its planned economy and to develop a social security system for its people. It labelled these two issues the 'key challenges' for a future relationship. EU bureaucrats were not short of offering their experience and advice through various programs (mostly training programs). These projects were aimed at 'assisting local authorities to build up a body of qualified legal personnel while also improving public awareness of the Chinese legal system and the legal rights of citizens.' The project promotes the EU and EU Member States legal systems as examples of best practice' (Delegation of the European Commission to China 2005). Europe's engagement found a positive response in China, which had started to introduce domestic reforms. Among those were economic market reforms and diplomatic initiatives to push China towards a greater integration into the global economic community. Brodsgard argued that these reforms were successful and have contributed to an overall transformation process. For example, the government has reduced the size of its public service trying to make it more efficient and offering a more service oriented administration.¹⁴ The Chinese government intended to create a 'harmonious society', that is the idea of 'building a socialist new countryside'. 'This involves redistributing economic benefits to China's underdeveloped regions through establishing new infrastructures and through providing educational subsidies and better medical services' (Brodsgaard 2007).

These developments to an agreement signed by the EU and China that supported Beijing's accession to the WTO. In return, China expressed its interest and willingness to help maintaining stability and peace in the world. The EU, on the other hand, reiterated its commitment to training professionals such as lawyers and other projects to strengthen the rule of law and promote civil, political, economic and social rights (Building a Comprehensive Partnership with China 1998). On the issue of promoting the rule of law, the United States as well as the EU believed that achieving this objective would be a first stepping-stone towards reaching broader goals such as a functioning market economy and legal safeguards. Brussels invested considerably more into the legal programs with China than did the United States.¹⁵ It promoted the principles of the rule of law and good governance by setting up and maintaining EU-China legal and judicial

¹⁴ See for example Brodsgaard (2007).

¹⁵ See for details Byrysch, Grant and Leonard (2005: 9).

cooperation programs, such as the EU-China intellectual property rights cooperation program.

The Commission also called for bilateral summit meetings once a year. During the third summit, which took place on 23 October 2000, bilateral discussions about human trafficking and illegal immigration were continued but ended without concrete results. ‘These various common interest have provided fertile soil for a prospering EU-China relationship, which today consists of a plethora of co-operation programs, dialogues and projects’ (Byrysch, Grant, Leonard 2005: 9). According to Möller, China was enthusiastic about the international attention it received, but neglected to live up to the details of the programs (Möller 2002).

The EU continued to issue policy papers on China in 1998, 2001, and 2003¹⁶ in an effort to find a response to the vast changes that were taking place in China, particularly in its society and economy. However, all policy papers that were published after 1995 mostly reiterated previous policies and commitments while widening the scope of cooperation. It was clear that cooperation projects were desired but short term oriented (European Commission 1995). The overall strategic objective of the EU was to socialize and engage the ‘Asian tiger’ on various fronts and to support its modest transformation processes. The main goal was to ‘help China to be a peaceful, stable, democratic, and internationally responsible country, which is internally consensus seeking and externally multilateral, and sharing broadly similar values and goals with the Union’ (Crossick 2006: 2). The engagement took place in many practical policy areas: ‘progress towards full integration in the world market economy, strengthening civil society, poverty alleviation, environmental protection, human resource development, scientific and technological development, progress of the information society, trade and investment cooperation’ (Byrysch, Grant, and Leonard 2005: 10). In addition to functional programs and projects particularly in the economic and social sector, the EU also promoted the so called ‘Human Resource Development Projects’ such as the China-EU International Business School, the EU-China Managers Training program, the China-EU public administration project, and the European Studies Centre Programs, which it put considerable financial resources towards. In 1998, the Chinese Prime Minister travelled to Europe to meet with Javier Solana, the Union’s High Representative for foreign and security policy as well as the President of the Union at the time and his successor held political talks and consultations. Between 2004 and 2005

¹⁶ All documents are publicly available at <http://europa.eu.int/comm/external_relations/china/intro/index.htm>.

more than two hundred official visits of European bureaucrats took place in China (Crossick 2006: 1). ‘These annual summits have since helped to sustain momentum for the EU-China relations’.¹⁷ Again, these were functional programs designed to socialize China and attract it to Western values.

Human Rights

With the publication of ‘A Long-Term Policy for Relations between China and Europe’, the EU Commission attempted to also engage China on human rights issues by offering economic incentives in return. The aim was to engage China globally and regionally in order to promote domestic reforms (European Commission 1995). The objective of the EU’s policy was to use a ‘constructive engaging’ approach for dealing with a rather uneasy relationship. The hope was that China would become more integrated into the international community and would refrain from using military means to solving domestic as well as international conflicts and disputes. As Möller argues, by the mid 1990s China started seeing Europe as a larger political project in international relations while acknowledging that the United States was the global hegemon (Möller 2002: 21).

At the global level issues such as disarmament, weapons of mass destruction and arms controls were raised. It was agreed that the EU would work towards opening and liberalizing Chinese society by raising human rights issues in constant dialogues as well as through the system of the UN. Nonetheless, the EU was well aware of the fact that human rights issues were a delicate topic in their bilateral relationship and that only an engagement would slowly introduce change.

The bilateral dialogue continued in 1998 when the first EU-China summit took place in London. One week earlier the EU Commission had released a new strategic paper entitled ‘Building a Comprehensive Partnership with China’ (EU Commission 1998). It was also endorsed by the European Council of Foreign Ministers on 29 June 1998. In this document, the EU anticipated that China would rise to be a global political and economical player in the near future. Also, the human rights problem was put into perspective and watered down. The initial long-term vision was exchanged for achieving short term objectives – to ‘develop

¹⁷ Umbach, Frank (2004). There is no doubt that the evolving relationship between China and the EU has been short in terms of long-term strategic visions and focussed only on particular areas. There are, for example, few linkages between those various programs. Part of this inconsistency results from the ‘competition’ the EU bureaucracy is facing from the national capitals in Berlin, London, and Paris. These three member states themselves have established bilateral programs with China, which makes a cohesive European approach difficult. As Barysch (et.al) argues, ‘in practice, divisions and rivalries between individual countries often undermine EU objectives’.

a balanced China policy that reflected China's growing international economic and political weight and to further the development of the European Union's fledgling CFSP' (Byrysch, Grant, and Leonard 2005: 12). In consistence with previous documents, the aim of this document was to increase China's integration into the international community by enhancing political dialogue and supporting its membership into the world trading system. For the first time, the EU also aimed to increase its visibility in China itself by not only increasing its training programs but also by sending permanent EU representatives to China.

Internationally, the EU and the US worked jointly towards finding a common position in the UN's Geneva Human Rights Commission. The collaboration succeeded and the Commission passed resolutions condemning China's human rights records and policies. China appeared to be influenced by this international pressure and responded with concessions. It agreed to set up a panel of permanent human rights dialogues, in which the EU mostly provided technical experience and assistance for implementation. This led to a larger human rights agreement between the EU and China in which Brussels committed itself to provide technical assistance for the education of human rights lawyers, judges, and prosecutors. However, even though the EU provided China with its expertise and experience, it did not fall short of publicly criticizing Beijing for its human rights records. Shortly after the assistance agreement was reached between Brussels and the DRC, the EU member states condemned China harshly for its treatment of the dissident Wei Jingsheng (Weidenfeld and Wessels 1996: 477).

Economic Dimension

The process of globalization in the early 1990s brought the two continents of Europe and Asia much closer together. Shortly after the end of the Cold War, China remained relatively remote in comparison to the US-Europe economic relationship (Edmonds 2002: 2). During the course of the 1990s, the Chinese-European economic relationship grew considerably, but remained secondary to other economic relations the EU enjoyed. China had also developed a much closer relationship with other economies in Asia, particularly the one in Japan. Nonetheless, the economic relationship between the two appeared to be untouched by the Tiananmen Square incident and China's violent reactions to the demonstrations. In fact, there were signs that the trade relationship was healthy and increasing.

The new EU currency also attracted considerable Chinese attention. In 1999, the euro was introduced to world financial markets as an accounting currency.

One year earlier, a European Central bank opened its offices in Frankfurt. This provided the European Union with a financial institution that was responsible for 'maintaining price stability' in the eurozone. Similar to other countries, China showed considerable interest in investing parts of its foreign exchange reserves in the euro as opposed to investing it into the US dollar.

The new geo-economic dimension after the end of the Cold War had major implications for the overall China-EU economic relationship. China's export rate to Europe had soared up to 4,300 per cent after China introduced reform policies that opened its planned economy. On the contrary, Europe's sales to China over the same time span have risen up 2,000 per cent and created a serious trade deficit for the EU. In 1999 the trade deficit between the EU and China amounted to \$32.8 billion and rose to \$106 billion in 2005 (Crossick 2006: 2). However, China remained Europe's most important export partner ranked directly after the United States (Lardy 2005: 121.). In 2004 China overtook Japan as the third largest trading economy in the world measured as the sum of exports and imports (Cooper 2005: 6.).¹⁸ At the same time the Chinese economy grew seven per cent per year continuously for the last two decades and increased its exports by fourteen per cent annually (Cooper 2005: 7). This enormous growth rate also had an impact on the world economy, including Europe. European merchandise imports from China amounted to \$2.6 billion in 1982 and grew twenty per cent by 2003 totalling \$108 billion (United Nations Industrial Development Organization 2004: 151 and 83). This manifested China's position as one of the world's leading exporters of manufactured goods, which rose from one per cent in 1981 to more than six per cent in 2000 (Cooper 2005: 7). Simultaneously, Europe's exports to China also increased from \$2.3 to \$45 billion over the same time period (World Trade Organization 2003).

China's economic significance also resulted in its increased weight in international financial organizations. China became a member of the WTO in 2001.¹⁹ Under the WTO rules, China gained access to the EU's €10 trillion internal market and thus guaranteed China a much larger market access. The WTO membership also forced a change in China's economy. Under the accession agreement for membership of the WTO, China became obliged to eliminate quantitative restrictions on imports and to significantly reduce tariffs by 2006.²⁰

¹⁸ See also Maddison and Organisation for Economic Co-operation and Development. Development Centre (1998).

¹⁹ Talks about China's entry into the world's financial system, particularly the WTO lasted from 1985-2001.

²⁰ However, this is not to say that China has lived up to the WTO regulations and directives. As a WTO report shows, China's domestic economy is still protected from international competition

These WTO regulations also apply to the EU-China trade relationship because EU member states are also member of the WTO and therefore subject to WTO regulations. These international economic structures of governance can be interpreted as the 'forceful element' of the Wilsonian tradition. Before acceding to the WTO, China mainly exported manufactured goods to the EU. In recent years, however, China grew into exporting electronic products such as laptops, digital cameras, and televisions etc. to Western countries. This new development in the Chinese economy has attracted considerable foreign direct investors in China, particularly from Europe and the United States. 'It has been the largest developing-country recipient of foreign direct investment (FDI) for more than a decade and enabled it to raise significant amounts of funds in international capital markets' (Cooper 2005: 11). By the end of 2002 the total amount of European foreign direct investment reached \$34 billion and thus accounted for 7.6 per cent of all FDI in China (Shambaugh 2005: 11).

This is not to say, however, that European companies did not run into difficulties doing business in China. For example, infringements of copyrights and trademarks occurred as well as the breaching of property rights and pose a significant problem in China (Shambaugh 2005: 13). Furthermore, there was a fear amongst European investors that administrative barriers were created to distort competition. When the Chinese Prime Minister Wen Jaibao visited Europe in May 2004 he lobbied European politicians for two things. First, he asked for China's economy been awarded market status, which is particularly important for calculating anti-dumping duties. Second, he asked the European Union to lift its arms embargo sales to China, a measure that was introduced by Brussels after the Tiananmen Square massacre in 1989. Both of the demands were denied by the European Union. Brussels made it clear to Beijing that based on its human rights record the administration does not live up to its WTO obligations. The Commission examined the Chinese economy in 2004 and reported that it failed in four out of five accounts. The government was still heavily involved in steering the economy and the economy still lacked transparency. Furthermore, there has been no major progress made for ensuring property rights and a better protection of foreign capital and the Chinese financial system still does not operate independently of the state. In sum, these policies underline Europe's Wilsonian ambition of engaging China while at the same time being forceful in certain policy areas. Most recently, the EU has imposed anti-dumping duties for shoes made in China.

by imposed tariffs for all products. The average tariff applied on foreign goods was 12.4 per cent in 2002. For more details see Lardy (2005: 121).

CHINA IN THE INTERNATIONAL SYSTEM OF POWERS

China's economic power also translated into its influence as a major international political actor. As one of the permanent five members of the United Nations Security Council and by virtue of its veto power, China is a major stakeholder in decisions about international peace and security. Its performance in the Security Council during the Cold War was rather passive. The Chinese government was not allowed to sit on the Security Council until 25 October 1971. In its place the pro-Western Republic of China (Taiwan) represented China on the Security Council. To protest the exclusion of the communist Chinese government, Russia boycotted the Security Council from January to August 1950. This is why China used the veto in the Security Council only 3 times from 1946-1989 (compared with 114 for Russia and 67 for the US). The issues they vetoed all related to new memberships to the UN (Morphet 1989: 347).

In the Post Cold War Era, China has been 'passive' - it tends not to want to appear as a conflicting party unless absolutely necessary. For example, it vetoed peacekeeping missions in Macedonia and Guatemala because they had not recognized the communist Chinese government. This appears to be a tendency in Chinese foreign policy after the end of the Cold War: if China is uneasy about something, it will abstain rather than veto.²¹ During the Iraq crisis in 1990, there were signs in international affairs that China would change its policies of blocking UN authorized international operations and assume a constructive role in international affairs.

Meanwhile, the international system of states underwent a process of transformation. While significant debate raged among scholars about the nature of the international system at the end of the Cold War – whether it be a unipolar or a multipolar one - they all agreed that the system had transformed. Joseph Nye has tried to 'bridge' the debate about bipolarity vs. unipolarity by offering a combination of the two concepts. He used the United States as a case study and argued that the 'new' international system indeed could be described as three-dimensional. On the military level, the United States undoubtedly became the sole global hegemon with unprecedented global-reaching capabilities. However, on the economic and cultural level the United States was faced with increased

²¹ A most recent example of this might be China's voting behaviour in the U.N. Security Council with regards to the situation in Sudan. China has been rather quiet on this subject. For example, UN Security Council resolution 1556 called for the disarming of the Janjaweed and China abstained as did Pakistan. China has a close relationship with the non-aligned movement, which of course has a greater relevance in the UN General assembly than it has in the Security Council.

competition particularly by the European Union and Asia. This image of a three-dimensional chess-board could be translated to international relations and has significance for understanding China's role in it. Currently, China does not possess far-reaching global military capabilities that could balance the United States. However, on the economic level, China has become a major international player. It is most likely that its international economic role might translate into greater influence in global political affairs in the near future.

Convergence of EU and Chinese Strategic Values and Norms?

In general, China and Europe appear to share similar strategic objectives of how to conduct business in international affairs: both are in favour of a multipolar system of international relations and disapprove a unipolar international system in which one great power is the dominant player (Shambaugh 2005: 13). Furthermore, both advocate the promotion of peace and stability in the world and prefer to solve international crises through consultation, negotiation, and resolution by making use of the UN's institutional bodies (See Byrnych, Grant, and Leonard 2005; Möller 2002). In matters of intra-state affairs, Europeans are willing to interfere in the affairs of other sovereign states for humanitarian reasons but otherwise share with the Chinese the belief of non-interference. China maintains independence and cherishes its own right and respects for independence. It upholds that any country, big or small, rich or poor, strong or weak, should be equal and its sovereignty should be respected. It appears that the EU and China share a commitment to international institutions such as the UN that shape normative behaviour. 'Europeans and Asians are much more comfortable with institutions that shape normative behaviour through consensus and the exercise of soft power. This attitude may reflect their relative weakness in hard-power terms, but it also indicates a preference for resolving differences through consensual negotiation' (Cooper 2005: 13). It also reveals that the European Union is interested in the domestic policies and developments in China whereas the United States appears to be solely concerned about geopolitical issues. Europe's intention thereby is clear: it wants to prevent China from becoming a failed state. Hence, the EU puts more emphasis on preventive engagement with China as opposed to dealing with a failed state when the process of engagement might be more difficult. The European Union, for example, is one of the leading contributors of (humanitarian) assistance to China. In addition, some of the member states such as Britain, France, Germany, Italy, and Spain have additional 'China assistance programs' in place. In 1995 the amount of

assistance totalled \$885 million but dropped to \$258 million in 2001 (Malik 2002: 10). Concurrently, the European Union ran various China aid programs over more than 250 million euros in 2002. This amount was anticipated to double by the end of 2006.

Moreover, the fact that China is a nuclear power and a member of the UN Security Council raises important questions about the future of the international system and China's position in it. 'What will China's role and engagement be with members of the international community? China's behaviour will have an impact on Europe's preferences for multilateralism. It will also impinge on its interests such as environmental security, WMD non-proliferation, trafficking of human beings, organized crime, and money laundering. In case of the environment, for example, three quarters of Chinese energy consumption depend on coal firing plants'(Crossick 2006: 3).

Furthermore, China's geographical location, its close political relationship with North Korea, and its alignment with Pakistan since the Sino-Indian border war of 1962 could have larger implications for Europe (Shambaugh 2005: 7). China could potentially make use of its power and influence over a volatile Pakistan by, for example, supplying the regime in Islamabad with more military equipment, nuclear technology and know-how. This then would become a problem for the EU and NATO in particular as they are deployed in a NATO led mission outside of Pakistan's doorstep in Afghanistan.

Moreover, China will be an important actor wherever the EU focuses its attention to. China plays a significant role in the UN transformation process. Its position in the UN Security Council is of particular importance for Europe's ambitions of seeking a permanent seat in the Council, in which case the EU would require a Chinese endorsement. Hence, China possesses considerable voting power in one of the world's most important decision-making bodies. Also, because of its veto power, it will play an important role in deciding about the nature and form of foreign interventions that are endorsed by the United Nations under chapter VI or VII of the U.N. charter. Most recently, for example, Brussels needed the diplomatic cooperation with Beijing for solving the crisis with Iran, which is attempting to acquire nuclear technology for military purposes. Hence, the EU has an interest in making sure that it enjoys a healthy relationship with the 'Chinese dragon'. In sum, 'both partners share an interest in a strengthened, multilateral rule based international system of governance'(Crossick 2006: 4).

CONCLUSION

According to the economic distribution of power, there seems to be no doubt that the future international system will be shaped by the European Union, the United States, and China as one of the new major international actors (Shambaugh 2005: 7 and 15). It is apparent that these three players do not only possess the bulk of the world's financial resources, but also have considerable military as well as political influences around the world. Furthermore, their power is institutionalized in the UN Security Council (even though the EU itself does not have a permanent seat in the Council but two of its largest members, the United Kingdom and France, enjoy the veto power). Shambaugh predicts that China's rise to the apex of international economics will have an influence on its role globally. If this prediction holds then a shift will have taken place – Beijing will then have transformed from a passive to an active but entangled global player. As a global player, Beijing is likely to shoulder more responsibility in international affairs and will be confronted with transnational issues such as counterterrorism, weapons of mass destruction, rogue states, international crime such as money laundering, trafficking of human beings, and peacekeeping as well as nation-building efforts in remote areas of the globe (Sandschneider 2002: 34). This plan, however, is part of the EU strategy towards China to get Beijing to engaged in international affairs and to cooperate on major international issues with the EU. It has been argued and shown that Europe's foreign policy style is driven by Wilsonian principles of international relations engagement rather than strategic competition or even military confrontation; promotion of democracy and the rule of law, freedom of people, free markets and open access to markets. This engagement, however, is taking place silently rather than publicly (Umbach 2004). The consequence of China's rise for Europe and the United States is that they will increasingly act cooperatively with Beijing rather than compete because their governments are aware of China's weight in the world. 'It is in this wider context that the European Union, as an increasingly ambitious global actor, is seeing the systematic integration of China into the international community and China's transformation into a country that respects the rule of law and international human rights'. The (strategic) objective of the EU seems to be clear: Brussels prefers to deal with a China that is entangled with a multipolar world order. This multipolar world order is anticipated to be more stable than a hegemonic or anarchical world order in which only one global hegemon rules or, in case of an anarchic world system, no power at all. The EU as a global actor also believes in the rule of international law as much as international norms and institutions for governing international affairs. These are the core elements of the European 'Weltanschauung'.

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