

## **China Respects European Unity**

By Jonas Parello-Plesner

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The European Union can work together – at least when it is pushed together. China’s heavy-handed effort to get European nations to skip the Nobel peace prize ceremony in Oslo earlier this month did the trick. Not only did member states show up, but Serbia and Ukraine, countries with EU ambitions, were encouraged to attend as well. Yet this was atypical of a relationship in which China, with newfound power, has found it easy to divide and rule the EU.

While the European Council focused on the euro crisis last week, away from the limelight, EU leaders were adopting a new China policy. Discussion began four months ago when EU leaders took up Europe-China relations. Then the issue was overshadowed by the internal EU topic of the day: Romas. Dealing with China was relegated to short talks and coffee breaks.

This reveals a lot about the EU’s strategic outreach. The EU looks inward and seems destined to be an enlarged Switzerland rather than the missing link between the US and Asia in shaping global affairs. China has recognized this, and increasingly sees Europe as an investment opportunity rather than as a global partner.

On a recent trip to Beijing, I met a range of prominent Chinese officials and academics. Not one asked me how Europe intended to influence US strategy toward Afghanistan or about European views on the upcoming referendum in Sudan. To Beijing, Europe is not so much post-modern as post-global.

How can the EU’s strategic shrinkage be reversed? EU Council President van Rompuy’s comment in September on the need for “reciprocity” – giving to China only when the EU gets something back – was a good start. In line with this, the draft for the new EU trade policy looks at the possibility of closing off the European public procurement market if China does not give the EU reciprocal access to its market. This tough EU language has not gone unnoticed in Beijing. I was repeatedly asked about it by Chinese interlocutors. China understands a clear but consistent message.

By itself this new approach will not be enough. The EU must pursue a set of commonly agreed aims. Europe needs to set urgent, coherent strategic priorities, setting aside strategic patience and trust, the key words of the new approach.

The process of setting new trade policy priorities needs to be extended to the political realm. Member states must select a few priorities on which they really want to engage with China.

Non-proliferation, climate change, good governance and human rights are good candidates.

The big players in Europe have been bypassed economically in the last decade by China. They still have traction individually but much less than their national egos afford – this is true even for Germany, which currently is on its own fast track with large scale exports to China.

The Wikileaks exposed how the US looks at the political dwarfs of Europe. The Middle Kingdom has a similar take. The feud over Dalai Lama visits in 2007 and 2008 showed that China was capable of hanging out to dry even Germany and France. The old days – the 1990s – when the EU could levy sanctions on China and enforce a change in behavior are gone. The last vestige of this era is the arms embargo. A new era has begun in which China can levy smart sanctions on European countries.

Resisting the bilateral inclination is difficult. Bilateral visits like David Cameron’s recent tour to China and the Chinese president’s visit to Paris are locked in the logic of bilateral trade promotion. But seeing links to China mainly as a bilateral issue rather than a European-wide concern means accepting a weak position vis-a-vis Beijing. China deals with Europe as it is, not how we dream it is. When European states pursue their own agendas, China will get free traders in the Northern countries to block moves that it sees as too strong, while ensuring that indifferent Southerners dilute policies on human rights.

A purely bilateral vocabulary seems increasingly anachronistic when an Airbus is assembled with sub-components from all over Europe. Member countries must acknowledge that signing up to the EU is a binding commitment. A high-level EU official conceded that the just adopted internal strategy paper was kept relatively bland because of suspicion that it would be leaked to China. As a result, it couldn’t contain a more detailed game plan for how to secure EU interests through trade-offs and linkages.

The EU’s bilateral instinct can be overcome. The internal pressure for multilateral compliance should be stronger once the External Action Service is up and running. But the EAS is no *deus ex machina*. Member states must be continuously engaged to pursue reciprocal engagement with China. The European Parliament, with its new say over foreign policy, could play an important role by naming and shaming member states that subvert the EU’s strategic priorities in exchange for bilateral advantages.

A joined-up China policy is urgently needed. Events tend to overtake the EU while it ponders policy and its strategic approach. This year, it was Chinese investments in Europe, particularly in government bonds from Greece to Spain. China’s investment in Europe is a natural diversification from

a dollar overdose. Chinese investment should be welcome, but the EU should be an intermediary so that this process is not framed as a bilateral favor that creates political dependency between China and member states. Eurobonds, which have been widely discussed as a solution in the euro crisis, could be a useful tool in this.

For EU foreign policy “czar” Catherine Ashton and her team, fleshing out the elements of a common EU China policy and being able to apply it in time means anticipating events and providing guidance for how individual actions and bilateral visits play to (or undermine) Europe’s strength. For example, the EU needs a code of conduct for dealing with Liu Xiaobo after the Nobel debacle. Such a code of conduct could be minimal. The important point is that it is adhered to.

Member states must make strategic choices that do not favor short-term national rewards at the expense of Europe’s strength. The member-states need to move China up the policy agenda and act in unison if they want to reap the benefits of stronger ties to China and avoid being divided and ultimately ruled.