

# **UACES 46<sup>th</sup> Annual Conference**

**London, 5-7 September 2016**

Copyright of the papers remains with the author. Conference papers are works-in-progress - they should not be cited without the author's permission. The views and opinions expressed in this paper are those of the author(s).

**[www.uaces.org](http://www.uaces.org)**

Advancing Collaboration & Persisting Constraints:  
EU-China Security Collaboration & the 2020 Strategic Agenda

David Hallinan

*School of Politics & International Relations, University College Dublin*

david.hallinan@ucdconnect.ie

INTRODUCTION

While EU-China relations may be often characterised by a clear divergence of values and political norms, in recent years both sides have increasingly recognised the relationship's latent potential for cooperation in the security field. The EU and the People's Republic of China (PRC) reviewed and extended the scope of their Comprehensive Strategic Partnership Agreement (SPA) on its tenth anniversary in 2013, while seeking new symmetries in their independent strategic development plans, i.e. China's 12<sup>th</sup> Five Year Plan and the EU's 2020 strategy. These efforts resulted in the publication of the EU-China 2020 Strategic Agenda for Cooperation (SAC), which sought to exploit available opportunities for policy coordination, including in the area of security. This noteworthy expansion of cooperation in the security field has, however, developed against the backdrop of the continued maintenance of the EU's arms embargo on China, the extension of significant trade diplomacy elements in EU foreign economic policy towards China, and a fundamentally less concessionary EU approach. How can this seemingly contradictory two-sided mode of development in the Sino-EU relationship be understood, and what potential exists for the 2020 SAC to address persisting constraints in the relationship?

This paper finds that while the institutional framework of Sino-EU relations is advancing on multiple fronts, significant constraints on new modes of collaboration persist, mainly due to a divergence of values and political norms. While the EU has sought to use the SAC to lock-in new Chinese commitments in policy areas such as human rights, democracy, environmentalism and social freedoms, the gradual broadening of the scope of EU conditionality in this fashion only heightens the likelihood of deadlock in the development of the SAC. Recent developments in China do not suggest sufficient progress towards meeting the social and environmental policy commitments of the SAC, which is likely to ultimately be at the expense of advancement of collaboration in the security field. The EU's capacity to collaborate with China on security issues has also been constrained by geopolitical pressures from democratic allies, mainly with reference to the US.

## THEORIZING THE EU AS A POLITICAL ACTOR

European Foreign Policy (EFP) has been described as ‘the activity of developing and managing relationships between the EU and other international actors, which promotes (the) values and interests of the actor in question.’<sup>1</sup> Although the EU’s values are relatively clearly defined, the task of defining the EU’s ‘interests’ with reference to a specific third country is less straightforward. Individual EU member states often carry differentiated individual interests and preferences vis-à-vis third countries, each of which may not be consistent with the stated goals of supranational representatives. Also, while European values may be relatively consistent across EU member states, differences arise among member states in emphasis and priority of European norms and values in EFP. Neo-institutionalist theories of EFP can account for this fact of variation in EU member states’ independent foreign policy cultures while asserting the EU’s own ‘actorness’ through the development and extension of new supranational foreign policy organisational structures.<sup>2</sup> Supranational actors can thus be seen to advance a distinct and evolving set of EU interests internationally, and act to execute proposals, foreign policies, security objectives and other initiatives which are wholly distinct from those of its member states.<sup>3</sup>

Sociological institutionalist theories of EFP emphasize the role of substantive norms, institutional ideas and European values, and can account for the constitutive role of institutional political processes in shaping policy outcomes, the importance of identity to institutional or foreign policy behaviour, and the significance of institutions for the formation of ideas and norms of behaviour.<sup>4</sup> EFP understood in such a sociological sense does not entail a strict focus on the Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP) alone, and tends to encompass a broader array of ‘civilian action, policies, positions, commitments, and choices’ of the Union.<sup>5</sup> Other scholars have drawn upon

---

<sup>1</sup> Karen E. Smith, ‘The European Union: A Distinctive Actor in International Relations’, *The Brown Journal of World Affairs*, 9 (2) (2003), 103-113:2.

<sup>2</sup> Sandra Lavenex, ‘A governance perspective on the European neighbourhood policy: Integration beyond conditionality?’, *Journal of European Public Policy*, 15 (6) (2008), 938-955. See also: Mark Pollack, ‘Theorising EU Policy-Making’, in Wallace et al. (eds.), *Policy-Making in the European Union*, 7<sup>th</sup> Ed., (Oxford, 2015), 12-45:19; Ulrich Krotz and Richard Maher (2011) ‘International Relations Theory and the Rise of European Foreign and Security Policy’, *World Politics*, 63 (3) (2011), 548-579:550.

<sup>3</sup> Kamil Zwolski ‘The EU and a holistic security approach after Lisbon: Competing norms and the power of the dominant discourse’, *Journal of European Public Policy*, 19 (7) (2012), 988-1005. See also: Hylke Dijkstra, (2012) ‘The influence of EU officials in European Security and Defence’, *European Security*, 21 (3) (2012), 311-327; Biava et al. ‘Characterizing the European Union’s Strategic Culture: An Analytical Framework’, *Journal of Common Market Studies*, 49 (6) (2011), 1227-1248.

<sup>4</sup> Richard Whitman, *Normative Power Europe: Empirical and Theoretical Perspectives*, (London, 2011). See also: Lisbeth Aggestam, ‘Role identity and the Europeanization of foreign policy: A political-cultural approach’, in Ben Tonra and Thomas Christiansen (eds), *Rethinking EU Foreign Policy*, (Manchester, 2004), 81-98. Helene Sjørnsen, ‘What Kind of Power? European Foreign Policy in Perspective’, *Journal of European Public Policy*, 13 (2) (2006), 169-181; Adrian Hyde-Price, ‘Interests, institutions and identities in the study of European Foreign Policy’, in Ben Tonra and Thomas Christiansen (eds.), *Rethinking EU Foreign Policy* (Manchester, 2004), 99-113; Martha Finnemore, ‘Norms, Culture, and World Politics: Insights from Sociology’s Institutionalism’, *International Organization*, 50 (2) (1996), 325-347; Jane Jenson and Frédéric Mérand, ‘Sociology, Institutionalism and the European Union’, *Comparative European Politics*, 8 (2010), 74–92.

<sup>5</sup> Roy H. Ginsberg, *The European Union in International Politics: Baptism by Fire*, (Boston, 2001), 48. See also: Walter Carlsnaes, ‘European Foreign Policy’, in Knud E. Jorgensen et al. (eds.), *The Sage Handbook of European Union Politics*, (London, 2007), 545-560.

neorealist theory to view the EU as a traditional power or geo-economic actor which uses its foreign policy or trade policy as tools to maximize its power, influence and wealth relative to other actors.<sup>6</sup> According to this view, EU initiatives to forge strategic partnerships can be understood as a means to maximise influence in both the trade policy and foreign policy domains for strategic purposes.

Other work has focussed more on the role of trade policy and trade diplomacy tools in achieving the EU's foreign policy or development goals.<sup>7</sup> Studies have examined the effectiveness of EU trade diplomacy in EU-Asia relations, de-emphasising the commercial dimensions of economic agreements while focussing 'on the role that politics, security, stability and norm-setting take in the rationale behind (such) negotiations.'<sup>8</sup> The EU's capacity to influence the domestic political affairs of third countries is indeed often constituted by its capacity to induce commitments through bilateral agreements that blend political and economic issues. Such agreements tend to use formal, legalistic clauses and conditional rewards that link economics and politics.<sup>9</sup> The EU can use a multitude of economic 'policy instruments, including trade, cooperation, or association agreements ... aid, soft loans, (and) institutionalised dialogue ... The conditional use of these instruments, as incentives, can give the EU considerable influence over the domestic or foreign policies of non-EU countries.'<sup>10</sup> Through such mechanisms, the EU's market power can be deployed as a means to extend its normative power.<sup>11</sup> The EU's trade policy or development policies can thus be deployed as 'a lever of good governance (for) the observance of international human rights', guided by normative considerations and commercial objectives in parallel.<sup>12</sup> However, the specific use of development aid for political purposes raises additional considerations, as it is inconsistent with the EU norm of 'apolitical development aid being deployed solely on the basis of the economic needs of recipient countries.'<sup>13</sup>

All such theoretical perspectives on EFP may be brought to bear in seeking to understand the current state of play of Sino-EU relation, and the development of the EU-China SPA and 2020 SAC. The

---

<sup>6</sup> Hubert Zimmerman, 'Realist Power Europe? The EU in the Negotiations about China's and Russia's WTO Accession', *Journal of Common Market Studies*, 45 (4) (2007), 813-832: 814. See also: Sten Rynning, 'Return of the Jedi: Realism and the study of the European Union', *Politique européenne*, 3 (17) (2005), 10-33.

<sup>7</sup> Stephen Woolcock, *European Union Economic Diplomacy: The Role of the EU in External Economic Relations*, (Surrey, 2013). See also: Sophie Meunier and Kalypso Nicolaidis, 'The European Union as a conflicted trade power', *Journal of European Public Policy*, 13 (6) (2006), 906-952: 922. Tony Heron, 'European Trade Diplomacy and the Politics of Global Development: Reflections on the EU-China 'Bra Wars' Dispute', *Government and Opposition*, 42 (2) (2007), 190-214.

<sup>8</sup> Maiïke Okano-Heijmans, 'Trade diplomacy in EU-Asia relations: Time for a rethink', Clingendael Report, September 2014, available at: [http://www.clingendael.nl/sites/default/files/Trade%20Diplomacy%20in%20EU-Asia%20Relations%20-%20Clingendael%20Report%20\(Sept%202014\).pdf](http://www.clingendael.nl/sites/default/files/Trade%20Diplomacy%20in%20EU-Asia%20Relations%20-%20Clingendael%20Report%20(Sept%202014).pdf) (1 December 2014), 4.

<sup>9</sup> *Ibid*, 4.

<sup>10</sup> Karen E. Smith, 'The European Union: A Distinctive Actor in International Relations', *The Brown Journal of World Affairs*, 9 (2) (2003), 103-113: 107.

<sup>11</sup> Michael Smith, 'The European Union and International Political Economy: Trade, Aid and Monetary Policy', in Knud E. Jorgensen, Mark Pollack and Ben J. Rosamond (eds.), *The Sage Handbook of European Union Politics*, (London, 2007) 538.

<sup>12</sup> *Ibid*, 532.

<sup>13</sup> Zwolski, 'The EU and a holistic security approach after Lisbon: competing norms and the power of the dominant discourse', 989.

EU's bilateral political agreements with China invariably emphasise respect for European values such as democracy, human rights and the environment, and often apply conditionality clauses to elicit PRC commitments on such issues. However, in instances where China does not satisfy EU political, social or environmental demands, the result can be the potential jeopardy of collaboration in areas such as development, security, trade or investment. Adherence to EU demands on normative issues within bilateral political agreements is typically a necessary condition for EU participation in parallel commercial agreements through the inclusion of 'linkage' clauses, whereby a dispute in a bilateral political agreement can be used to suspend a bilateral trade or investment agreement. This is as true for China as for any other state, though with China its SPA is tied to its Bilateral Investment Treaty (BIT) with the EU, which is currently under development. In terms of the issue of variation in EU member states' preferences on China, diverging preferences and approaches to China among EU member states can often result in a disunited and incoherent EFP at the supranational level. However, the formation of EU SPAs does allow for the amalgamation of EU member states' negotiating leverage vis-à-vis third countries, which can be applied for political or economic aims. With reference to a country like China, no single EU member state has enough economic or political clout to apply persuasive or coercive tactics nearly as effectively as the EU.

#### SPAs & ASIAN SECURITY IN EUROPEAN FOREIGN POLICY

The gradual elevation of Asian security affairs in the EU's foreign policy agenda followed the emergence of multiple dynamic emerging economies in the Asia-Pacific in the 1990s. As states in the region became more important as trading partners, ensuring regional stability quickly became a greater priority within the CFSP. In 2001 the EU launched its New Asia Strategy (NAS), with the stated objective of "strengthening the EU's political and economic presence across the region ... raising this to a level commensurate with the growing global weight of an enlarged EU."<sup>14</sup> In its 2003 Security Strategy the EU identified key priorities in its foreign policy including "nuclear activities in North Korea (and) nuclear risks in South Asia ... we need to pursue our objectives both through multilateral cooperation in international organisations and through partnerships with key actors."<sup>15</sup> That same year, China, the US, Russia, Japan, and India were all designated as strategic partners of the EU.<sup>16</sup> The EU has since set itself the more ambitious goal of "establishing the EU as a credible political and security player in the region

<sup>14</sup> Eur-Lex 'Europe and Asia: A Strategic Framework for Enhanced Partnerships', 2001, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52001DC0469> (2 February 2013).

<sup>15</sup> European Council, 'A Secure Europe in a Better World', 12 December 2003, available at: <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf> (21 August 2013).

<sup>16</sup> European Parliament (hereafter cited as EP), 'EU strategic partnerships with third countries', Library of the EP briefing, 26 September 2012, available at: [http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2012/120354/LDM\\_BRI%282012%29120354\\_REV1\\_EN.pdf](http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2012/120354/LDM_BRI%282012%29120354_REV1_EN.pdf) (12 June 2013).

through ... working with key allies from inside and outside the region.”<sup>17</sup> In 2012, the EU acceded to the Treaty of Amity and Cooperation in Southeast Asia and expressed an interest in participation in the East Asia Summit (EAS) and ASEAN Defence Ministers Meeting (ADMM).<sup>18</sup> Although it has yet to participate in the EAS, it has become actively involved in the ADMM.

In recent years, there has been a noteworthy intensification of EU engagement in East Asian on maritime and security issues. This intensified EU engagement is to a large extent the by-product of heightened geopolitical tensions over territorial claims within the region, and the potential negative impact that this presents for the EU in terms of its economic interests. In an interview with the author, an EEAS official stated “nothing has changed in terms of the policy, the policy stance is to promote the peaceful resolution of potential disputes and due regard for international law. What changed was the tempo of the irritants and the actions on disputed territories in recent years, notably through the issue of land reclamation. It raises the importance of using communication channels, resolving any disputes through legal means and not unilaterally changing the situation on the ground ... that could actually destabilise the situation.”<sup>19</sup> This statements expresses the EU’s core aim in both its strategic agenda on China and its aims in engaging on Asian regional security affairs more generally. The EU aims to be a stabilising factor in its engagements in East Asia, and to ensure a fully open and stable trade and investment environment persists, but should not be thought of as an emerging strategic actor in East Asia, as it does not have military deployments in the region.

#### THE EU’S APPROACH TO CHINA’S DEVELOPMENT

China’s emergence as the world’s second largest national economy and a major global investor and creditor nation has radically reshaped its relationship to the EU. China’s increasing political clout means that Beijing now competes for a share of the EU’s global structural power and influence in Asia, Africa, Latin America and elsewhere, a fact which has put Sino-EU relations at the forefront of contemporary EU foreign policy debate. At the same time, China’s continued stability and economic growth have become more essential to European economic interests than ever before, as the Chinese market remains a key source of growth for European firms. Any major disruptions to China’s ongoing development, whether caused by military conflict, financial sector instability, or a pronounced slowdown in economic growth, would be detrimental to the EU’s own economic interests. China’s rapid growth has thus produced a common challenge for EU as well as for other major liberal democracies; that of how to

---

<sup>17</sup> European External Action Service (hereafter cited as EEAS), ‘EU-Asia Security’, 2014, available at: [http://eeas.europa.eu/asia/docs/eu\\_in\\_asia\\_factsheet\\_en.pdf](http://eeas.europa.eu/asia/docs/eu_in_asia_factsheet_en.pdf) (21 September 2014).

<sup>18</sup> European Commission (hereafter cited as EC), ‘EU-ASEAN Ministerial Meeting set to take relations with South-East Asia to a new level’, press release, 25 April 2012, available at: [http://europa.eu/rapid/press-release\\_IP-12-405\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-12-405_en.htm?locale=en) (13 August 13).

<sup>19</sup> Interview with an EEAS official, Brussels 2015.

effectively integrate China into the existing global economic order while doing as much as possible to stabilise China's economy and society as it undergoes such rapid change and development.

The EU's strategy thus far has been to increasingly engage on political and social issues as China has become an ever more important trade and investment partner, blending developmental assistance programmes and technological aid with soft conditionality in areas such as human rights, environmental policy and competition policy. This has led to the development of a highly legalistic system of bilateral agreements with significant trade diplomacy components. This strategy has sought to influence China's domestic affairs through the development of cooperative ventures that have made EU development assistance formally conditional upon Beijing addressing key European demands for political and economic reforms. The EU has focussed on simultaneously encouraging more market-oriented forms of state regulation, as well as promoting China's integration into the rule-based institutions of global governance. However, it is particularly noteworthy that that EU's strategy on China has done very little to induce meaningful political or social reforms, despite the fact that China remains quite dependent on the EU as a trading partner, investor, and source of technological expertise.<sup>20</sup>

#### THE INSTITUTIONAL FRAMEWORK

Many core principles guiding the EU's approach to China are founded upon the framework established in the 1985 EU-PRC Trade and Economic Cooperation Agreement (TECA), which has since been followed by seven additional legally binding agreements. After having suspended regular diplomatic relations following events in 1989, the EU resumed regular formal political meetings with the PRC in 1994. Since 1998, the main forum for high-level political dialogue has been the Sino-EU annual summit. Other relevant meetings include the regular bilateral 'sectoral dialogues' and the biannual EU-China human rights dialogue. From 2003, the EU-PRC Comprehensive Strategic Partnership extended joint cooperation to a wide range of issues. The EU began developing a new cooperation agreement to manage relations with China in the form of the EU-PRC Partnership & Cooperation Agreement (PCA) in 2007, though negotiations have since stalled. The PCA was designed to further upgrade the relationship, and provide a holistic legal framework for developing *both* the political and economic aspects of bilateral relations.<sup>21</sup> It is more notable, however, for its trade diplomacy characteristics and political provision-

---

<sup>20</sup> John Fox and François Godement, 'A Power Audit of EU-China Relations', European Council on Foreign Relations Policy Report, April 2009, 2, 8, 61, available at: [http://ecfr.eu/page//documents/A\\_Power\\_Audit\\_of\\_EU\\_China\\_Relations.pdf](http://ecfr.eu/page//documents/A_Power_Audit_of_EU_China_Relations.pdf) (24 February 2013). See also: Nicola Casarini, 'The Evolution of the EU-China relationship: From Constructive Engagement to Strategic Partnership', European Union Institute for Security Studies, Occasional Paper no. 64, October 2006, 19, available at: <http://www.iss.europa.eu/uploads/media/occ64.pdf> (2 March 2013).

<sup>21</sup> European Commission, 'Commission position paper on the Trade Sustainability Impact Assessment of the Negotiations of a Partnership and Cooperation Agreement between the EU and China', 2009, available at: [http://trade.ec.europa.eu/doclib/docs/2009/february/tradoc\\_142373.pdf](http://trade.ec.europa.eu/doclib/docs/2009/february/tradoc_142373.pdf) (4 June 13).

based conditionality.<sup>22</sup> The PCA thus seeks to employ the EU's 'market power' to induce commitments on human rights, political freedoms and international norms.<sup>23</sup>

In addition to the PCA and SPA, the EU also operates multiple additional developmental assistance and technical assistance programs, providing development aid and sustainability-promoting technology. Launched in 2010, the EU-China Trade project (EUCTP) covers five core areas, with the aim of promoting sustainable development in China. These are; (1) trade in services; (2) quality infrastructure & technical barriers to trade (3); agriculture; (4) customs & trade related regulatory systems and; (5) cross-cutting policies.<sup>24</sup> The two sides also signed a Science and Technology Partnership Agreement in 2009, and a Joint statement on energy cooperation in 2010.<sup>25</sup> In terms of environmentally sustainable development, the EU 2007-2013 Strategic White Paper on China described the EU's intention of "assisting China in tackling global concerns and challenges over the environment, energy and climate change ... As a major emitter of greenhouse gases, China's active participation in the debate on this subject is vital. Much work has been done on projecting China's emissions and their potential impact on global warming."<sup>26</sup> In addition to the above fora the EU and China have met in a bilateral forum devoted specifically to the topic of human rights since 1998, known as the EU-China Human Rights Dialogue, though to date "it has failed to produce perceptible results."<sup>27</sup> In addition to statements made directly to the Chinese government through the Human Rights Dialogue, the EU consistently criticises China's record in its Annual Report on Human Rights. EU concerns raised include freedom of expression, freedom of religion, freedom of assembly and association, rights of minority groups, use of the death penalty, arbitrary detention and the persistence of torture.<sup>28</sup>

## EU-CHINA COLLABORATION ON SECURITY ISSUES

Although EU-China relations are characterised by a clear divergence of values and political norms, both sides recognise latent potential for cooperation in the area of security, though substantial differences exist as to the preferred means and intent of such collaboration. Clearly, the EU's goals in

---

<sup>22</sup> US Congressional Executive Commission on China, Annual Report, 2013, available at: <http://www.cecc.gov/publications/annual-reports/2013-annual-report> (1 February 2014). See also: Fox and Godement, 'A Power Audit of EU-China Relations', European Council on Foreign Relations Policy Report, 32.

<sup>23</sup> Okano-Heijmans, 'Trade diplomacy in EU-Asia relations: Time for a rethink', 16.

<sup>24</sup> EU-China Trade Project, 2014, available at: <http://www.euctp.org/index.php/en/project-background.html> (12 September 2014).

<sup>25</sup> Delegation of the European Union to China, 'S&T Relations – Agreements & Framework Programmes', 2015, available at: [http://eeas.europa.eu/delegations/china/eu\\_china/research\\_innovation/st\\_relations/index\\_en.htm](http://eeas.europa.eu/delegations/china/eu_china/research_innovation/st_relations/index_en.htm) (10 June 2015).

<sup>26</sup> European Commission, 'China Strategy Paper 2007-2013', 2007, available at: [http://eeas.europa.eu/china/csp/07\\_13\\_en.pdf](http://eeas.europa.eu/china/csp/07_13_en.pdf) (2 March 2012).

<sup>27</sup> EP, 'Asia-Pacific', 2014, available at: [http://www.europarl.europa.eu/ftu/pdf/en/FTU\\_6.6.6.pdf](http://www.europarl.europa.eu/ftu/pdf/en/FTU_6.6.6.pdf) (8 June 2015).

<sup>28</sup> Kay Möller, 'Diplomatic Relations and Mutual Strategic Perceptions: China and the European Union', *The China Quarterly*, 169, (2002), 10-31:20. See also: Casarini, 'The Evolution of the EU-China relationship: From Constructive Engagement to Strategic Partnership', 19.

developing a strategic partnership with China are mainly aimed at contributing to regional peace and stability in East Asia. By contrast, Chinese intentions in collaborating with the EU in the security domain go far beyond a simple preference for regional stability. China seeks to utilise Sino-EU collaboration to upgrade its technological capacities in both the economic and security domains. However, proposals for EU collaboration with China in areas such as aeronautics, satellite technology or naval technological development have proven to be highly controversial in Brussels, in Washington and in Tokyo. This observation points to the most fundamental constraint in the Sino-EU relationship; that of the arms embargo.

The EU arms embargo on China was initially enacted in the wake of the Tiananmen Square incident in 1989, along with similar actions by the US and Japan. Discussion in Brussels about a potential lifting of the arms embargo on China in 2004, supported by then French President Chirac and German Chancellor Schroeder, proved particularly alarming for security analysts in Washington, as well as throughout much of East Asia.<sup>29</sup> Internal divisions among EU member states led to intensive debate on the issue, with several member states advocating a lift on the ban. Advocates of closer EU-China strategic ties pointed to China's peace-keeping activities, potential commercial opportunities a lift on the ban might present, and the need to move beyond what they claimed was an outdated Cold War approach. Chinese officials have consistently insisted that Europe lift the ban, and that it contradicts the very notion of strategic partnership.

A December 2010 EU summit again floated the possibility of lifting the embargo on the basis that it was a "major impediment to developing stronger EU-China cooperation on foreign policy and security matters".<sup>30</sup> That same year, France had sold Mistral class amphibious landing ships to Russia, despite American disapproval, lending support to the notion that European states could capitalise on similar opportunities in the PRC. However, an end to the Chinese embargo seems highly unlikely any time soon, as it would require unanimous support from all EU member states and inevitably lead to a split in the trans-Atlantic alliance. US representatives successfully lobbied against lifting the embargo in the mid-2000s, amid worries that doing so would result in technology transfers to the PRC that would have facilitated the upgrading of China's military capacities.<sup>31</sup> American strategists quite rightly regard the EU arms embargo on China as crucially important to balancing China's rise, as Washington and Tokyo are

---

<sup>29</sup> Esther Brimmer, 'Seeing Blue: American visions of the European Union', EU institute for Security Studies, *Chaillot Paper* no.105, September 2007, 38, available at: <http://www.iss.europa.eu/uploads/media/cp105.pdf> (23 November 2012). See also: Michito Tsuruoka, 'Expectations Deficit in EU-Japan Relations: Why the relationship cannot flourish', *Current Politics and Economics of Asia* 17(1) (2008), 107-126:122.

<sup>30</sup> Bates Gill and Andrew Small, 'Untapped Trilateralism: Common Economic and Security Interests of the European Union, the United States and China', in Kerry Brown (ed.), *China and the EU in Context: Insights for Business and Investors* (Hampshire, 2014), 214-250:228.

<sup>31</sup> Gudun Wacker, 'Lifting the EU arms embargo against China: US & EU positions', German Institute for International and Security Affairs Working Paper, 17 February 2005, 3, available at: [http://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/2005\\_02Wkr\\_eu\\_embargo\\_ks.pdf](http://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/2005_02Wkr_eu_embargo_ks.pdf) (2 June 2013).

far less likely to lift their respective embargos as compared to the EU. The EU arms embargo thus directly impacts upon very sensitive regional security issues in East Asia by effectively sustaining the technological superiority of the US-led liberal democratic status quo.<sup>32</sup>

Another issue of key concern to US interests was the proposed development of the Galileo Global Navigation Satellite System (GNSS). Undertaken in 2002, Galileo was intended to relieve EU members of their dependence on the Russian GNSS and US Global Positioning System (GPS). Following funding difficulties for the project, China joined in 2003 with an initial funding contribution of €200 million. Several other states subsequently joined, including South Korea in 2006. The intention to involve India was mentioned in a 2005 EU-India Action Plan, though India withdrew its participation the following year.<sup>33</sup> China's participation in Galileo was perceived as a milestone in advancing the Sino-EU strategic partnership, and presented European firms with a means to infiltrate China's growing aerospace market. However, Galileo also presented the potential to significantly improve PRC military strategic logistical capabilities, offering satellite-guided missile technology as well as early warning and satellite-monitor-system applications to the People's Liberation Army (PLA).<sup>34</sup>

Washington, as the principal security guarantor of Taiwan, South Korea and Japan, viewed Galileo as a threat to US regional security interests, and lobbied to limit Chinese involvement. At a time of tense EU-US relations due to events in Iraq, many Europeans objected to US intervention in what was intended as a commercial project for civilian purposes. The US intervention was, however, unsurprising. Whereas the EU emphasised the commercial and civilian applications of space technology, "the Chinese side emphasises the primacy of a peaceful exploration of space, yet puts the role of space technology for national security first ... Where Galileo is under civilian control in the Commission, the ultimate control of all space activities lies with the military-staffed General Armaments Department of the PLA."<sup>35</sup> In 2006 the EU abandoned the Public-Private Partnership structure for Galileo and adopted sole funding responsibilities. China opted to develop its own *Beidou* system thereafter, but suffered a financial loss through its involvement in Galileo. India and Japan, by contrast, enjoyed full integration in the US GPS system free of charge.<sup>36</sup>

Galileo and the arms embargo issue give poignant expression to the potential extent of EU-US policy divergence on the PRC, and the strategic implications of EU export controls or technology transfers to China for regional security in Northeast Asia. Each also, however, illustrates the broader

---

<sup>32</sup> Nicola Casarini, *Remaking Global Order: The Evolution of Europe-China Relations and its Implications for the United States and East Asia*, (Oxford, 2009), 150.

<sup>33</sup> Vicziany, 'EU-India Security Issues: Fundamental Incompatibilities', 280.

<sup>34</sup> Casarini, 'The Evolution of the EU-China relationship: From Constructive Engagement to Strategic Partnership', 29.

<sup>35</sup> May-Britt Stumbaum, 'Risky Business? The EU, China and dual-use technology', EU Institute for Security Studies Occasional Paper, 8 October 2009, 17, available at: <http://www.iss.europa.eu/uploads/media/op80.pdf> (12 June 2015).

<sup>36</sup> Vicziany, 'EU-India Security Issues: Fundamental Incompatibilities', 280.

limitations for strategic collaboration between the EU and China. Despite the failures of such endeavours, new avenues for collaboration emerged in 2011 in the area of maritime security as part of international anti-piracy operations in the Gulf of Aden. The Chinese navy worked with the EU Naval Force (EUNAVFOR) to maintain open sea lanes off the Horn of Africa and escort World Food Programme vessels. EUNAVFOR also rescued endangered Chinese nationals from Panamanian and Taiwanese-operated shipping vessels.<sup>37</sup> China has also recently committed to UN peace keeping operations in Mali, where the EU and its member states have been heavily involved. China sent an infantry company to Mali to be based alongside a Dutch unit, and stationed a full battalion in South Sudan.<sup>38</sup>

### THE AIMS OF THE 2020 STRATEGIC AGENDA

The EU and China agreed to review and extend the scope of the Comprehensive SPA on its tenth anniversary in 2013. These efforts resulted in the publication of the EU-China 2020 SAC, which sought to exploit new opportunities for policy coordination across the EU and China's independent strategic development platforms, including in the area of security.<sup>39</sup> The 2020 SAC is currently the 'highest level joint document in EU-China relations' and defines new aims for cooperation in four broadly defined areas; peace, prosperity, sustainable development and people-to-people exchanges.<sup>40</sup> A particularly interesting dimension of the SAC is that of seeking symmetries in China and the EU's own independent strategic development plans, i.e. China's 12<sup>th</sup> and 13<sup>th</sup> Five Year Plans and the EU's 2020 strategy. This adoption of such a longer-term, forward-looking bilateral strategic agenda is a novel development, and serves a particular set of EU goals in its engagement of China. The EU's strategic aims are relatively clearly defined in the economic sphere, i.e. the encouragement of a gradual and clearly defined PRC reform process leading towards a more market-oriented model of economic development.

China's progression towards a more market-oriented economic model is to be encouraged through the formation of a Bilateral Investment Treaty (BIT) by 2020, before proceeding to consider liberalisation of bilateral trade. In an interview with the author, a DG Trade official involved in the development of the SAC recalled that "at the 2013 summit we announced the negotiations for the BIT, but we also launched the 2020 strategic agenda for cooperation. There is a specific paragraph therein agreed with China on the question of a Free Trade Agreement (FTA). It establishes a certain sequence;

---

<sup>37</sup> EEAS, 'The EU-China Comprehensive Strategic Partnership', 6 November 2013, 2, available at: [http://eeas.europa.eu/china/docs/20131106\\_eu-china\\_factsheet\\_en.pdf](http://eeas.europa.eu/china/docs/20131106_eu-china_factsheet_en.pdf) accessed (7 February 14).

<sup>38</sup> Richard Gowan 'African Security: A bright spot for Sino-European Cooperation', European Council on Foreign Relations, 3 November 2014, available at: [http://www.ecfr.eu/article/commentary\\_african\\_security\\_a\\_bright\\_spot\\_for\\_sino\\_european\\_cooperation338](http://www.ecfr.eu/article/commentary_african_security_a_bright_spot_for_sino_european_cooperation338) (1 March 2015).

<sup>39</sup> EEAS, 'EU-China 2020 Strategic Agenda for Cooperation', 23 November 2013, available at: [http://eeas.europa.eu/china/docs/20131123\\_agenda\\_2020\\_en.pdf](http://eeas.europa.eu/china/docs/20131123_agenda_2020_en.pdf) (4 April 14).

<sup>40</sup> EEAS, 'Fact Sheet: EU China Relations', 22 June 2016, 1, available at: [https://eeas.europa.eu/factsheets/docs/eu-china\\_factsheet\\_en.pdf](https://eeas.europa.eu/factsheets/docs/eu-china_factsheet_en.pdf) accessed (12 July 2016)

launching, negotiating and concluding our bilateral investment agreement is a precondition for looking at broader ambitions in the longer term, once the conditions are right.”<sup>41</sup> At the 2014 Sino-EU summit the EU publicly stated that it would reconsider the prospect of a Sino-EU FTA at the closure of China’s 13<sup>th</sup> five-year-plan in 2020, taking the BIT as a ‘litmus test’ in the meantime to determine whether China is both willing and capable of adopting liberal-market reforms. The SAC commits China and the EU to “negotiating and concluding ... a comprehensive EU-China Investment Agreement (that) will convey both sides’ joint commitment towards stronger cooperation as well as their willingness to envisage broader ambitions including, once the conditions are right ... a deep and comprehensive FTA, as a longer term perspective.”<sup>42</sup> The trade and investment components of the SAC are thus clearly framed in terms of strict conditionality, with China needing to first adopt liberal-market reforms before the EU will commit to the longer-term goal of liberalising bilateral trade.

#### THE 2020 STRATEGIC AGENDA & SECURITY COOPERATION

The SAC states the intention of strengthening Sino-EU cooperation and dialogue on multiple security issues including cybersecurity, maritime security, counter-piracy and humanitarian assistance, and commits to upgrading practical modes of cooperation through joint research projects, the sharing of expertise and training exchanges. While most such commitments are arguably uncontroversial from an EU perspective, that of collaboration in maritime security has been complicated more recently, specifically due to territorial disputes between China and its neighbouring states, and land PRC reclamation projects in the South China Sea. On the issue of the South China Sea, a March 2016 statement by the EU High Representative described how ‘the EU is committed to maintaining a legal order for the seas and oceans based upon the principles of international law, as reflected notably in the United Nations Convention on the Law of the Sea (UNCLOS).’<sup>43</sup> This statement clearly precluded a case brought to the UNCLOS by the Philippines against China with regards to its territorial claims in the South China Sea. EU members eventually failed to adopt a unified position in support of the UNCLOS ruling, with Greece, Hungary and Croatia objecting opposing the terms of a joint declaration for the July 2016 EU-China summit.<sup>44</sup> Though the precise terms of the draft declaration may have been no different tot

---

<sup>41</sup> Interview conducted by the author with a senior DG Trade official involved in the negotiations for the EU-China BIT, Brussels 2015.

<sup>42</sup> European Commission, ‘EU-China 2020 strategic agenda for cooperation’, 2013, available at: [http://eeas.europa.eu/china/docs/20131123\\_agenda\\_2020\\_\\_en.pdf](http://eeas.europa.eu/china/docs/20131123_agenda_2020__en.pdf) (26 March 2015).

<sup>43</sup> European Council, ‘Declaration by the High Representative on behalf of the EU on Recent Developments in the South China Sea’ 11 March 2016, available at: <http://www.consilium.europa.eu/en/press/press-releases/2016/03/11-hr-declaration-on-bealf-of-eu-recent-developments-south-china-sea/> accessed (14 April 2016)

<sup>44</sup> Euractiv, ‘EU unable to adopt statement upholding South China Sea ruling’ 14 July 2016, available at: <http://www.euractiv.com/section/global-europe/news/eu-unable-to-adopt-statement-upholding-south-china-sea-ruling/> accessed (19 July 2016).

those of the march declaration, events at the July 2016 summit illustrate the extent to which the EU still often fails to adopt a unified position on key issues. Although the ultimate effect in this case was the hindrance of an EU statement which was likely to prove difficult from a Chinese perspective, the episode reinforces the notion of the EU as lacking coherence and effectiveness in its external relations.

Despite new emerging difficulties in the area of maritime security, one security issue area that is given clear prioritisation within the SAC may present significant new scope for Sino-EU collaboration; that of ‘promoting nuclear security, strengthening the international non-proliferation regime ... and combatting the smuggling of nuclear material.’<sup>45</sup> The key immediate security concern in Northeast Asia is, unquestionably, the Democratic People’s Republic of Korea (DPRK). Events of recent years, including advances in the DPRK’s ballistic missile capabilities, have highlighted the instability of the situation on the Korean peninsula and raised awareness in Brussels of the need to do more to engage China on the DPRK. The EU does not have a representation in North Korea, has no bilateral political or economic treaties, and regularly exercises sanctions against Pyongyang. The EU is also not a part of the Six-Party Talks (SPT) on North Korea’s nuclear programme. As a result, much of the EU’s external action on the DPRK occurs through indirect channels, of which China is the most important. China is a key mediator, not just via the DPRK, but also via other key states including the Republic of Korea (ROK). In an interview with the author, an EEAS official described how “when the EU looks at the ROK-PRC relationship, the DPRK is crucial. The EU wants China to move from a situation where China is saying the DPRK is beyond its powers to resolve to a situation where they say there really is something they need to do to resolve this. China could be a potential agent for change there, to enhance cooperation across borders.”<sup>46</sup>

## CONCLUSION

The EU’s position as a strategic partner for China is that of an important trading partner which the PRC would like to see adopting a more proactive role in Asian regional affairs. China welcomes the emergence of a more politically pro-active EU, supports the advancement of institutionalised modes of bilateral cooperation, and associates the EU with the strengthening of multilateral institutions generally. EU ‘soft’ civilian power is often favourably contrasted with US hard power.<sup>47</sup> In particular, China looks to the EU as an essential partner in facilitating the modernisation of its economy and military, and as a balance against US influence. Politically, the EU is perceived as a ‘soft’ civilian power and as a promoter

---

<sup>45</sup> EEAS, ‘EU-China 2020 Strategic Agenda for Cooperation’, 4, 23 November 2013, available at: [http://eeas.europa.eu/china/docs/20131123\\_agenda\\_2020\\_\\_en.pdf](http://eeas.europa.eu/china/docs/20131123_agenda_2020__en.pdf) (4 April 14).

<sup>46</sup> Interview conducted by the author with an EEAS official, Brussels 2015.

<sup>47</sup> Pejsova, ‘EU and Japan: Stepping up the game’, 3. See also: Frattolillo, *Diplomacy in Japan-EU Relations: From the Cold War to the Post-Bipolar Era*, 104

of multilateral institutions, but also as lacking cohesion in terms of its role and position, particularly in Asia. Chinese expectations of the potential for strategic collaboration remain high, despite the fact that the relationship is wrought with political disagreements. China regards the EU, not as a strategic ally in the conventional sense, but rather as an essential partner in the modernisation of its economy and, potentially, its military. PRC hopes hinge on the expectation that a greater regional role for the EU would serve to dilute US regional influence, advance Sino-EU strategic collaboration, and provide the technology needed to facilitate its modernisation.

Broadly speaking, the EU has adopted the regional role of a promoter of free-market economics, peace, nuclear non-proliferation, human rights and sustainable development. In its dealings with the PRC, the EU typically asserts European values and uses soft-power tactics to safeguard its strategic or commercial interests. However, the EU is *not* a strategic actor in East Asia, in the sense that it does not have substantial military deployments stationed in the region, and as such is seen as a secondary consideration as compared to the US.<sup>48</sup> The EU's priority has been to contribute to regional stability and ensure key trading routes remain accessible, thereby securing conditions for commerce between the EU and Asia generally. In an interview with the author, an EEAS official described how "in East Asia politics and security have a massive impact on trade. If you don't have freedom of movement then you will have restrictions on trade, which is enormously important for us. Some 60-70% of our trade is linked to those maritime sea routes."<sup>49</sup> The 2020 SAC accurately reflects this intertwining of EU economic and security goals on China, and gives expression to the most fundamental of EU concerns; the need to maintain a stable and open trade and investment regime in East Asia. China is the EU's most important strategic partner in pursuing that aim.

*Acronyms:*

ASEAN	Association of Southeast Asian Nations
ADMM	ASEAN Defence Ministers Meeting
CFSP	Common Foreign and Security Policy
DPRK	Democratic People's Republic of Korea
EAS	East Asia Summit
EEAS	European External Action Service
EFP	European Foreign Policy
EU	European Union
EUCTP	EU-China Trade Project
EUNAVFOR	EU Naval Force

<sup>48</sup> Nicola Casarini, 'The Securitization of EU-Asia Relations in the Post-Cold War Era', pp:181-197, in Thomas Christiansen, Emil Kirchner and Philomena Murray (eds.), *The Palgrave Handbook of EU-Asia Relations*, (London, 2013), 181-197:189.

<sup>49</sup> EEAS official, interview with the author, Brussels 2015.

FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GNSS	Global Navigation Satellite System
GPS	Global Positioning System
PCA	Partnership & Cooperation Agreement (PRC)
PLA	People's Liberation Army
PRC	People's Republic of China
ROK	Republic of Korea
SPAs	Strategic Partnership Agreements
TECA	Trade and Economic Cooperation Agreement (PRC)
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
US	United States