



EU-China CRN Passau Panels Overview

EU-China Relations I: Politics and Identity

Chair: Wei Shen

Discussant: Frauke Austermann

Panel Number: P313

Monday, 3 September, 15:20-16:50

Developments in the EU-China Political Dialogue in the Global Context

Emil Kirchner, University of Essex

(Joint paper with Thomas Christiansen)

The aim of the paper will be to assess the current EU-China political dialogue by comparing the objectives stipulated in the European Union and China Strategic Partnership with the impact of current developments in both the European and the wider the global contexts. A number of issues areas can be seen as currently affecting the EU-China political dialogue such as the Eurozone debt crisis, the Arab Spring, the alleged Iranian nuclear build-up, the leadership change in North Korea, and the peace-building process in Afghanistan. Do the EU and China have converging or diverging views on these issue areas, and if the latter, what are the likely impacts on the EU-China political dialogue? Are we entering a phase in which already existing frictions between the EU and China, such as over the continued EU arms embargo on China or the differences over Tibetan autonomy, become strained further? The paper will distinguish between the agency on either side and the structural factors impacting on the EU-China political relationship.

Is there a Strategic Partnership between the EU and China?

Jing Men, College of Europe

As the title demonstrates, the presentation will examine whether there is a strategic partnership between the EU and China. Since 2003, both the EU and China have addressed each other as a strategic partner, however, observers have noticed many problems in bilateral

relations. The so-called honeymoon period did not last long. Instead, a long list of disagreements seemed to dominate the agenda of bilateral negotiations. Why is it so? With an analysis of the nature of bilateral relations based on international relations theory, the presentation tends to explore the differences between the two sides and to study the prospects and challenges for EU-China relations in the 21st century. The presentation will be composed of the following parts. First, it will look at the definition of strategic partnership offered by both the EU and China and examine the gap between the rhetoric and the reality. Second, it will analyze the differences between the EU and China and find the reasons why problems exist. Third, it will study the most recent changes in bilateral relations and explore the future scenarios of EU-China relations.

The Issues of Identity in the EU-China Relationship

Reuben Wong, National University of Singapore

This paper argues that rather than trade competition, ideology, civilizational differences, or changes in the international balance of power, the root of frequent swings between cooperation and conflict in the EU-China relationship lies in their ever-changing identities. As China's roles expand and rise in the international system, China is forced to re-evaluate its identity and preferences, choosing to selectively remember or forget symbols and representations of the past and present (Thurston 2001). Transitioning from a developing country to an important member of the international system, its self-image has undergone a dramatic revolution (Economy and Oksenberg 1999; Yong 2001; Chen 2007). The EU meanwhile, has expanded from an EC-9 of similar Western democracies in 1975, to an EU-27 of diverse countries by 2007. Its attempt to develop a distinctive European presence in world affairs - that of 'normative power' Europe - set it on a course of collision with China, other developing countries, and also the United States, Russia and the Arab world (Adler 2010). These changes in identity have important consequences for actions and foreign policy interactions. We can thus expect China-EU relations to develop in the context of the ongoing redefinition of their identities and roles in the evolving international order. Both China and the EU will likely continue to respond to each other according to the needs and demands of their respective populations, and to the external expectations placed on them as important players in global politics, diplomacy, economics, trade, finance and security.

EU-China Relations II: Impact of the Eurozone Crisis

Chair: Lay Hwee Yeo

Discussant: Wenwen Shen

Panel Number: P413

Tuesday, 4 September, 8:30-10:00

From Role Model to Failed Experiment? Chinese Perceptions of the Euro before and after the Crisis

Miguel Otero-Iglesias, ESSCA Angers

For almost a decade the experiment of the euro was considered an epoch-making event by Chinese financial elites. They saw in European Monetary Union (EMU) a role model for regional monetary integration and the internationalisation of different currencies alongside the dollar, including the Chinese Renminbi. In general, Chinese policymakers and financial elites considered European integration an unstoppable one-way process. They believed in a strong and united Europe which could function as a harbinger in the perceived transition from US unipolarity to a multipolar world order. Has the current sovereign debt crisis in the Eurozone changed this general perception? Have Chinese financial elites lost faith in the European project? This paper will try to answer this question by comparing perceptions on the euro of financial elites in China before and after the financial crisis. The methodological approach will be based on a comparative analysis of fieldwork interviews conducted in Spring 2009 and in Spring 2012 (as planned). This empirical material will be triangulated with further evidence collected through a review of the secondary literature, official documents and speeches, and press reports. Once the different perceptions have been compared and analysed, the paper will try to highlight the implication of these perceptions for the development of the strategic partnership between the EU and China.

China's direct investment in Europe: Is there a need for European 'CFIUS'?

Daniel Van den Bulcke, University of Antwerp

(Joint paper with Haiyan Zhang)

The expansion of China's foreign direct investment (FDI) in Europe has been quite spectacular in recent years, not only compared to FDI coming from other countries, but also to Chinese FDI to other world regions. In December 2010, the EU Commissioner responsible for industry voiced concern about increasing Chinese outward FDI and the need to establish a new authority with the power to block foreign takeovers of strategic European businesses to protect Europe's advanced technology. In an interview, he referred to the Committee on Foreign Investment of the United States (CFIUS) as a possible model. It is unlikely that such an initiative would be successful in Europe, as most European national and regional governments take special measures and incentives to promote and attract Chinese investment. This paper will discuss the recent development of China's FDI in Europe in general and geographical patterns and sectorial distribution of Chinese multinational companies in particular. The impact of Chinese investment on European host countries and regions will also

be discussed to assess the necessity and possibility to have a European regulation on Chinese FDI.

The Possibility of EU Lifting Arms Embargo on China in the Context of the Eurozone Debt Crisis

Dong Huang, Freie University Berlin

Recently, with the deterioration of the Eurozone debt crisis, the problem of EU arms embargo on China has appeared again in the dialogues between the EU and China. It looks like that, China has a will to help the EU financially if the EU could make certain concessions in certain sensitive areas including EU lifting arms embargo on China. Therefore, is there a possibility that the EU will lift its arms ban against China in order to obtain the financial assistance from China? From the legacy of the hot debate in the EU lifting arms embargo on China during 2003 and 2005, we can know that the attitude of the US on this matter will largely influence the decision making of the EU. Therefore, after the delineation of the endeavor of the EU lifting arms embargo on China from 2003 to 2005, the author would like to focus on the relations between the EU and the US in the context of the Eurozone debt crisis, as well as figure out whether the US is still strongly against EU lifting arms embargo on China. At last, the author concludes that in the background of the Eurozone debt crisis, it is not clever to bring the sensitive EU arms embargo on China at the table, because it is difficult for the EU to lift the arms ban when it has tough troubles in its own backyard.

Trading out of the Crisis: Sino-European Dependence and Competition

Maria Garcia, University of Canterbury

Behind the headlines of quotas, antidumping measures and other trade conflicts, China and the EU are key to each others' economic survival being each other's first and second trade partner respectively, especially within the current environment where policy-makers across the world propose exporting their way of the crisis (particularly in high-value technological and knowledge based products and services). The free trade agreement policies of these players in the Asian region belie a desire to diversify their markets and reduce dependence on one another (and the USA). This paper analyses similarities and differences in the EU's and China's approaches to free trade agreements in East Asia based on official documents and interview materials. It focuses on the idea of competitive diffusion of said policies. The paper shows how the economic interests of China and Europe as exemplified by their free trade agreements largely coincide in East Asia. It proposes that a more coordinated policy amongst them could result in more similar (and compatible) free trade agreements for third parties, which are essentially mapping out a new economic governance outside the WTO and its public scrutiny. More coordination in this would also result in a less conflictive relationship between the two, where some of the contentious issues discussed in the 26 dialogues of the strategic partnership (market economy status, market access and regulations) could also be defused and resolved.

EU-China Relations III: Global Order and Governance

Chair: Emil Kirchner

Discussant: Dong Huang

Panel Number: P613

Tuesday, 4 September, 14:50-16:20

System Effect and Decision Making: Understanding the 'Chinese Economic Assertiveness' in the EU's Eyes

Xiaoguang Wang, Free University of Berlin

It is not exaggerated to say the European-China relation was generated from economic activities by the Silk Road 2000 years ago. Nowadays, the economic issues are also the dominating topics between the European Union (EU) and China, as the first one is the largest destination of Chinese products while the later one the second largest for the EU products. However, the economic boom is always coupled with quarrels, which are increasingly influential to the EU-China relations. In the sizzling debates, the EU side complains that China has been increasingly showing "Economic Assertiveness" that means China frequently employs the economic weapon to realize its political purposes. The rare earth export control and the demanding status in the Eurozone bailout are two remarkable cases. Traditional evaluation ascribes the reasons to the enhanced Chinese economic muscle and mushroomed global political ambition. Robert Jarvis initiates the analysis to the "system effect" in international relations. Different from other scholars paying attention on international relations system, Jarvis focuses on the "system effect" on the political elites' decision-making. In his argument, a certain foreign policy is not necessarily made for the one who is influenced by the policy, but rather, made for someone else outside the game. A certain policy also could lay down the result unexpected, and these unexpected results are inevitable and difficult to predict and Jarvis raises massive cases to prove the "system effect" in international relations. My paper would try to account for the "Chinese Economic Assertiveness" from the perspective of the "system effect", with case studies to the Chinese rare earth export control and the demanding status in the eurozone bailout. Through explore the origin and development of these policies, this paper argues that some alleged "Chinese Economic Assertiveness", like rare earth export control and demanding condition to get involved in eurozone bailout, could be difficult to be explained by endogenous reasons in the EU-China relations. Instead, they are the consequences of the "system effects" of China's relation with other global players. The EU, due to its loosen system position with China, has been influenced by the tight system, such as the US-China relation. And the European illusion "Chinese Economic Assertiveness" could be explained by this perspective.

The Role of European Union Delegations in EU External Relations: Lessons from China and beyond

Frauke Austermann, Free University of Berlin

In my PhD dissertation "The Role of European Union Delegations in EU External Relations: A Diplomatic Service of Different Speeds" I answer the question why the new post-Lisbon EU Delegations can centralize EU diplomacy more easily in some countries than in others. The research question has been developed in an effort to put into perspective the ubiquitous

claim that the EU cannot speak with one voice towards Beijing. The research gap that I am closing is that the case of China is rarely put into perspective and compared with centralization of European diplomacy towards other countries. During the UACES Annual Conference, I will present the main results of my dissertation about the role of EU Delegations in centralizing European diplomacy all over the world, and in China in particular.

The EU's Promotion of Human Rights in the Global Information Age: the Case of China

Wenwen Shen, EU-Asia Centre

This paper analyses the extent to which the EU influences national and international political debates on human rights situation in China, with a particular reference to the role of the internet which facilitates and provides new platforms for such debates. In doing so, I propose a normative power perspective which helps us understand how human rights norms are diffused through a discursive form of power. Central to this paper is the assumption that human rights norms are better diffused through normative means in the global information age, such as knowledge-based cooperation and living by virtuous example. To verify this assumption, I look at two analogous issues of the death penalty and Tibet, and seek to understand the ways in which the EU shapes the international and Chinese discourses on these two cases, against the backdrop of the liberating impact of internet over the past decade. Regarding the death penalty, I argue that EU cooperation projects in recent years, which pragmatically focused on enhancing the knowledge and capability of legal professionals and lobbying through academic research, are more effective than direct lobbying in the Chinese context. In case of Tibet, although European governments had resorted to public criticism as a less costly way to sustain the international visibility of the Tibetan cause, the process of 'shaming' has yet to alter the Chinese citizens' almost universal acceptance of the official view on Tibet, largely due to the ideological divide, and China's successful propaganda on the domestic front.

EU-China Relations IV: The Role of Regional Integration

Chair: Fraser Cameron/ Emil Kirchner

Discussant: Maria Garcia

Panel Number: P713

Tuesday, 4 September, 16:30-18:00

Impact of Financial and Sovereign Debt Crisis on EU-East Asia Economic Partnership

Lay Hwee Yeo, EU Centre in Singapore / Singapore Institute of International Affairs

The 2008 financial and economic crisis had its origins in the developed economies of the west but quickly spread to Asia as liquidity issues led to a credit squeeze with impact on the real economy. Although developed countries were more affected than developing countries, the crisis led to a collapse in global trade and all countries were affected, particularly export-oriented Asian economies. It debunked the growing belief that the Asian economies have decoupled from the West. This paper analyses the consequences of the ongoing financial crisis on the economic partnership between the European Union and East Asian countries and considers the implications that a recession in the euro area might have on the EU's trade and investment relations with China, Korea, Japan and the ASEAN countries. It then contemplates the broader trends of the new economic circumstances facing the EU and East Asia, and how they would impact overall EU-East Asia partnership in this changing landscape of global economic governance.

People-to-People Exchange in Regional Integration: EU & Greater China Area Compared

Wei Shen, ESSCA Angers

Educational exchange plays an important role in fostering intercultural dialogues, building people-to-people contacts, enhancing mutual trust and eventually promoting a regional view and identity. With its inception in 1987, the ERASMUS programme has allowed more than 1 million European students to take part in a study abroad programme at a partner university in Europe. It is arguably one of the most well-known and successful European Union (EU) initiatives and considered as the flagship project of European integration by the European Commission (EC MEMO/02/190 2002, Sigalas 2010). In the case of Greater China Area, student mobility has also increased gradually since 1980s, despite policy restrictions, particularly between China and Taiwan. After the presidential election and consequent political shift in Taiwan in 2008, the discussion on the Bill to allow mainly Chinese students into Taiwan universities, which has been largely neglected in the past, has emerged again in Taiwan's political landscape and public discussion (Lin 2010). Can the European experience of ERASMUS programme provide some useful insights for the cross-straits dialogue? This paper therefore examines the relevance of higher education and academic mobility in regional integration process in the contexts of Europe and China-Taiwan relations.

The European Union and the Shanghai Cooperation Organisation: A Case of Inter-regionalism?

Ivaylo Gatev, University of Nottingham Ningbo China

Regional blocs like the European Union (EU) and the Shanghai Cooperation Organisation (SCO) seek to respond to a range of twenty-first century challenges and opportunities. These relate to extending the scope and efficiency of regional markets, fighting illicit cross-border movements of people and goods, reacting to political instability and the breakdown of law and order, and managing the scarcity of natural resources, among others. Although they are yet to establish formal ties, the potential for cooperation between the two organisations on a range of transboundary issues is enormous. This paper aims to assess the prospects for inter-regional cooperation between the EU and the SCO, with a particular emphasis on transport and energy. It examines the potential drivers and limitations of this cooperation, and argues that cooperative relations between the two blocs would constitute a case of advanced inter-regionalism.