Short Term Policy Brief 23

Chinese Internal Views of the European Union

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Executive Summary

Chinese leaders and officials follow developments in the European Union mainly from the perspective of their possible impact on EU-China relations. Public statements are usually framed in polite diplomatic language and therefore tend to project a positive assessment of the European integration project. They do not necessarily reflect how Chinese leaders or the elite really think about the EU.

China’s leaders value the European Union as a successful example of economic integration and as a project that fosters peace and stability between its Member States. An economically strong European Union that is able to find its way out of the current Euro crisis is important to China out of self-interest: as long as China’s growth path depends in part on exports, Europe will be an indispensable market for Chinese goods.

Chinese leaders and specialists understand the necessity to foster relations with individual Member States. This is seen as a concrete level of economic and other cooperation and is also the level at which China interacts with Europe in international organisations and groupings, like the Security Council of the United Nations or the G20. From the Chinese perspective, there is generally no clear-cut distinction between Europe, European Member States and the EU.

Despite economic, political and ideological friction, the Chinese elite do not perceive the EU as a competitor in geo-strategic terms (unlike the USA). They identify common interests and a wide range of opportunities for cooperation with the EU. However, Chinese expectations that the EU could develop into a counterweight to the USA have been reduced, and not only since the sovereign debt crisis. The Lisbon Treaty is seen as a further step in the direction of a common European identity at the global level, but is yet to prove its actual effect on the EU’s relations with third countries.

The EU and its institutions should try to avoid projecting their own internal views on other countries like China: achievements that are considered major breakthroughs from an EU perspective, e.g. the Lisbon Treaty, will not be noticed and acknowledged by Chinese leaders unless they prove to be relevant for Sino-EU relations.
Main points:

- Chinese leaders tend to comment on the EU only when it has direct relevance to China. However, what Chinese leaders say in public is not necessarily the same as what they really think.
- Chinese (academic) publications and informal meetings are less ‘filtered’ and are thus more informative regarding how members of the Chinese elite really see the EU.
- Chinese views of the EU are often influenced by how Europe is perceived to view China.
- China fosters bilateral relations with many EU Member States. However, both the EU and Europe are very often mentioned as a general framework within which China’s relationships with individual Member States are embedded.
- The entry into force of the Lisbon Treaty and the inception of the European External Action Service are considered steps that could strengthen European identity at the global level. However, it is not seen as a watershed event by Chinese leaders.
- Despite economic, political and ideological friction, the Chinese elite do not perceive the EU as a competitor in geo-strategic terms (unlike the US).
- The possibility of the EU forming a political counterweight to the US is seen as a welcome, but unlikely, possibility.
- The EU and its institutions should try to avoid projecting their own internal views on China. Achievements that are considered major breakthroughs from an EU perspective will not be acknowledged by Chinese leaders unless they prove to be relevant to Sino-EU relations.
Introduction

The vast majority of Chinese leaders’ remarks and comments on the European Union have focused on the relationship between the EU and China. Developments in the EU are usually commented upon when a concrete event takes place, such as meetings with representatives from Europe either in China or in Europe. Only a small number of comments and statements related to the European Union are published when there is no reference to China.

What Chinese leaders say in public – and this is what usually gets reported by the Chinese (and/or Western) media – is not necessarily the same as what they really think. This is particularly the case with regard to meetings with politicians from the EU or its Member States, when statements have gone through the filter of diplomatic language. Thus, such statements tend to reconfirm the importance of the EU, not only as an economic entity, but also as an actor at the global level.

English language articles in the Chinese press are usually published in the context of high-level meetings between Chinese and European politicians and are intended mainly for Western audiences in and outside of China. Occasionally, Chinese leaders place an op-ed on Europe in one of the Western newspapers, which is meant as a direct message to the European public (and politicians). So far, such public ‘admonishment’ of the EU, as seen for example in the article ‘Europe needs to learn learning’ by Chinese Vice-Foreign Minister and former Ambassador to the UK Fu Ying in spring 2011, has been rare.

Chinese (academic) publications and informal meetings are more informative regarding how members of the Chinese elite really see the EU as they usually express Chinese views of the EU in a less ‘filtered’ way. Here, we sometimes see quite a negative view of the EU, although it is important to note that there is not one shared opinion on the EU in China, but different views depending on role and position of individuals and their knowledge of the EU.

The above caveats have to borne in mind when reading the following summary of Chinese views of the EU. This overview is based on official speeches and statements, media coverage, Chinese academic publications and personal conversations in China.

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1 Fu Ying: „Europa muss das Lernen lernen“, Handelsblatt, March 30, 2011.
1. General trends

In part, the ways in which the EU and its Member States are seen by the Chinese elite is a reflection of the way that European media and publics are perceived to view China. This was clearly the case before and during the 2007-2008 Olympic Games, for example. During this period, there was a general feeling in China and among Chinese living in Europe, that ‘the West’ (publics/politicians in the USA and Europe) was neither willing to acknowledge China’s successes in modernisation nor to welcome China as an equal player in international society. This came in reaction to the criticism of China in the run-up to the Olympics: incidents during the torch relay in London and especially Paris, calls from some quarters to boycott the Games, and French President Sarkozy’s announcement (while France had the EU Presidency) that he might not show up for the opening of the Games all influenced how the Chinese elite felt about Europe.

Aside from emotional ups and downs, there are some features that are frequently raised in the Chinese discourse on the EU:

- The EU is the biggest economy in the world;
- The EU is perceived to be a powerhouse of technology and innovation;
- The EU has the potential to become a counterweight to the US in international affairs, but achieving this will require political will. European integration is the best way for enhancing Europe’s international role;
- The Commission is the central negotiating partner for China on trade policy (including anti-dumping cases);
- Individual European states (with the possible exception of Germany) are weak; their strength comes from joint positions and actions;
- Europe as a whole is in decline due to demographic factors and lack of willingness or ability to adapt to globalisation and its speed;
- China needs an economically strong EU and welcomes a politically strong EU, as long as it does not set out to criticise or undermine China’s position and claims.

2. The EU, Europe and EU Member States

Europe (Ouzhou) is used in a broader sense than the European Union (Oumeng) by Chinese politicians and the elite. Europe includes countries like Switzerland or Iceland, and it is also identified with Western history and civilisation. There is admiration for the philosophical traditions of individual European nations. The Ancient Greek philosophers, the Renaissance
Italy, Enlightenment in France, and logic and rational thinking in Germany were, for example, all explicitly mentioned by Chinese Prime Minister Wen Jiabao in October 2010.

Regarding the European Union, its integration as an economic and political space is seen as a necessary way to tackle challenges (like the global financial crisis) and to bring more political weight to the international table. The EU presents the biggest economic entity in the world and as such is an important trading and cooperation partner for China.

Between the EU and China there are many regular high-level and sectoral meetings. However, when Chinese politicians travel to Europe, they usually combine three European countries in one trip and rarely visit Brussels. China is fostering bilateral relations with practically all Member States of the EU because this is seen as important for practical cooperation and investment projects. In this way, China also hopes to gather support from Member States on those issues that must be decided at the EU-level, either in the Commission or in the Council (e.g. lifting the arms embargo). However, very often the EU or Europe is mentioned as a general framework in which China’s relationships with individual Member States are embedded.

Chinese interlocutors usually list the economic and social strengths of each Member State and raise special areas for cooperation with these countries accordingly. The fact that Germany is the strongest economy within the EU and China’s biggest EU trading partner has made its relationship with Germany the most important among the European countries. This has been underlined by the Chinese readiness to accept Berlin’s offer to establish so-called ‘government consultations’ between both countries.

Individual EU Member States are not only important for China as bilateral cooperation partners, but some of the bigger states are also relevant because China frequently has to deal with them (and not with the EU) in international contexts such as the UN Security Council, the G8 plus (Heiligendamm) process or the G20. The fact that larger Member States are not willing to give up their respective countries’ representation within international institutions and groupings in favour of a joint European seat underlines the importance of maintaining and fostering these bilateral relationships for Chinese leaders.

From the Chinese perspective there are advantages and disadvantages in dealing with European Member States that are divided on many issues: on the negative side, it is more complicated, requires more capacity and makes it more difficult to understand the core interests of the Europeans; on the positive side, Member States can be played against each other on issues relevant to China like human rights.
3. The Lisbon Treaty

Chinese observers have closely followed developments within the EU including the Constitutional Treaty, its failing in 2005, the inception of the Lisbon Treaty and its problems during the process of ratification. When the Treaty was finally ratified and entered into force in December 2009 (during the global financial crisis) there was much praise from Chinese politicians. It was seen as a further step in the direction of European integration, but also a result of European Member States’ recognition that the individual states of the EU could only face the crisis together.

The extended European Parliament competencies outlined in the Lisbon Treaty are seen as addressing the EU’s lack of democratic legitimacy with its Member States. However, at the same time, a larger role for the European Parliament is expected to be a complicating factor in China-EU relations as, in the past, the European Parliament has been more outspoken and critical on China than the Commission or the Council Secretariat (as are parliaments in the Member States).

The appointments of Lady Ashton as High Representative of the Union for Foreign Affairs and Security Policy and Herman van Rompuy as President of the European Council were officially welcomed by China but were not commented on (abiding by China’s policy of ‘no interference’ in the affairs of other nations). However, one could sense that these choices were seen by the Chinese side as a sign of Member State reluctance to move in the direction of stronger political union. Nevertheless, the entry into force of the Lisbon Treaty and the inception of the European External Action Service are considered steps that could strengthen European identity at the global level (provided the EU is able to overcome the European sovereign debt crisis).

It would be wrong to assume that the Lisbon Treaty is perceived as a watershed event by Chinese leaders. Officials in European institutions should be careful not to project their own concepts, perceptions and institutional logic on to their external partners: what constitutes a major breakthrough from the European perspective does not necessarily have the same significance from the Chinese side, except if this ‘breakthrough’ also manifests itself in substantive changes in external relations and especially relations with China.

4. The EU as a counterweight to the United States

In many Chinese academic publications, the topic of ‘the EU as a counterweight to the US’ is often discussed. However, politicians and officials are too diplomatic to come out with direct statements on this issue. Nevertheless, whenever Chinese politicians speak of a ‘multipolar
world’, in which several power centres co-exist, this can be viewed as part of the discourse on
the EU as a counterweight to the USA. In 2003, when the USA prepared for the war in Iraq and
EU Member States were divided over whether or not to offer their support, there were many
voices among China’s EU specialists who expressed hope that the EU would develop as an
international actor in its own right. This also has to be understood against the background of
the impending EU enlargement, the Constitutional Treaty and the first European Security
Strategy. The initiative of then French President Chirac and German Chancellor Schroeder to
lift the arms embargo against China was interpreted as a further sign of emancipation from the
USA.

The hope that the EU would develop into a real political counterweight to the US received a
heavy blow when, from the Chinese perspective, the EU was seen to cave under American
pressure and decided not to lift the arms embargo against China in 2004-5. Some Chinese
academics still see this as a European move to try and repair the transatlantic partnership at
the expense of China. Notwithstanding the Lisbon Treaty, the expectation of the EU a coun-
terweight to the USA has mostly disappeared in China. Nevertheless, some experts see the
USA and the EU competing for leadership on certain global issues, for example, climate
change. Moreover, the recent ‘Asian pivot’ launched under US President Obama and predomi-
nantly interpreted as an effort to contain China, makes the EU more attractive as a partner
with whom China has no strategic conflict. From the Chinese perspective, the possibility of the
EU forming a political counterweight to the USA remains a welcome, but unlikely, possibility.

While we can still assume that, until very recently, the EU has been seen at least as an
economic counterweight to the US and as a possible alternative for China in terms of diversify-
ing foreign currency holdings away from the US dollar, the unfolding of the European sovereign
debt crisis has now cast some doubts among Chinese experts and politicians. However,
since the crisis had its origins in the USA and some of the Chinese elite believe that the USA is
in a process of (relative) decline, the EU is still seen as very relevant in the global economy and
as an economic partner.

Even if the EU and its Member States are not able to act as a counterweight to the US, the
most important factor from the Chinese perspective is that they do nothing that is seen to
undermine Chinese interests vis-à-vis China itself (Tibet, Taiwan) and more broadly in the
region.2

2 The USA of course expects the same from the EU, namely that it does nothing to undermine US
interests in the Asia-Pacific region.
5. **The global financial crisis and the European sovereign debt crisis**

The economic (trade, investment) field has dominated Chinese statements on the EU and its Member States for many years, since these issues are the foundation of the partnership. In the last few years, the topic of the global financial crisis and the European debt crisis has been raised frequently in the speeches of Chinese politicians. With regard to the 2008-09 global financial crisis, Chinese officials and leaders have displayed optimism with respect to Europe's ability to solve the crisis. The initial tenor of Chinese statements on the EU during this period was praise for how Europe had grasped the crisis as an opportunity for deeper integration. There was widespread belief that the EU would be able to deal with the crisis effectively and come out of it stronger politically.

However, when the European debt crisis started to affect more and more countries in the Eurozone, Chinese commentators became more focused on the need for political will from members of the Eurozone, in order to address the crises in the Member States. The question mark over whether the Eurozone can overcome the crisis has become a hotly debated issue in China, alongside discussion of the European expectation that China would come to its rescue. The dominance of this topic can be seen in recent newspaper reports as well as the statements of political leaders during visits and meetings.

Statements that underline China's general willingness to help the EU during its crisis and, conversely, those that explain why China's capability (as a developing country) to support the EU is limited, are about even in number. From the Chinese perspective, there is a clear contradiction between, on the one hand, the EU’s appeals to China for help with the Euro crisis when, at the same time, there is debate within the EU concerning the desirability of FDI from China.4

Because of the Euro debt crisis, the EU has lost at least part of its lustre as an economic power and as a model for social security systems. The fact that the EU-China Summit in 2011 had to be postponed due to an emergency EU summit on the Euro, signalled to China the severity of

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3 See Wen Jiabao’s remark during the visit of German Chancellor Angela Merkel in China: “[…] helping to stabilize European markets in fact amounts to helping ourselves.” (Feb. 6, 2012)

4 A similar contradiction is seen in the political field: on the one hand, the EU or some of its members expect China to support sanctions against Iran or North Korea, etc. On the other hand, the EU has so far refused to lift its own sanctions against China, namely the arms embargo. So how can the EU expect China to support sanctioning a third country when China itself is still sanctioned by the EU? Vice-Foreign Minister Fu Ying said about such contradictions: “It reflects the two opposing forces long at work in Europe with respect to developing relations with China: one that promotes cooperation, and the other that spreads doubts and suspicion.” (Speech at Lanting Forum, Dec. 2, 2011)
the sovereign debt crisis. However, most Chinese experts and officials still expect that the EU will be able to overcome the crisis through deeper integration (e.g. fiscal).

6. Conclusion and recommendations

China’s leaders value the European Union as a successful example of economic integration and as a project that fosters peace and stability between its members. China has self-interest in an economically strong European Union that is able to find its way out of the crisis; as long as China’s growth path is in part dependent on exports, Europe will be an indispensable market for Chinese goods. There is still some hope that the Euro might become an alternative to the US dollar; therefore, China is keen to see the EU act swiftly and decisively to overcome the present crisis.

Despite economic, political and ideological friction, the Chinese elite do not perceive the EU as a competitor in geo-strategic terms (unlike the USA). They identify common interests and a wide range of opportunities for cooperation with the EU. Chinese expectations that the EU could develop into a counterweight to the USA have been shattered, and not only since the sovereign debt crisis.

Relationships with individual Member States have always been important and have been carefully cultivated through high-level visits and concrete cooperation projects. Despite a new sense of urgency caused by the EU’s handling of the debt crisis, Chinese leaders still express confidence (or rather calculated optimism/Zweckoptimismus) that the EU will be able to overcome its difficulties. However, for the Chinese elite, global trends confirm a relative loss in the economic and political weight of the West and Europe.

Recommendations:

• The EU and its institutions should try to avoid projecting their own internal logic on to third countries like China. Achievements that appear to be a major breakthrough from the EU perspective, e.g. the Lisbon Treaty, will not be noticed and acknowledged by Chinese leaders, unless they prove to be relevant to Sino-EU relations.
• The EU should address the contradictions identified by Chinese leaders and should come up with a clearer notion of what their objectives and priorities vis-à-vis its relationship with China. For example, the EU needs to debate and express a clear stance on the issue of investments from China to Europe.
• The EU also needs to reflect the fact that China and the USA do not expect it to act against their interests, especially in the Asia-Pacific region, where both countries have strong strategic interests. The EU has strong economic links and, deriving from these, an interest in peace and stability.