



Managing a rising China: European Options

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EUROPEAN OPTIONS, NOT EUROPEAN VIEWS

The European Union's Common Foreign and Security Policy (CFSP) has not attempted to determine a so-called "common strategy" vis à vis China⁽¹⁾, and there exists no top-level European forum to integrate on a continuous basis the various strands – Commission, CFSP, General Affairs Council - of the EU's relations with China. However, this doesn't mean that there are no collective EU standpoints or policies vis à vis specific Chinese initiatives or towards Chinese aspects of the EU's external relations. Thus, the EU's General Affairs Council (i.e. the EU foreign Ministers) has come forward over the years, with broad-ranging statements of policy on China along with reactions to human rights abuses, tension in the Taiwan straits, or incidents in the South China sea. Its latest document contains a substantive and well-argued statement of the policy towards China⁽²⁾. The Commission, most notably via Commissioners such as Christopher Patten (external relations) and M. Pascal Lamy (trade relations), has been key in addressing China in strategic terms as well as responsible for the negotiations leading to China's entry into the World Trade Organisation. The Commission has also produced communications on EU-Chinese relations, the most recent of which (May 2001) was endorsed by the General Affairs Council (GAC) at its 25 June 2001 meeting.

The fact remains that these manifestations of EU policy towards China do not yet amount to a systematic, integrated, permanent, European view on how to manage a rising China. Although this remark can be applied to the EU's foreign relations more generally, with CFSP in particular remaining a relatively weak institution, the disconnect in the case of China is singular in three respects: first, China's intrinsic importance and its growth dynamic are not yet getting a level of attention similar to that devoted to the US, or Russia; second, the EU as such does not have with China as many "power-meeting" obligations and action-forcing opportunities as those it has for example via the G-7/G-8 with the US, Japan and Russia, nor can it work through the UN Security Council in which the EU does not exist as such (with Britain and France generally speaking for themselves). ASEM and ARF are not heavy-weight organisations. Third, the EU has attempted to strategize its relations with Russia (as one of CFSP common strategies); it has not done so with China. However, since 1998, the EU and China hold yearly Summit meetings: the most recently was held in Brussels on 5 September of this year with the Chinese delegation led by Zhu Rongji and the EU represented by Romano Prodi and Guy Verhofstadt, as President of EU Council. The EU Foreign Ministers recently suggested that these Summits take place yearly at the Head of State or Government level, along with lower tier ("Troika" ministerial and political directors level), as well as thematic meetings – on human rights (twice a year with the troika experts) and on arms export policy.

Alongside this limited collective EU-Chinese interaction, we naturally have traditional bilateral relations between individual EU member-states and China, with readily discernible views. The problem is that these views stand in fairly strong contrast from one country to another; and their sum total does not in itself add up to a collective European wide-view. For instance, London during the Eighties and the Nineties organised its relations with Beijing mainly as a function of the Hong Kong issue, and although this singularity has weathered since the 1997 handover, Britain cannot ignore its responsibility as a signatory of the Basic Law. France, for her part, has had a strong economic-military relationship with Taiwan; although this has waned under the Chirac presidency, the Taiwan legacy combined with the human rights activism of French NGOs gives a special flavour to the Paris-Beijing rapport. Germany, which has no P-5 representation in the UN Security Council of the British and French variety, appears to emphasize the economic and commercial content of relations with China. These capsule descriptions oversimplify more complex interactions, and it is also worthwhile to note that the objective disparities between national British, French and German approaches to China are lesser today than they were ten years ago, with the attenuation of London's Hong Kong priority or France's Taiwan connection. Nonetheless, it is fair to say that no straightforward European-scale vision can be deduced from these bilateral relations – not least because these relations are conceived along traditional state – to – state lines (and medium sized European states, rather than an EU-style continental scale entity), conceived without specific regard to collective EU or collective alliance (NATO) interests.

It is also true that nation-states will focus all the more on nation-specific issues (e.g. Hong Kong or Macao) whereas cross-border issues (human rights, non proliferation, WTO...) lend themselves to collective treatment (notably via the GAC, the Commission or the CFSP High Representative).

The challenge for the European is therefore double:

- how to begin defining a collective European interest, and framing a collective European policy to China?
- how to articulate such a European policy with due regard to European-American (and NATO) relations and US interests in East Asia?

CHINESE FUTURES

In approaching these questions, it is necessary to discuss assumptions about the general direction of China's evolution. This, as our American friends know so well, is not the simplest of tasks. This does not make it any less necessary, given the sharp contrast which lies between commonly held assumptions or scenarios concerning China's future.

The first scenario assumes the break-up of China under the combined centrifugal forces of unequal regional development and post-communist political fractiousness. Without entering into a debate on the likelihood of this scenario, suffice it to say here that it would probably be as unreasonable for EU policy (and for US policy) to purport exerting a crucial influence on the corresponding, essentially domestic Chinese forces. A comparison can be made here with the unreasonable Western attempts to try to prevent the implosion of the USSR: in light of the "chicken Kiev" speech of August 1990, it would be unwise to gear Western policy towards China a "Beijing duck" variant. The precedent of the break-up of the USSR in 1991 invites one to be modest vis à vis this type of scenario – and this whether one would wish to obstruct or to favour a Chinese break-up.

The second scenario is one which assumes that China is, willy willy, embarked on the road to regional or global confrontation, a rising China being equated here with the German Empire of William II (seeking "its place in the sun") or with pre-Pearl Harbor Japan. Analyses by Michael Pillsbury or Admiral William

Owens are reflective of this school of thought, with substantial resonance in the new US administration, at least before the 11 September attack. In the Bush campaign's platform, China, as a non-status quo power, was styled as a "strategic competitor", rather than a country with which to build a "strategic partnership" (*à la Clinton*). This scenario is largely equated with the maintenance of the current autocratic regime. However, it could apply to a post-communist democratic, or semi-democratic regime, if the latter were driven by the forces of nationalism. The parallel here would be yet again of a wilhelminian nature, with nationalism being embraced by democratic forces.

The last scenario which could be summarized by the words "The future is not yet written", does not deny the existence of strongly nationalistic, chauvinistic, forces in China (both in the Communist government and in the pro-democracy movement), nor does it turn a blind eye to China's military build-up. But in this scenario, China is seen as being currently amenable to a higher, not a lesser, degree of integration into the international system, becoming in the fullness of time a status quo power. This assumption attributes great value to the forces of international economic modernization ("globalisation") and of political opening, with the EU and the US having a major role to play in edging China away from the shoals of a wilhelminian encirclement complex.

This author shares the view that nothing is - yet - inevitable about China's future strategic options. Such a standpoint appears to be widespread in Europe. It is implicit in recent EU language, notably in the June 25, 2001 General Affairs Council communiqué (see footnote 2); its' corollaries in terms of seeking to integrating China into the international system are explicitly addressed in that document, as they were in the 1998 deliberation of the GAC on China⁽³⁾.

Naturally, and the US case is illustrative here, the "strategic competitor", and the "strategic engagement" templates may co-exist in official policy albeit less than comfortably. What is essential, is that these visions be expressly stated (as they often are in the US), with choices being made as a function of the one which prevails in the body politic at a given time.

The recommendation here to the Europeans is to clearly follow the "future is not yet written" assumption. Not only is there plentiful supporting evidence which allows one to consider that China is most definitely not Germany in July 1914 or Japan in November 1941. If nothing else, China's military power remains comparatively puny: the parallel here would be Germany in the 1880's or Japan in the 1920's. William II had not yet launched his naval challenge to Britain; and Japan had not embarked on its expansion in Manchuria or fully exploited the strategic potential of aircraft carriers: most students of history would not consider that the Guns of August 1914 or the attack on Pearl Harbor were preordained at these stages.

There is another reason for the Europeans to stick to the benign reading of China's evolution: the tools which Europe can bring to bear vis à vis China today, and in the foreseeable future, are those of soft power, of influence and engagement, rather than the forces of hard power with which the US is singularly well endowed in East Asia. The EU has every interest to focus on what it is best equipped to do; and from a US standpoint, there may be advantage in viewing the EU as a "good cop" partner in situations calling for an alternation of coercion and persuasion. Needless to say, neither the checks-and-balances of the US system nor the EU's ramshackle set of institutions lend themselves readily to a deliberate "good cop / bad cop" division of labour in specific contingencies. But given the fact that Europe's views on the management of China haven't taken definitive form, a general US posture positing and accepting a soft-power European emphasis towards China may be a more fruitful approach than one in which the US would simply wish the Europeans to slavishly support every twist and turn of Washington's policy towards Beijing. There will be no consensus in Europe to systematically defer to the US: for instance, the Europeans will not provide political support to Washington against China on the issue of missile defence if the US withdraws unilaterally from the ABM treaty; nor will they follow the US when the latter rejects, in China's company, multilateral initiatives such as the International Criminal Court or the Additional Protocol on the Verification of the Biology Warfare Treaty.

DEFINING EUROPEAN OBJECTIVES: NON-INSTRUMENTALISATION, ENGAGEMENT, AVOIDING THE RISK OF CREATING A STRATEGIC COMPETITION, RULE OF LAW

Non instrumentalisation

Appealing for a benign, or moderate, interpretation of China's strategic evolution as a basis for Europe's approach should not be taken too far: European views towards China should also take into account the asymmetry of interests which exist between the US and the EU when it comes to relations with China. Such an acknowledgement is necessary if one is to reduce the risks of instrumentalisation of European policies and interests by China.

Indeed, however important China may become on the global scene, its evolution will presumably continue to be of greater direct importance to the US than to Europe. This asymmetrical situation is due much more to strategic than to economic factors (in 2000, the EU's trade with China reached • 95 billion, whereas America's trade with China was of some \$ 116 billion). The US has played, and continues to play, a key stabilizing role in East Asia. If strategic competition between China, Japan, Russia, the Koreas and others has remained under control in East Asia during the post-Cold War era, this is largely due to the US military and political investment in the region since the Second World War. The world, including Europe, benefits substantially from this commitment, with the US carrying here a burden and running risks which the Europeans are hardly a party to in military terms.

This is no fault of the Europeans who have not been "invited to the party" as it were: but the Europeans should take this asymmetry into account, and draw the consequences flowing from the fact that East Asian affairs figure lower in the hierarchy of European priorities than they do in those of the US. The Europeans thus have reason to place a particular emphasis on the preservation of the overall transatlantic relationship, rather than to give the priority to highlighting, and acting upon, differences of opinion or interest with the US related to Chinese affairs. Such a standpoint would lead to a European refusal to be instrumentalized by China in the missile defence debate with the US, let alone attempt to prod China into a higher degree of confrontation with the US. Naturally, these recommendations do not imply that the Europeans should or will endorse a unilateral US pullout from the ABM treaty. Simply, the recommendation is one of avoidance of collusion, or the appearance of collusion with China on issues which are of paramount importance to the US and of lesser importance to Europe.

Such a *Realpolitik* calculation has not always prevailed: some European countries ran the risk of such an instrumentalisation, or at least of its perception, notably in the early stages of the current ABM debate, when the issue came up for discussion at the UN General Assembly in the autumn of 1999. At a higher level of strategy, a similar risk of instrumentalisation is present in some European calls for a "multipolar world": counterbalancing US hegemony ceases to be a reasonable objective if the policy disregards the difference of nature between value systems and the strategic interests of China on the one hand, the EU on the other.

Handling the risk of instrumentalisation will be severely complicated if the US, or at least, parts of the US body politic, appear to accept to run the "instrumentalization game" for its own account: the Europeans will obviously be all the readier to succumb to Chinese blandishments in favour of tangible and substantial trade concessions (e.g. the purchase of Airbus aircraft) as a quid pro quo for leaning politically towards Beijing, if at the same time, intense lobbying by similar US interests (e.g. Boeing) sustained by heavyweights of the Kissinger category, is perceived as influencing US policy. In other words, the US may have a strong basis for expecting European recognition of its lead role in East Asian security affairs – but this claim does not give the US unlimited credit to do with China what it wouldn't wish the Europeans to do.

Engagement

The second basic European objective flows from what has been written earlier about the Chinese future not having been written, i.e. pressing for greater Chinese integration in world affairs. On a topic such as membership of the WTO, the Europeans had reason to consistently seek an outcome leading to greater Chinese participation in – and a greater Chinese stake in the harmonious functioning of – the international system. Promoting Chinese membership of the G-7 / G-8 (as Chancellor Schroeder did during his 1999 visit to China) partakes of the same spirit. This does not mean that the EU shouldn't be defending its specific interest with the requisite toughness (as was done in the case of WTO membership), nor that it should tone down its defence of basic principles, notably in terms of human rights (of which more below): simply, that no opportunity should be lost in helping steer China towards inclusion in the international system. In the short run, this needs to be done with not only an eye on the current Chinese leadership, which cares little for human rights, as befits an archeo-communist autocracy, but which has at least the advantage of being susceptible to a traditional, kisserian or bismarckian, type of Realpolitik, with its cold-headed give-and-take. We also have to take into account the impact of our policies on the non-communist political forces present in China: these are largely democratic, but they also happen to be, in no small measure, intensely nationalistic, sometimes more so than the current leadership. This nationalism no doubt has a tactical aspect, as a means to embarrass or outflank the incumbent partitocracy; but it would be imprudent to discount it as being purely tactical. In some ways parts of the Chinese pro-democracy movement are reminiscent of XIXth century German liberalism, i.e. both democratic and chauvinistic, with the democratic strain eventually being marginalized by the nationalistic trend.

In terms of EU-Chinese relations, it therefore makes sense to avoid inflaming the nationalistic element: acknowledging China's legitimate aspirations (e.g. organising the Olympics) is one way to – hopefully – defuse the forces of nationalism, fuelled by the legacy of two centuries of Chinese humiliation at the hands of the West, Japan and the USSR. The Europeans are well advised not to underestimate the legacy of the “unequal treaties” which the forces of European imperialism inflicted on China. The British Opium War of 1839-1842, the French sacking of the Summer Palace near Beijing in 1860, the German-led multinational force which suppressed the Boxer rebellion in 1900-01: these and other manifestations of the age of Western imperialism have understandably left a deep imprint. If Chinese forces had looted Versailles, imposed the importation of hard drugs in London, or marched down the Kurfürstendamm, a century ago, would we have forgotten?

Avoidance of strategic competition

Strategic competition is not a clear and present feature in European-Chinese relations. Yet the risk of such a competition could emerge rapidly if the newfound rapprochement between Russia and the West (and notably with the US and NATO) were mishandled. In June, July and August 2001, signals began to fly between President Putin on the one hand, and foreign partners (President Bush, Chancellor Schröder) as to the possibility of an opening of NATO to Russia. Although these signals remained tentative, and sometimes contradictory (with Sergei Ivanov usually speaking shortly after Vladimir Putin along “we'll never join NATO” lines), they showed that Moscow had moved considerably closer to the West since the frosty days of the Kosovo war. After September 11, Putin's rapprochement has become evident and unambiguous. Although, it remains to be seen whether Russia will really want to join NATO and whether NATO is really ready for such a momentous move, the issue no longer belongs to the fringes of “*politique fiction*”. If the answers to these two questions are positive, then the Chinese factor becomes of prime importance.

Notwithstanding Russia's friendship treaty with China signed early this year, China is seen by the Russian President as one of Russia's two main strategic risks (the first being Islamic fanaticism), according to Peggy Noonan's rendering of President Bush's account of the Ljubljana meeting with Putin last June. In

effect, if Russia moves towards NATO, Europe will have a keen interest in avoiding that a security-enhancing process (bringing Russia into the family of Western nations) turn into a security-reduction process, by inflaming relations between Moscow and Beijing. Absent obstreperous Chinese behaviour, Europe and Russia, and presumably the US, will wish to reassure the Chinese that the Washington treaty, and notably article V, will not become a war-machine pre-emptively focussed against them. This is not going to be as easy as it may sound. Not only has article V been invoked on 12 September, making it “real”; more ominously, we have the precedent of Russia itself which has had enormous difficulties in admitting that NATO enlargement to the Central European countries was not directed against its security interests. NATO has a convincing case concerning possible Chinese fears about article V – after all, the article is aimed at acts of aggression, not against pre-determined countries – it will require considerably diplomatic skill to convince the Chinese, and thus avoid the emergence of a self-fulfilling prophecy of an open strategic competition between NATO and China.

Rule of law

The last general European objective, closely linked to the preceding one, is to promote the respect of international standards by China. “International standards” here does not simply apply to the legal regime ensuring westphalian-type state sovereignty (something which China is inordinately keen on), but also the respect of international rules governing human rights, from the “*droit des gens*” of centuries past to the widespread modern recognition that human rights within a state are not solely a concern of that state but are a legitimate concern of the international community at large. Here, several problems are encountered. One is the potential trade-off between an assertive policy directed at China’s multifarious abuse of human rights, and the pursuit of other interests, whether crass or noble, from lucrative aerospace contracts to the improvement of Chinese behaviour in the field of non-proliferation. However, these trade-offs should not be exaggerated: if the EU as a whole, preferably in concert with the US, emphasizes human rights, there aren’t too many places Beijing can turn to in search of alternative solutions to, for example, Airbus and Boeing. The EU’s polyarchic nature also lends itself to an intra-European division of labour in terms of relations with China: specific commercial contracts will be discussed bilaterally, whereas individual member states can “hide” behind the collective EU persona when it comes to human rights. However academic official EU-Chinese exchanges on human rights may be since they began in 1997, the fact is that they exist.

Experience also demonstrates that China, in true *Realpolitik* fashion, does not actually exercise massive reprisals in case of pressure in the field of domestic human rights: Beijing reserves that option to what it sees as infringements of what it considers as a truly vital interest, i.e. the fate of Taiwan. The Netherlands in the Eighties, France in the Nineties, suffered substantial diplomatic and economic penalties in their relations with China for having sold arms to Taiwan; similarly, China appeared to threaten to misbehave in the field of non-proliferation after the recent US decisions in favour of Taiwanese arms modernisation. Such tit-for-tats were not wielded to the same degree in the case of human rights initiatives by the West (e.g. in the UN Commission on Human rights or subsequent to the Tien Anmen massacre).

A related, more severe, problem concerns the balance which needs to be struck between the pursuit of global objectives on one hand, regional aims on the other. EU members, and the US, know that there is a real trade-off between the pursuit of regional objectives (e.g. selling arms to Taiwan for financial, political or strategic reasons) and China’s international behaviour. Without pursuing the matter further here, it is worth noting that in this field as in others the Europeans and the Americans can attempt to work out a broad division of labour: the US provides the hard security guarantee to Taiwan (which the EU is incapable of doing in any case) along with the lucrative weapons sales to that island, while the EU avoids the profits and the risks of high-profile participation in the “Taiwan stakes”, and puts the emphasis on China’s extra-regional conduct. Such a scheme supposes however that the Europeans are ready to express themselves vocally, and to apply political or even targeted economic pressure on China, if the Chinese are visibly flouting their legal (NPT, CWC) or political (missile proliferation) global commitments.

A related, and not minor, problem is that all too often, China and the US, along with countries such as Iran or Iraq, have found themselves on the same side of the divide when it comes to rejecting the elaboration or the rule of post-westphalian international norms: i.e. the non-ratification of the treaty establishing an International Criminal Court or of the treaty banning anti-personnel landmines; or the refusal to finalise the protocol providing for the verification of the ban of the production of biological weapons; the refusal to play a constructive role in the negotiations concerning small arms. The EU finds itself at loggerheads with the US as well as with China on such issues. A reversion to the pre-September 11 American drift from new multilateral legal commitments could well have a substantive effect on the manner in which the US and the EU interact on the management of China. For there lies here a risk of a reverse asymmetry of interest: the EU's members are all middle-sized or small powers and the EU itself is as yet only a virtual great power. Hence, the Europeans seek safety and influence through the establishment of global standards. There is a general European consensus (shared by the industrialised democracies of Asia-Oceania, plus Canada), that multilaterally enshrined norms are a fundamental interest of theirs coinciding with their shared set of values (herein lies a basic difference with post-metternichian calls for a non-value based "multipolar world").

A US return to the pre-September 11 unilateralist trend would make it immeasurably more difficult for the EU and the US to avoid working at cross-purposes in managing a rising China.

A TWO-WAY STREET?

This paper is built on a number of premises, one being that it is in the common US and EU interest that peace and security continue to prevail in East Asia, another being that the US bears a particular responsibility, and can therefore claim a particular authority, in the corresponding efforts.

Furthermore, it is clear that the EU is not in any sort of position to challenge that US role: the EU knows it (even if some of its members are sometimes tempted to forget it). The US knows it – as does China. Yet, the management of a rising China by the US would be substantially impaired by an EU working at cross-purposes: an uncooperative EU, as the world's largest trading bloc and as a nascent financial world power, could give China strategic margin of manoeuvre. And a systematic US-EU disconnect over China would undermine the bases of the transatlantic relationship, which remains the most stable and substantial pivot of global governance.

Therefore, it is also important for the US to view the relationship regarding China with the EU as a two-way street, implying first that the topic calls for a specific focus, and second that existence of inevitable and legitimate as well as (possibly beneficial) nuances.

To my knowledge, there has been little official focus in Europe on the EU-US connection towards China. Conversely, in recent months, there has been a US interest on this score, both at the official (e.g. DoD) and foundation levels. Beside substantial track 2 activity, there is some dialogue at nation-to-nation level, but apparently more in a ministry-to-ministry mode than in a broader interagency relationship; these dialogues do not appear to be particularly sustained or systematic: they should become so. The dialogue should be extended to the collective, CFSP, level of EU governance, and eventually brought to the EU-US summit table. Here the shoe is not simply on the US foot: the Europeans obviously have to get themselves into some sort of array, broadening the EU horizon which is largely limited to greater Europe and its "near abroad" (Russia, Africa, the Middle East). "Common strategies" should extend further afield.

The recognition of legitimate, and in this author's view, beneficial, nuances between the US and the EU implies a four-way compromise:

- the Europeans make it clear that they will eschew the temptation of instrumentalisation of the EU-China relationship, in order not to hamper US security policy vis à vis China, insofar that the US exercises similar restraint in non-security affairs;
- the Americans take on board the very substantial risks entailed by appearing to line up with China in a joint refusal the efforts of European and of other democracies to promote a greater rule of international standards through multilateral commitments;
- the Americans and the Europeans together decide to play to their respective strengths, with Europe playing a prominent role in helping anchor China into the international system.
- the possible opening of NATO to Russian membership should be dealt with jointly by the US and Europe – and obviously with Russia – with a view of avoiding the appearance as well as the reality of having the article V treaty commitment be seen by Beijing as directed against itself. Article V, as the September 11 events demonstrated, is directed at acts of aggression, not turned against a pre-determined adversary.

These recommendations are couched here in the most general terms: this is not for lack of wishing to enter into specifics, but simply because the EU as such, and the EU and the US together, have hardly even reached the stage where they are beginning to address the elementary aspects of an EU/US coordination towards a rising China.

There are reasons which explain this state of affairs: the fact that the EU remains very much a “works in progress” (and sometimes a “crisis in progress”) being one of them. But they do not justify continued abstention and inaction.

NOTES

⁽¹⁾ “common strategies”, as defined by the Amsterdam treaty of European Union are the result of a unanimous decision of the European Council in the fields where member states have “important common interests”. Russia, Ukraine, the Balkans and the Mediterranean are the four areas in which such strategies are being prepared or have already been decided upon (Russia, Ukraine).

⁽²⁾ See General Affairs Council, session 2362, Brussels, 25 June 2001. Press 250 n°10228/01. There are also occasional references to specific Chinese human rights abuses in statements by the European Council (Heads of State and Government)

⁽³⁾ See General Affairs Council session n°2111, Luxembourg, 29 June 1998. Press 227 n°9730/98