



PRESS RELEASE

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New CER pamphlet

Can Europe and China shape a new world order?

by Charles Grant with Katinka Barysch

A new world order is emerging, with multiple centres of power. But will this order be multilateral, with governments accepting global rules and institutions? Or will the strongest states assert their interests unilaterally, without regard to international law? Will this be a system in which all great powers can work together or where they group into rivalling camps?

The relationship between the EU and China could help to determine the outcome. If the Europeans can persuade China that multilateralism serves its interests, the international system may tilt towards co-operation rather than competition. The EU is in a stronger position to convince China than the US, which has at times ignored international rules and institutions. But the EU must do more: it needs to use its day-to-day relationship with China to demonstrate that multilateralism works.

Charles Grant and Katinka Barysch therefore argue that the EU and China should build a genuine strategic partnership focused on those global issues that matter to both sides, and that are best addressed through multilateral efforts: climate change, nuclear proliferation, Africa and maintaining an open system of trade and investment.

Beijing and Brussels currently focus most of their attention on their burgeoning trade and investment ties. But economic relations risk turning sour, as the EU-China trade deficit threatens to surpass the US-China one. The EU is right to complain about China's protectionism, its disregard for intellectual property and its rigid currency policy. But rather than engaging in bilateral arms-twisting, the EU should, wherever possible, use multilateral forums such as the WTO or an enlarged G8 to resolve such issues.

In the medium term, the fight against climate change is the area where there is most potential for EU-China co-operation, but also where the risk of serious friction is highest. China is the world's biggest emitter of greenhouse gases. Its participation is therefore essential to whatever system replaces the Kyoto protocol. European calls for Beijing to accept emission limits need to be backed by large-scale transfer of green technology. But if Beijing refuses to join a post-Kyoto regime, the EU might impose 'carbon tariffs' on Chinese imports.

Notes for editors:

1. Charles Grant is director and Katinka Barysch is deputy director of the Centre for European Reform.
2. For media enquiries, please contact the authors on either +44 20 7233 1199, or via email at charles@cer.org.uk and katinka@cer.org.uk.
3. The electronic version of this paper is available free from the CER website (www.cer.org.uk). Hard copies can also be purchased via the site or by contacting Kate Meakins at kate@cer.org.uk or on +44 20 7233 1199.

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