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A Study of EU-China relation

EU-China Relations after China's WTO Entrance in 2001

Does the EU need a new China-Policy?

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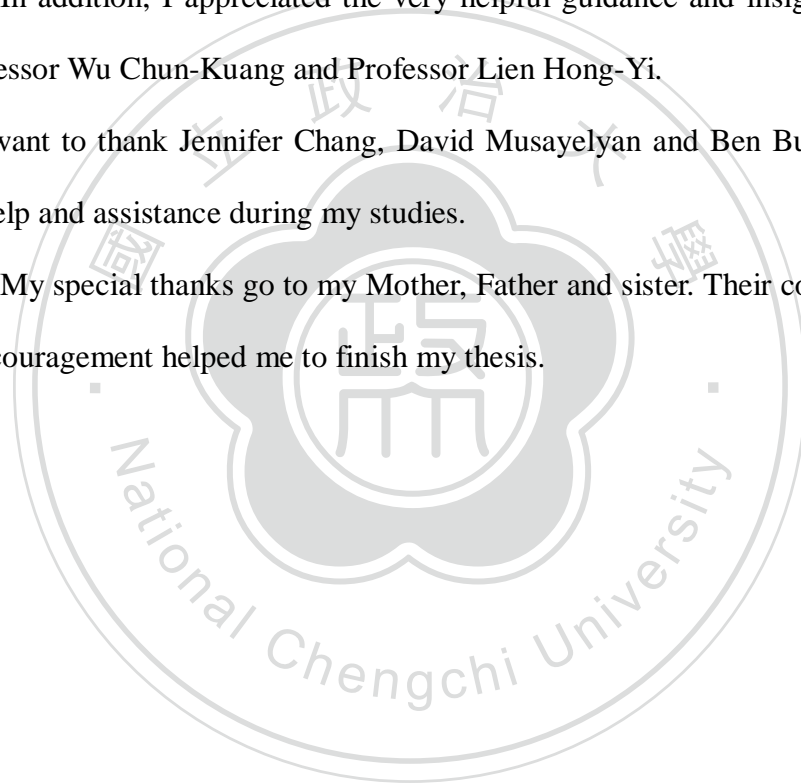
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Abstract

China's rise is the most important change in our time. China with a population of 1.3 billion, annual economic growth rates above 10 percent and a successful economic transition has become the second biggest economic power worldwide. Since its economic opening, initiated by Deng Xiaoping in 1978, China has gradually opened itself, welcomed international investors for Foreign Direct Investment and advocated international multilateralism. At the same time, China has successfully secured its own interests. Beijing has, while keeping its currency artificially low, implemented several economic and trade policies, which mostly benefit Chinese companies. At the same time, China reacts highly sensitive to interference in internal affairs and even punishes states, which are too critical of the Chinese government. China's new, strong role has also transformed the unipolar international system, which was dominated by the United States after the end of the Cold War, towards a multipolar system. Many actors see themselves within a rapidly changing international system and are forced to react to the environment and conduct appropriate foreign policies towards China.

This paper discusses EU-China relations from 2001 to 2009 and examines EU's foreign policy towards China. The purpose of this study is to determine the weakness of Brussels' China policy and to answer the question of whether or not the EU needs to adjust its policy in order to create a more thorough stance towards China.

Keywords: EU, China, foreign policy, EU-China relations, economic rise

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1. Introduction

1.1. Importance and Purpose of Study

China's economic rise is the epochal change in our time. With annual economic growth rates of 10 percent over the past 40 years, the country with a population of 1.3 billion has advanced to become the second biggest economic power, and leading export nation. China was in the 1970s, still an economy under autarky conditions, it is now the central industrial workshop of the world. Both, China's process of industrialization and the transformation from a socialist planned economy to a capitalist market economy were successfully.

The Middle Kingdom has managed many different development stages, such as modernization of its agriculture, opening the country to trade and foreign direct investment, privatization of state-owned enterprises, the establishment of an efficient infrastructure, reform of the financial sector, the growth of its exports, the development of the domestic provinces and the strengthening of rule of law, improvements of government administration, macroeconomic control and public services.¹ The number of absolute poor in China has declined significantly as part of that process. The World Bank estimates, that around 407 million people have emerged from the absolute poor to the

¹ Andrew J. Nathan and Tianjian Shi, *China's Transition* (New York Columbia University Press 1999), 336, Doug Guthrie, *China and Globalization: The Social, Economic and Political Transformation of Chinese Society* (New York and London Global Realities, 2008), 44.

growing middle class – and that in less than 15 years (from 1990 to 2004)². China's dynamic development is also reflected in the global financial and economic crisis in 2007-2009 –as well as in the Asian crisis of 1997/98 – when the Chinese economy deflected the crises.³ During the crisis in 2009, among the world's largest economic powers, only China was able to make substantial contribution to world economic growth.⁴

China's rapid rise, resurgence of its old size⁵ and its international integration is, given the scale of the country, the historical challenge of our time. Due to the size of the country, China's economic growth has immediate consequences for international politics, foreign relations, world trade, the global investment and capital traffic.

While China's economic rise – beyond frictions and the effects of worldwide redistribution - has created an overall economic win-win situation, the political rise of the country is ambivalent to assess. First of all, affected by the People's Republic's increase of power, both the United States, whose hegemonic role is threatened, as well as Europe, are threatened to be marginalized or at least forced to give up influence and power. In matters of global governance China is now an actor who competes with the EU, therefore the idea of a G2, consisting of the United States and China, attracts certain attention among pragmatic-realist circles in Washington.

A lot of attention has been paid to how Washington is reacting to the PRC's growing economy and political influence; however, it seems that the relation between the

² Shaohua Chen and Martin Ravallion, "The Developing World Is Poorer Than We Thought, but No Less Successful in the Fight Against Poverty" *The Quarterly Journal of Economics*, MIT Press, vol. 125(4), (2010): 1577-1625.

³ Peter Nolan "China in the Asian Financial Crisis," (Cambridge: University of Cambridge 2004): 300.

⁴ Fan Junmei "Experts: China little affected by US financial crisis" *China.org.cn*, (September, 19.2009), accessed July, 01. 2012, http://www.china.org.cn/business/news/2008-09/19/content_16504424.htm.

⁵ The economist Angus Maddison calculated that China contributed in 1820 one third to the World GDP. Angus Maddison, "Chinese Economic Performance in the Long-Run," Paris: OECD Development Centre, (1998).

European Union and China has been rather neglected by the academic world. The bilateral relations of different European countries towards China have been especially neglected.⁶ EU's economic power and Soft Power and China's rapidly rising political and economic power are strong reasons to take a thorough look at the interactions of the two actors. Even though the Washington – Beijing relations are comparatively much more dynamic and controversial, but taken in mind, that the European Union is the largest economy worldwide and thus, arguably the strongest economic player,⁷ China and its huge population of 1,3 billion citizens means chances for cooperation as well as risks for conflicts. In the last 20 years trade between the two global actors has developed impressively.⁸ Both, EU and China, have keen interests to establish close and stable relations. In other words, China's miracle-like economic growth and strengthening economic, political and military power implies great opportunities and risks. Only a strong and comprehensive foreign policy of the EU is able to manage the deepening relations and secure EU's interests.

However since its establishment, the EU has been scrambling to build an effective, democratic and consistent foreign policy which enables the EU to deal in world politics. In 2003 the EU Commission published the main objectives of the EU's China-policy⁹:

⁶ Eberhard Sandschneider, "China's Diplomatic Relations with the States of Europe", *The China Quarterly*, 169: 33-44. (2002): 33.

⁷ According to the World Bank and the CIA Factbook, the European Union has been over the past two centuries the biggest economy. World Bank <https://www.cia.gov/library/publications/the-world-factbook/fields/2195.html>, CIA Factbook <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries>.

⁸ Josh Fineman and Alexis Leonidis, "Europe Overtakes North America as World's Wealthiest", *Bloomberg*, (September 15, 2009), accessed July 1, 2012, <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aL5a46f2RjVA>.

⁹ European Commission, "A maturing partnership - shared interests and challenges in EU-China relations and the Chinese government," (August 9.2003), accessed July 1.2012, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2000:0552:FIN:EN:PDF>.

The main goals of its policy is to assist the PRC's economic opening and governance and the EU aims at assisting China's transition to an open economy and a society based on the rule of law and the respect for human rights.

The most important part of the bilateral relations between the EU and China relations has been trade. China is Europe's second biggest trading partner (after the United States) and bilateral trade is accelerating even further. After China's opening under Deng Xiaoping, a growing number of European companies, mainly from Germany, France or the UK have been active in China since the late 1990s. Through investing in Chinese factories and pursuing technology transfer, western companies are assisting China in developing their country and helping to pursue an economic transformation. Moreover, the political relations between the Brussels and Beijing have been improving as well since 2001. The most important factor for this development was certainly the "US factor". Georg W. Bush's "War on Terror" and his invasion of Iraq led to alienation between the "old continent" and the Washington. The German chancellor Gerhard Schröder (1998 – 2005) and the France's President Jacques Chirac (1995 - 2007) were the strongest opponents against the Bush administration's "War On Terror". The disagreement damaged the relationship between the EU and Washington, and let Brussels balanced towards other states, especially towards the PRC.¹⁰ It is not surprising that the period from 2003 to 2004 has been described as a "honeymoon" between the EU and China.¹¹ Furthermore polls among Chinese indicate that Chinese citizens had a very positive view of the EU. During that time a long list of mutual high level visits in China and the EU signalize the warm relations between the two on all levels. In 2003 Brussels

¹⁰ CNN, "China adds voice to Iraq war doubts", (January 23, 2003), accessed July 1. 2012, <http://edition.cnn.com/2003/WORLD/asiapcf/east/01/23/sprj.irq.china/index.html>.

¹¹ Zhu Liqun "Chinese perceptions of the EU and the China-Europe relationship", in *China-Europe Relations: Perceptions, Policies and Projects*, ed. David Shambaugh, Eberhard Sandschneider and Zhou Hong, (Londong and New York: Routledge, 2008): 43.

and Beijing published a new political agenda, which strengthened closer ties between the two players and facilitated a comprehensive framework of bilateral relations (European Commission (2003): “A maturing partnership - shared interests and challenges in EU-China relations” and the Chinese government (2003): “China’s EU policy paper”).

However during the year of 2005 the relations between Brussels and Beijing cooled down significantly. One of the reasons was a rising trade deficit of the EU and pressing issues, such as granting China a market economy status, several anti-dumping cases in the WTO¹² China has been pursuing an economic transformation from an export-oriented economy towards a more economic structure, which is mainly focused on high quality, high technology goods, produced for its own market. For reaching this long-term goal of economic transition, China is more in need for foreign technology and knowhow and Beijing has, while keeping its currency artificially low, implemented several economic and trade policies which for instance forces foreign companies to build-up joint-ventures with Chinese companies, and to open-up there technology and prohibit them to transfer their profits back to their headquarters. As the European Union institution, EUBusiness, states “Growing nationalism and lobbying by local firms is making China more protectionist and hostile towards foreign firms.”¹ While the trade volume has been rising annually, so has the trade deficit. In 2009, imports from China were 215 billion Euros; Exports were only 80 billion, which is approximately a trade deficit of more than 130 billion Euros. And the gap is rising year by year. The same negative trend can be observed when looking at FDI. In 2009, European companies invested more than 5.3 billion Euros, however the inflow of Chinese investments was only 0,3 billion Euros. This trend has created huge concerns among the EU and its member states. It was just last year that German top managers from the two biggest investors in China (Siemens and BASF)

¹² David Barboza and Paul Meller, “China to Limit Textile Exports to Europe,” *New York Times* (June 11 2005), accessed July 1. 2012, <http://www.nytimes.com/2005/06/11/business/worldbusiness/11textile.html>.

have for the first time articulated their concerns about China's trade policies.¹³ Interestingly enough, immediately after the meeting, Wen JiaBao, the Chinese Premier, denied all accusations by the German delegation and stated that the remarks by the German managers "... not exactly correspond to our views of a partnership"³ During the last EU-China summit in October 2010, European politicians were eager to address their complaints again and try to persuade their Chinese counterparts to stop pressing down the Chinese currency Yuan, but all demands by the EU were blocked by Beijing's officials. Policymakers in Brussels seem to be disillusioned about the extent and speed at which the expected convergence of the Chinese economic system with Western market economies is taking place. In 2007, warned the former EU Trade Commissioner, Peter Mandelson, that the trade relations with China would be "at the crossroads".

However, not only did the EU face difficulties in pursuing its economic interests, but starting 2005 several political conflicts came up, which further pressured bilateral relations. Most importantly China has been increasingly putting pressure on the EU to abolish its weapon embargo. The embargo was imposed on China after the Tiananmen Square Incident of 1989.¹⁴ Already in 2004, on the height of bilateral relations, China was very close to successfully talking the EU and its member states into an abolishment of the weapon embargo, only a severe interference of the United States, which has an immense interest in a continued embargo, prevented it.¹⁵ After China was not able to push the EU to lift the arms embargo, it changed its approach in response and moved its efforts away from EU institutions, especially EU Commission, and put more pressure to

¹³ Euobserver, "German business chiefs criticize China", (July 19.2010), accessed July 1. 2012, <http://euobserver.com/884/30499>.

¹⁴ Gudrun Wacker, "Lifting the EU arms embargo against China U.S. and EU positions," German Institute for International and Security Studies, (February 2005), 13, accessed July 1. 2012, http://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/2005_02Wkr_eu_embargo_ks.pdf.

¹⁵ Ibid., 14.

the key member states.¹⁶ As a result several EU countries, most importantly France, Germany and Spain, agreed to vote for a lifting of the embargo the lobbying of Chinese delegates. However despite convincing several EU member states, China could build up a majority inside the EU and a final decision of the EU has been delayed.¹⁷

The above mentioned problems between the players showcase the inability of the EU to pursue its own interests. Several EU-experts, politicians and think tanks have fiercely criticized EU's weak policy.¹⁸ Very intriguing is that the pan-European think tank, European Council on Foreign Relations, annually publishes the "European Foreign Policy Scorecard" in which the researchers examine and discuss EU's foreign policy towards other important countries. EU's policy towards China has been disapproved several times and granted with a low grade of "C+" or "C".¹⁹

This paper aims to contribute on European foreign and security policy applying a multilevel model which takes all factors, which are influencing the EU's foreign policy, into account. The main purpose of this study is to explore if the EU's foreign policy has

¹⁶ William A. Callahan, "Future imperfect: The European Union's encounter with China (and the United States)," *Journal of Strategic Studies*, Volume 30, Issue 4-5, (2007): 777-807.

¹⁷ Andrew Retman, "EU to keep China arms embargo despite massive investments," *euobserver*, January 05.2011, accessed July 1. 2012, <http://euobserver.com/884/31592>, Euronews, "Reservations remain on lifting EU's China arms embargo," (February 05.2011) accessed July 1. 2012, <http://www.euronews.net/2011/01/05/reservations-remain-on-lifting-eu-s-china-arms-embargo/>.

¹⁸ Hans G. Hilpert, *Strategischer Wirtschaftsdialog der EU mit China*, SWP-Aktuell, 43, 1-4 (May 2008), accessed July 1.2012. http://www.swp-berlin.org/fileadmin/contents/products/aktuell/2008A43_hlp_ks.pdf, François Godement Jonas Parello-Plesner, et al., "The Scramble For Europe," European Council on Foreign Relations, (July 2011), accessed July 1 2012 http://www.ecfr.eu/page/-/ECFR37_Scramble_For_Europe_AW_v4.pdf, Katinka Barysch and Charles Gran, et al., "Embracing the dragon The EU's partnership with China," *Center for European Reform*, (May 2005), 18.

¹⁹ The European Council on Foreign Relations China Overall grade C+ http://www.ecfr.eu/page/-/ECFR29_2010_SCORECARD_CHINA.pdf, The European Council on Foreign Relations, EUROPEAN FOREIGN POLICY SCORECARD 2012 http://www.ecfr.eu/page/-/ECFR_SCORECARD_2012_WEB.pdf.

failed to reach the main objectives of its China-policy and if there needs to be a new policy towards Beijing. The timeframe of this paper is from 2001 when China became a member of the World Trade Organization (WTO) and finally entered the international world stage fully, and ends in 2009 with the beginning of the European sovereign debt crisis.

The second main purpose of this study is to determine the main factors involved. The following purpose is to explain how these factors are influencing EU's China policy. The last purpose of this study is to explain why these factors lead to an ineffectiveness of the EU's China policy. This study will mainly focus on the bilateral relations between the EU and China. Only in chapter 3, where the impact of the United States on EU-China relations is discussed, the role of other actors is neglected. It is argued that other powerful states, such as Russia have a weak influence on EU-China relations during the discussed time frame of 2001-2009.

The main question can be divided in hypothesized proposition and several sub-questions. The Hypothesized propositions are as followed:

1. What characterizes the EU foreign policy towards China?
2. In which way do the EU Member States weaken a coherent common foreign policy of the EU?
3. How do the United States influence Brussels's foreign policy towards China?
4. How is China approaching the EU?
5. How do the "The Big Three" (Germany, France, UK) and their national policies influence EU's China policy.

In this study it is hypothesized that the EU's China-policy is insufficient since China's WTO accession. This hypothesis can be further developed into the following logically consequential sub-propositions:

1. The EU has adopted a rather weak foreign policy towards China.

European Member States believe that China's peaceful rise as the most likely result of the country's transition. They argue that Beijing has been incrementally integrated into the major multilateral organizations. This view is rooted in the European experience of economic integration, the support of democracy and regional integration. Traditionally European Member States support the idea that the democratization process in China can be promoted by engaging China. Because of a less security commitments in East Asia (Taiwan or Japan), the EU has been much more willing to strengthen economic interactions and generally engage with China. One part of this engagement is the idea, that through political dialogue China can be familiarized with international standards and behavior and finally is a responsible member of the international community. In an open world economy newly-rising economic powers have been relentless agents of structural change. As they moved into manufacturing they quickly took over low- tech, labor intensive manufacturing, climbing the technology ladder more or less quickly. After a devastating World War II, European countries' fast economic recovery and the two war-losers Germany and Japan were successfully integrated into a stable international system. The two scholars John Fox and François Godement used the term "unconditional engagement" to describe EU's policy towards China. According to them

“... the EU’s China policy is based on an anachronistic belief that China, under the influence of European engagement, will liberalize its economy, improve the rule of law and democratize its politics”. The underlying idea is that engagement with China is positive in itself and should not be conditional on any specific Chinese behavior.”²⁰

The term “unconditional engagement” was introduced by Constantine C. Menges, when he described US foreign policy towards China. He wrote the opposite of unconditional engagement

“... is not isolation, but rather a policy of realistic engagement. This would use the enormous economic benefits accruing to China from trade with the US as an incentive for its acting peacefully and cooperatively internationally and it’s complying domestically with the human rights commitments China has freely assumed.”²¹

Applying the term of unconditional engagement Fox and Godement criticize EU politicians that the theory that economic development and economic exchanges between the West and China will establish Western values such as democracy, rule of law and human rights in China. One of the main pillars of this approach was China’s entrance to the WTO in 2001. Believing in this approach Brussels has been trying to persuade Beijing that the EU’s demands, such as rule of law or climate change, are also in the interests of China.

However, as many observers argue, the hopes of the EU have been disappointed. Since China has become a WTO member the reform has been slowed down or even

²⁰ John Fox and François Godement, “A Power Audit of EU-China Relations”, European Council on Foreign Relations, 1. accessed, April 1.2009, July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

²¹ Constantine C. Menges, “China: a Policy of Realistic Not Unconditional Engagement,” *Hudson Institute*, http://www.hudson.org/index.cfm?fuseaction=publication_details&id=3175&pubType=RusChin.

stopped.²² The case of WTO also shows that the hopes of the EU have been disappointed:

“Examples of Europe’s failure to mould China in its own image are legion. Political liberalization seems to have stalled, or even reversed: China has tightened restrictions against NGOs, stepped up pressure on dissidents, and stopped or rolled back local electoral reforms. At the UN, Beijing has built an increasingly solid coalition of general assembly votes, often mobilized in opposition to EU values such as the defense of human rights.”²³

2. EU Member States follow a national, short term oriented policy rather than supporting a coherent EU China policy.

As the US-China Congress Commission writes even if the EU-China relations have been becoming more comprehensive, the final word still lies with the Member States:

“although the European Union will continue to play a greater role in shaping a common foreign and security policy among member states, implementation of any comprehensive policy, especially for China, is complicated by the fact that while

²² Hans G. Hilpert, „Chinas globale wirtschaftliche Herausforderung - für eine kohärente Außenwirtschaftspolitik Europas,“ *Deutsches Institut für Internationale Politik und Sicherheit*, (Dezember 2010), accessed July 1. 2012, http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S29_hlp_ks.pdf, Margott Schüller, “The EU’s Policy on China on Economic Issues: Between Disillusion and Dialogue.” In *American and European Relations with China, Advancing Common Agendas*, David Shambaugh, Gudrun Wacker, ed., *Deutsches Institut für Internationale Politik und Sicherheit*, (December 2010), 65-78, accessed July 1. 2012, http://www.swp-berlin.org/fileadmin/contents/products/research_papers/2008_RP03_shambaugh_wkr_ks.pdf.

²³ John Fox and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, (April 1.2009, July), 1, accessed, 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

the EU has assumed significant responsibility for management of external trade relations, member states have retained final authority over security policies, the most critical security-related decision will be determined at the national level”²⁴

This paper emphasizes the importance of the political structural framework of the EU. It is argued, that at the national level of 27 member states, which all have different political and economic interests towards China and therefore a different political agenda in Beijing, have a main effect on EU’s China policy. This creates, as this paper argues, a political environment, where it is difficult for the policy makers in Brussels to build a political consensus in the EU and implement a coherent policy towards China. In other words, the potential of the European Union to pursue its long term goals towards China is undermined by unilateral actions of the EU member states, who are interested in gaining (mostly economic) short-term advantages.

For example, Germany as the biggest trading partner of China within the EU lifted its bilateral relation with the PRC by starting an “intergovernmental consultations” and bypass a common EU approach.²⁵

Furthermore, EU Member states can be divided into different groups according to their foreign policy towards China. Their policy is mostly driven by economic interests or political goals such as human rights or environmental protection. One of main factors is how to build a united front to deal with economic issues. The 27 EU Member states compete for business in China and either unilaterally lean towards Beijing or a national

²⁴ May-Britt Stumbaum, “Engaging China – Uniting Europe? The EU’s Common Foreign and Security Policy towards China”, in *The Road Towards Convergence: European Foreign Policy in an Evolving International System*, Costanza Musu and Nicola Casarini (eds.), (London: Palgrave MacMillan), 65.

²⁵ inhuanet, “China, Germany to launch inter-governmental consultation”, (April 1 2011), accessed July 1. 2012, http://news.xinhuanet.com/english2010/china/2011-04/01/c_13809476.htm.

government criticizes Beijing. The ladder has proved to be rather ineffective; the Communist Party tends to ignore the opinion of “smaller and unimportant” countries. However, Germany UK, Italy and France, have gained from China’s huge demand for machinery and other high quality products. Other EU countries, who are directly competing with Chinese exports in labor-intensive manufacturing, such as textiles or shoes, take a more assertive standpoint against China. In the “battle of investment and export” many Member States are willing to abuse short-term advantages. There seems to be a sort of “before-it-is-too-late-mentality”. Some EU Member States seem to ignore that this behavior not only undermines a coherent EU strategy, but also might risk long term interests such as technology transfer and intellectual property rights.

Moreover, Member States follow the belief that they have more to gain from a national China policy than from an integrated EU approach. Many Member states transfer more “uncomfortable” topics, such as human rights or Tibet to the EU to deal with. They rather focus themselves on topics which won’t create irritations with China in order to have smoother bilateral relations with Beijing. The paper uses the results of the recently published study by the European Council on Foreign relations, EU-China relations have been analyzed on the basis of questionnaires and interviews conducted in all 27 member states, in Brussels institutions and in China. The paper divides the 27 EU member states into different categories according to their China-policy:

- “Assertive industrialists”
- “Ideological free-traders”
- “Accommodating mercantilists”
- “European followers”

The focus of this analysis lies on China's three biggest trading partners in Europe: Germany, UK and France. These three major EU members, also called the "Big Three" states have been the key players in influencing the bilateral relations between Brussels and Beijing. It will be explained how the bilateral relations with each partner has developed since the year 2001. A special focus will lie on how the three countries have been involved within the decision making process of the EU. In other words, it will be explained how the EU member state while following their own national policy, lead to an incoherent EU China-policy.

3. The United States, are affecting EU-China relations in a way that the EU cannot implement a comprehensive foreign policy.

After the end of World War 2 the hesitance of West European Powers in their ambition to secure US involvement in Europe while keeping an independent foreign policy also influenced the relations between Europe and China. Under US pressure, Western European states were hesitant to establish full diplomatic relation with China. The North European countries and the Dutch government were an exception and immediately recognized the new Chinese government after its establishment in 1949.²⁶ The French government finally established full relations with Beijing in 1964, however, Washington's pressure still kept other European states to seek diplomatic ties with Beijing. Thus, West Germany established diplomatic relations with the PRC only in 1972.

²⁶ The Netherlands in 1950 was the first Western European government to do so.

Until now, the main external influencing factor of EU-China relations is the US. The US and EU have traditionally close ties and also seek similar interests towards China. However one of the main issues which have been influencing EU-China relations is the questions of lifting the weapon embargo. Not only has Beijing vehemently lobbied in EU capitols, but also EU Member States with big weapon companies, such as France, Germany or Britain have had growing interest to (partly) lift the embargo. However, a transfer of EU weapon technology to Asia's rising power is strongly opposed by Washington. The US, which has military interests in Asia and has wide military responsibilities in East Asia (Taiwan, North Korea), has several times used its diplomatic power to stop a lift of the embargo. One of the reasons why the EU and the US has been clashing so vehemently over the arms embargo is that Americans and Europeans tend to interpret the rise of China rather differently. Even if the two sides sorted out their differences on arms sales tomorrow, China would remain one of the key topics in transatlantic relations for years to come. However, existing transatlantic institutions are not well suited for the EU and the US to exchange their views and co-ordinate their policies on arms sales.

4. China is rising and becoming more powerful, at the same time, it has adopted an effective foreign policy which exploits institutional shortcomings in the EU-system.

The Chinese government is successfully using the political system of the EU to its own advantage. Beijing follows strategies of “divide e impera” (“divide and rule”) and “using the barbarians to control the barbarians” (yiyi zhiyi).²⁷ Fox and Godement describe China's skillful EU-policy as a “game of chess, with 27 opponents crowding the other

²⁷ Nicola Casarini, “Remaking Global Order: The Evolution of Europe China Relations and Its Implications for East Asia and the United States”.(Oxford: Oxford University Press 2009): 24.

side of the board and squabbling about which piece to move.”²⁸ As a China-expert commented “they push us much as they can and hope to create a crack in the EU common front.”²⁹ The EU Member States (in particular the large ones have adopted commercial strategies towards China aimed at promoting their national companies' business interests. As long as European Member States are willing to betray each other, the Chinese leadership can easily exploit this situation. Such a strategy is being skillfully implemented by the Chinese leadership in order to obtain political concessions.

One important issue in EU-China relations is the question of whether the EU should lift its arms embargo against China. The arms embargo on China was imposed by the EU on the People's Republic of China as a reaction to the Communist Party's suppression of the Tiananmen Square protests in 1989.³⁰ 14 years later, France and Germany started a discussion on lifting the ban. In late 2003 the Chinese Ministry of Foreign Affairs issued its very first policy paper on the EU. The document called for improved military relations and repeated its desire for a lifting of the arms embargo. Beijing since the introduction of the arms embargo has put great efforts to lobby for an end of it. Besides ongoing demands by the Chinese government to lift the arms embargo, Beijing also has argued that if the EU were to lift its arms embargo it would allow EU to

²⁸ John Fox and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, (April 1.2009),5, accessed, July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

²⁹ May-Britt U. Stumbaum, “The EU and China. EU Decision-Making in Foreign and Security Policy toward the People's Republic of China”, (Baden-Baden: Nomos 2009), 99.

³⁰ Gudrun Wacker, “Lifting the EU arms embargo against China - U.S. and EU positions,” Presentation at the 1st colloquium of the TFPD-Working Group "China's Rise", 17th February 2005, Washington, DC, 3, accessed July 1. 2012, http://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/2005_02Wkr_eu_embargo_ks.pdf.

sell high value high technology products.³¹ The European Union was divided within itself on lifting the embargo. France and to a lesser extent Germany were the main forces within the EU in calling for closer relations with China. In 2004 Paris even declared 2004 as the ‘Year of China’ and holding joint naval exercises.³² France and Germany were also the two European states which pushed for the initiative to lift the embargo.³³ France and Germany and also the United Kingdom and Italy were interested in extending its export to and sell arms sales to China. The initiative was proved by the European Parliament but was finally stopped. After the unsuccessful attempt by Beijing, the Chinese government decided to pursue for bilateral “strategic partnership” with the most important EU Member States, especially with the German, British and French government.³⁴

China not only picks its close allies inside the European Union to pursue its own goals, but Beijing also singles out certain members who harmed Chinese interests. In 2008, the year that China hosted the Summer Olympics, European leaders expressed their criticism over the human rights situation in China because of the Chinese crackdown on Tibetan protesters. The leaders of several European nations, including the French president, Nicholas Sarkozy, who at the time held the presidency of the European Council, expressed concern over the violations of human rights in China. The response from the

³¹ Pradeep Taneja, “China-Europe relations : The limits of strategic partnership,” *International Politics*, (May-July 2010), 371-387.

³² David Shambaugh “China and Europe: The Emerging Axis”, *Current History*, (September, 2004), 243-8, accessed July 1.2012

<http://www.brookings.edu/views/articles/shambaugh/20040901.pdf>, Frank Umbach, “EU’s links with China pose new threat to transatlantic relations,” *European Affairs* (Spring 4-6 2004), 1–8.

³³ Gudrun Wacker, “Lifting the EU arms embargo against China U.S. and EU positions,” German Institute for International and Security Studies, (February 2005), 13, accessed July 1. 2012, http://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/2005_02Wkr_eu_embargo_ks.pdf.

³⁴ Kay Möller, “Europe’s Policy: Neither Multipolar Nor Multilateral,” in: *China’s Rise: The Return of Geopolitics?*, ed Gudrun Wacker (Berlin Stiftung für Wissenschaft und Politik 2006), 69.

Chinese leadership was to cancel a planned EU-China summit in December 2008.³⁵ The criticism from European leaders ceased quickly and no additional measures (e.g. sanctions) were used.³⁶

5. The “Big Three” implemented national-oriented policies towards China and neglected a coherent EU-approach.

The differences between the 27 Member States are the biggest obstacle to an improved EU China policy; no progress is possible unless the EU finds a way to deal with them. In principle, Germany, France and the UK have approved the objectives of a common EU policy and the EU-China strategic partnership. In practice however, division and rivalries between the “Big Three” often undermine EU objectives. Political disagreement and economic competition are the main reason for the internal division in the EU.

1.2 Literature Review and Methodology

China³⁷ is the world’s most populous nation and a growing world power. Among scholars of international affairs, there is little doubt that the “Rise of China” is the most

³⁵ Cameron Fraser (2009: The Development of EU-China Relations, *European Studies*, Volume 27, (2009), 58.

³⁶ Ibid., 60.

³⁷ In this paper the China will refer to the People’s Republic of China and the two self-governing special administrative regions, Hong Kong and Macau, excluding the Republic of China, Taiwan.

remarkable event or development since the end of the Cold War.³⁸ Since then, China has experienced unprecedented economic growth which, arguably, has increased China's influence in the international system. With double-digit growth rates, China's market is now certainly one of the most important for manufacturers around the world. Moreover, in recent years Beijing has begun to strengthen its role as an important actor in international politics. Many scholars of International Relations argue that the unipolar international system, which was established after the end of the Cold War, has now been replaced by a multipolar system in which China is one of the most influential actors.³⁹ These developments in international politics have changed the situation for other actors to conduct efficient foreign policies. This fact applies as well to the European Union. The literature about China's rise looking from a European perspective is a comparatively new approach, the study of how the EU is dealing with Chinese rise remains limited.

Explaining European Union foreign policy is a great challenge to the main International Relations theories, because even the Union itself has no fully determined status: is it a quasi-state or is it an international organization? Scholars who are analyzing the European Union are facing an even greater challenge, because foreign policy is traditionally defined by actions of a sovereign state. What, however, is the European Foreign policy? As Stummbaum writes: "European Foreign Policy goes beyond the collective foreign policies of its Member states and is more than simply the foreign policy

³⁸ For further reference, e.g. Nicholas D. Kristof, "The Rise of China," *Foreign Affairs* Vol. 72, No. 5 (1993), 59-74, Richard Rosecrance, "Power and International Relations: The Rise of China and its Effects," *International Studies Perspectives* (February 2006), 31-35, Bijian Zheng, "China's 'peaceful rise' to great power status," *Foreign Affairs*, (Number 5, Sept/Oct 2005), 18-24.

³⁹ John G. Ikenberry, "The Rise of China and the Future of the West," *Foreign Affairs*, 87:1, (Jan/Feb 2008), 23-37.

of the EU.”⁴⁰

For the last decade, a wide range of different approaches have been introduced to analyze European foreign policy.⁴¹ Part of the field is the study of the China policy of particular Member States. Several studies on this subject have been published.⁴² However, the study of EU-China while examining the role of EU Member States remains rare. As Sandschneider states “little has been writing on the [coexisting] national foreign policies towards China”.⁴³ This study will emphasize the role of the member states. Especially the “Big Three” (Germany, France Great Britain” will be examined in depth.

Several scholars recommend multi-level approaches in order to understand the process of EU policy-making.⁴⁴ Krahnmann argues that an analysis of EU foreign policy needs a multilevel approach to include the behavior of national, transnational and international actors within the European context⁴⁵

The author writes that Foreign policy making “appears to be influenced by a broad variety of public and private actors at the national, transnational and international

⁴⁰ May-Britt U. Stumbaum, “The EU and China. EU Decision-Making in Foreign and Security Policy toward the People’s Republic of China”, (Baden-Baden: Nomos 2009), 30.

⁴¹ Ibid.

⁴² Kay Möller „Europa-China: Die ordnungs- und sicherheitspolitische Dimension” (presentation for the forum "Europa-China" in Munich, Germany), 20.11.1999., Christoph Neßhöver, „Deutsche und französische Chinapolitik 1989 bis 1997 im Vergleich,” *Asien Heft 73* (1999), 29-45., Markus Taube, „Entwicklung und Status quo der Wirtschaftsbeziehungen der Europäischen Union zur Volksrepublik China, in: Susanne Luther and Opitz, Peter, ed. *Die Beziehungen der Volksrepublik China zu Westeuropa. Bilanz und Ausblick am Beginn des 21. Jahrhunderts, Argumente und Materialien zum Zeitgeschehen*, (Munich 2000), 47-66.

⁴³ Eberhard Sandschneider “China’s Diplomatic Relations with the States of Europe,” *China Quarterly*, No. 169, (2002), 33.

⁴⁴ Elke Krahnmann, “Multilevel Networks in European Foreign Policy”, (Aldershot: Ashgate, 2003), Sybille Bauer and Eric Remacle. “Theory and Practice of Multi-Level Foreign Policy: The European Union’s Policy in the field of Arms Export Controls,” in B. Tonra and T. Christiansen, *Rethinking European Foreign Policy*, (Manchester Manchester University Press), 2004.

⁴⁵ Elke Krahnmann, “Multilevel Networks in European Foreign Policy”, (Aldershot: Ashgate, 2003), 3.

level of analysis.”⁴⁶

Krahmann emphasizes the growing diversity and interdependence of foreign policy actors.⁴⁷ As other authors acknowledge since the late 1960s, an increasing interdependence of nations has occurred.⁴⁸ This leads to an increasing number of governmental and non-governmental actors, who are participating on the international world state and shaping foreign policies as well.

Moreover, differences between the EU Member States play a crucial role in the decision-making process. Government functions have been transferred to the international level and deepening and strengthening these institutions. A power transformation from the national state level up to the supranational “EU-level” level has accelerated this process.⁴⁹ This development has led increasing differences between Member States. Bigger and more powerful states have more national sovereignty compared to smaller ones. Bigger states also don’t face the problem of more limited resources for participating on the supranational EU level and can more effectively influence the outcome of decision-making processes. In his study of the foreign policy Krahmann includes the theories of rational choice and multi-level games in order to examine the different levels of decision-making processes and understand the involved actors; however, to examine Brussels’ foreign policy towards the Peoples Republic, his approach needs to be altered.

Brian White argues that there are three types of activities in the European Foreign Policy system that are characterized by different core actors and different competences

⁴⁶ Ibid., 1.

⁴⁷ Ibid., 5-9.

⁴⁸ William Wallace and Helen Wallace, “Policy Making in the European Union”, 4th ed., (Oxford: Oxford University Press 2000).

⁴⁹ Burkard Eberlein and Abraham L. Newman, “Escaping the international governance dilemma? Incorporated transgovernmental networks in the European Union,” *Governance: An International Journal of Policy, Administration, and Institutions*, (vol. 21, no. 1, January 2008): 25–52.

within the decision making process.⁵⁰ In White's analyses, the first type refers to external relations in the first pillar, with the European Community (EC) and thus the Commission (COM) as prime actor in the areas trade, aid, development. The second type concerns Common Foreign Policy as prime actor in the political dimension (EU Foreign Policy) and based on intergovernmental decision-making. The third includes national foreign policies of the Member States in all dimensions, with national governments as the core actor. However, Whites analysis does not include the factors "outside" the EU and important decision-making inside the EU. Thus, a new, extended model was created to give a comprehensive analysis of EU's foreign policy towards China.⁵¹

Table 1: The EU system

Policies	External Relations (first pillar)	CFSP (second pillar)	National Policies (Member States level) (third level)	External Factors	Factors inside the EU Important decision-makers
Actors	Council, COM, EP, ECJ	Council (Member States)	Member States	United States, WTO	Politicians, bureaucrats
Areas	Trade, aid, development	Political dimension	All dimensions	All dimensions	All dimensions

Brian White⁵², May-Britt U. Stummbaum⁵³, Erik Class

⁵⁰ Brian White, "The European challenge to foreign policy analysis," *European Journal of International Relations*, (vol. 5, no.1 1999): 37-68., Walter Carlsnaes and Helene Sjursen et.al., *Contemporary European Foreign Policy*. (London: Sage Publishers 2004).

⁵¹ Ibid. 37-68.

⁵² Ibid. 39.

⁵³ May-Britt U. Stummbaum, "The EU and China. EU Decision-Making in Foreign and Security Policy toward the People's Republic of China", (Baden-Baden: Nomos 2009).

Moreover, the literature about EU China relations covers following topics.

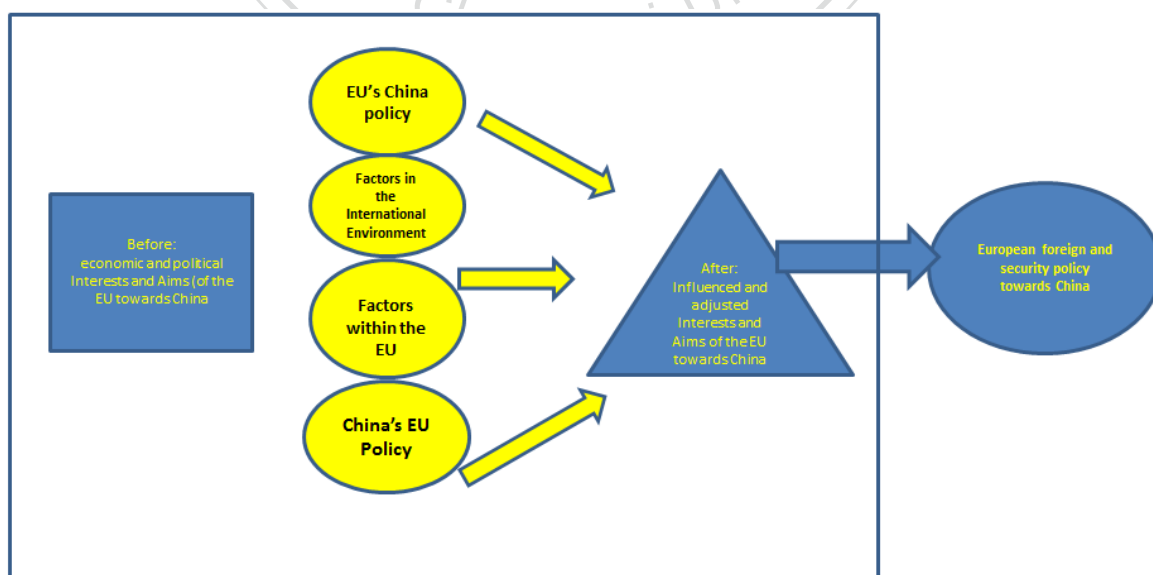
- US influence and US EU-China relations
- Economic and political Dimension of EU –China relations
- EU Member States and EU-China relations
- China’s EU-policy
- EU-China relations and decision-making process inside process

However, there is little literature which takes a comprehensive study of the topic. Because of the political system of the EU and its 27 national Member States, EU-China relations consist of several layers and needs; however, while trying to understand the problems behind the foreign policy of the EU, most of the literature focusses only on one layer. In order to give a comprehensive explanation of why EU’s policy has been weak one needs to take deep look at the bilateral relations and include all important layers. Therefore this paper will use following methodology.

Table

2:

Methodology



This model describes this study's methodology. As the model shows, this paper takes five layers "Factors in international environment", "EU's China policy", "Factors within the EU", and "China's EU policy" into account and develops a comprehensive study of EU-China relations. Each dimension symbolizes an important part of the relations which influences the outcome of EU's foreign policy. It is argued that only with taking those all of this dimensions into consideration, it is possible to fully examine the effectiveness of EU's China policy.

2. EU-China Relations

This chapter will discuss EU-China relations. First the time period of 1949-2001 will be briefly discussed. In the next chapter the relation between 2001 and 2009 will be explained more thoroughly. Furthermore, EU's foreign policy will be explained and the new term of "Unconditional Engagement" will be discussed. The last part of this chapter will deal with China's policy towards the EU.

2.1. EU-China Relations from 1949-2001

The basis of the relations between Europe and China was grounded on the “China Trade and Economic Cooperation Agreement”. In the early 1985, the European Economic Community (EEC)⁵⁴ and the PRC signed it as the first agreement between each other. It still serves as the main legal framework between the sides. (The cooperation has been depended on in 1994 and 2002)⁵⁵

Bilateral relations were greatly disturbed by the Tiananmen crackdown in 1989. The EEC condemned the response of the CCP and cancelled all high level contracts and loans. The EEC even planned a resolution at the United Nations and criticized China’s human rights violations. Furthermore, the EU started wide-range sanctions on China, which were lifted later in 1992, and imposed an arms embargo (as well as the United States, Japan and Australia) which is still maintained.

With the economic success of the Four Asian Tiger States and China’s successful economic reforms, the EU, which was traditionally more westward looking, began to shift its focus and start to establish more economical relations with Asian countries.⁵⁶ European businessman were highly interested in China’s huge and yet undeveloped market. Thus, the European States signed its first Asian Strategy paper in 1994 and the

⁵⁴ The European Communities or European Community were were governed by the European Coal and Steel Community (ECSC), the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom). They shared the same governing institutions from 1967 until they became they were integrated into the European Union.

⁵⁵ See Appendix: “Chronology of EU-China relations.”

⁵⁶ Ezra F. Vogel, “The Four Little Dragons: The Spread of Industrialization in East Asia” (Cambridge, MA: Harvard University Press, 1991).

first China-Communication paper was issued in 1995.⁵⁷ The next step of a normalization of relations with the Middle Kingdom was reached with the agreement of the introduction of the specific dialogue on human rights issues in 1995. In the year of 1995 also the trade agreement “Multi-Fibre Arrangement” was signed.⁵⁸ Since then the EU has been overwhelmed by increasing number of Chinese textile products. Many European countries, especially Spain, France and Italy, who saw their domestic industries endangered and experienced rising trade deficits with China, successfully pressured the EU for the establishment of the EU-China High-Level Economic and Trade Dialogue (HED) in 2007.⁵⁹ In 2008 EU-China relations were challenged by the Tibetan issue which aroused worldwide attention. In many European countries the public responded sensitively to media reports about China’s bad human rights record. In 2008, many voices demanded that the EU should boycott the Olympic Games opening ceremony.⁶⁰ 2008, the EU-China Summit scheduled to be held in Lyon during the French Presidency was cancelled by China due to the planned meeting between the French President Sarkozy and the Dalai Lama.

⁵⁷ European Commission, “A long-term policy for China-Europe relations”, 1995, accessed 1. July 2012, http://eeas.europa.eu/china/docs/com95_279_en.pdf.

⁵⁸ O.G. Dayaratna-Banda and John Whalley, “After the Multifibre Arrangement, the China Containment Agreements,” *Asia-Pacific Trade and Investment Review*, Vol. 3, No. 1, (June 2007), accessed July 1.2012.

⁵⁹ Jing Men, “The EU-China Political Dialogue”, *EU-China Observer* (Issue 5, 2010): 5.

⁶⁰ Philipp Lichterbeck, „Ein Jahr vor Olympia: Boykottaufrufe und Proteste,“ *Tagesspiegel*, (August 08.2007), accessed July 1.2012, <http://www.tagesspiegel.de/politik/international/olympische-spiele-2008-ein-jahr-vor-olympia-boykottaufrufe-und-proteste/1008650.html>, Süddeutsche Zeitung „EU-Außenkommissarin droht mit Boykott“, (March 03.2008), accessed July 2012, <http://www.sueddeutsche.de/politik/olympische-spiele-in-peking-eu-aussenkommissarin-droht-mit-boykott-1.269777>.

2.2. EU-China Relations from 2001-2009

Starting in the year of 2000, after a series of EU-China summits, the relations between the EU and China dramatically improved. In 2000, Zhu Rongji, the Prime Minister of the PRC, visited the Commission in Brussels and in 2001 China became a member of the World Trade Organization (WTO).⁶¹ Between 2000 and 2005 China-EU trade doubled and Europe became the largest destination for Chinese goods and China became Europe's biggest importer.

In 2003 the European Commission wrote a new policy paper with the title "A maturing partnership - shared interests and challenges in the EU-China relations".⁶² The paper most importantly states "strategic partnership" is actively being emphasized within the EU. Additionally, the paper stresses the importance of the EU to engage China through an upgraded political dialogue in the international community.⁶³ Since then, the relationship between the EU and China is classified as a strategic partnership.⁶⁴

In 2006 after further years of booming economic exchange and political interactions, the European Commission issued another paper. It acknowledges China's economic rise and growing political importance and urges the EU to respond effectively to China's renewed strength. It states that:

⁶¹ WTO, "China and the WTO," accessed July 1.2012, http://www.wto.org/english/thewto_e/countries_e/china_e.htm.

⁶² European Commission "EU-China relations: a maturing partnership," (2003), accessed July 1.2012, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0533:FIN:EN:PDF>.

⁶³ Marcin Zaborowski, "EU-China Security Relations," in Stanley Crossick and Etienne Reuter *China-EU: A Common Future* (World Scientific Publishing Company, 2007), 45.

⁶⁴ *Ibid.* 43.

“China is one the EU’s most important partners. China’s re-emergence is a welcome phenomenon. But to respond positively and effectively, the EU must improve policy co-ordination at all levels, and ensure a focused single European voice on key issues. We have a strong and growing bilateral relationship. But we must continue building on this. The recommendations in this Communication, which the Council is invited to endorse and complement through Council Conclusions, represent a challenging agenda for the EU to do so, and the Partnership and Co-operation Agreement provides an important practical mechanism to move this agenda forward. A closer, stronger strategic partnership is in the EU’s and China’s interests. But with this comes an increase in responsibilities, and a need for openness which will require concerted action by both sides.”⁶⁵

This stage of the relations between the EU and China can be described as very good even as a “honeymoon”. Romani Prodi, former president of the European Commission, even stated in 2004 "if it’s not a marriage, it is a very serious engagement".⁶⁶

However, the good relations or the "serious engagement" were disturbed by growing concerns of the EU concerning the development of the economic relations with China. The growing trade volume and economic interactions between the EU and China could not prevent a political deterioration between the strategic partners. An economic imbalance and Chinese protectionist behavior have resulted in a series of criticism in Europe.

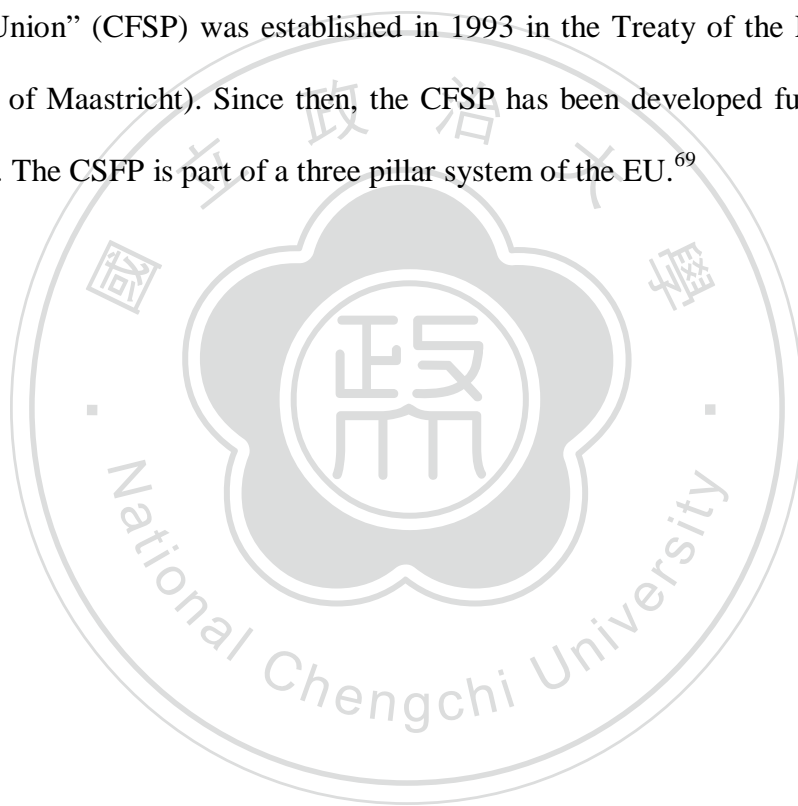
⁶⁵ Commission of the European Communities “EU – China: Closer partners, growing responsibilities,” 2003, accessed July 1.2012, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0533:FIN:EN:PDF>.

⁶⁶ May-Britt U Stumbaum, "Risky Business? The EU, China and Dual-Use Technology", *Occasional Paper*, EU Institute for Security Studies: Paris No.80 (October 2009).

2.3 EU's Foreign Policy towards China

While analyzing the EU's Common Foreign and Security Policy one has to face the problem that there is no "Common Strategy" towards China.⁶⁷ It is rather a "conglomerate of EU policies and national policies of the EU Member States."⁶⁸

As part of these efforts, the "The Common Foreign and Security Policy of the European Union" (CFSP) was established in 1993 in the Treaty of the European Union (the Treaty of Maastricht). Since then, the CFSP has been developed further in all later EU treaties. The CSFP is part of a three pillar system of the EU.⁶⁹



⁶⁷ Ibid., 48.

⁶⁸ Ibid., 48.

⁶⁹ This structure was introduced with the Treaty of Maastricht 1993, and was eventually abolished in 2009 after the signing of the Treaty of Lisbon.

Table 3: Three pillar system of EU



Table 3: EU⁷⁰, Erik Class

The first pillar “The European Communities” handles economic, social and environmental policies. The first pillar owns a legal personality, consisting of the European Community(EC), the European Coal and Steel Community (ECSC, until its expiry in 2002), and the European Atomic Energy Community (EURATOM).

The second pillar “Common Foreign and Security Policy (CFSP)” is responsible for foreign policy and military matters. The third pillar “Justice and Home Affairs” aims for cooperation in the fight against crime.

Given the nature of the European Union and its three main bodies, the European Council, the European Parliament, the European the European Commission and its currently 27 member states one can argue that the European Union and its foreign policy is distinct from any other international actor. However, due to the limited scope of the CFSP, when analyzing the EU’s foreign policy one needs to include all actions of its

70 Europa.eu, “Pillars of the European Union,” accessed July 1.2012, http://europa.eu/legislation_summaries/glossary/eu_pillars_en.htm.

Member States. As Hill argues, the European foreign policy is the sum of what the EU and its Member States do in International relations.⁷¹ Thus the analyses must go beyond the “second pillar” or the CFSP. The European Foreign Policy is, arguably, not only heavily influenced by the “decisions and actions of core European states and their multilateral organization”, but also by external factors, such as states or organization.⁷² External factors, such as other countries or international organization and powerful and influential leaders of EU Member States are factors that influence the EU’s foreign policy.

Table 4: EU Member States

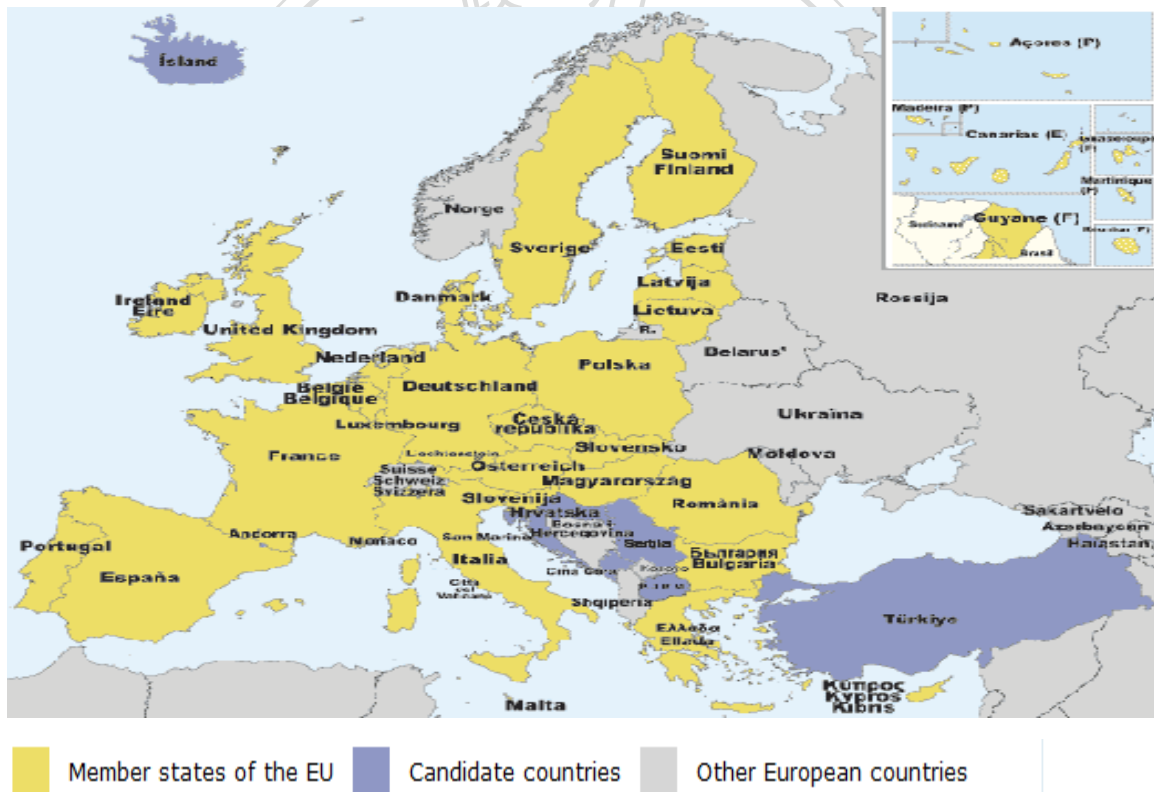


Table 4 Europe EU, countries http://europa.eu/about-eu/countries/index_en.htm

⁷¹ Christopher Hill, “European Foreign Policy: Power Bloc, Civilian Model – or Flop” in R. Rummel (ed.), *The Evolution of an International Actor*, (Boulder Cliffs, NJ: Prentice Hall, 1992): 84.

⁷² Elke Krahnemann, “Multilevel Networks in European Foreign Policy”, (Aldershot: Ashgate, 2003).

When analyzing the EU's policy towards China, it must be kept in mind that the European Union consists of a large number of member states with different levels of economic development. Despite these differences, national strategy papers, key statements by officials, and bilateral agreements or specific development programmes on China, designed by individual EU Member States contain similar goals, such as increased economic openness or stronger environmental protection. These similarities are also the outcome of the EU-policymaking process. Member States can channel their national interests via committees working on EU Joint Statements or strategy papers on China. These official policy documents, however, need the consensus of all Member States who have agreed to transfer their bargaining power to the EU Commission. The complex process of EU policymaking is time-consuming, because the largest common denominator between all involved decision-makers need to be found.

2.3.1 EU's policy of Unconditional Engagement

In this chapter the term of "Unconditional Engagement" will be introduced. Unconditional Engagement The term "unconditional engagement" was introduced by the former advisor to US-president Ronald Reagan, Constantine C. Menges, when he described US foreign policy towards China. He wrote unconditional engagement

"... is not isolation, but rather a policy of realistic engagement. This would use the enormous economic benefits accruing to China from trade with the US as an incentive for its acting peacefully and cooperatively internationally and it's

complying domestically with the human rights commitments China has freely assumed.”⁷³

Applying the term of unconditional engagement Fox and Godement criticize EU politicians that the theory that economic development and economic exchanges between the West and China will establish Western values such as democracy, rule of law and human rights in China. One of the main pillars of this approach was China’s entrance to the World Trade Organization (WTO) in 2001.

The statement by Romano Prodi reflects the EU’s motivation in its political relations with China:

“Europe needs to project its model of society into the wider world. We are not simply here to defend our own interests: we have a unique historic experience to offer.... We have forged a model of development and continental integration based on the principles of democracy, freedom and solidarity—and it is a model that works.”⁷⁴

Believing in this approach Brussels has been trying to persuade Beijing that the EU’s demands, such as rule of law or climate change, are also in the interests of China. However, as Fox and Godement criticize,

“[that there] has been a steady increase in the number of objectives the EU formulates for its China policy; these are often changed as new topics acquire urgency. These objectives are seldom followed through. The EU has never carried

⁷³ Constantine C. Menges, “China: a Policy of Realistic Not Unconditional Engagement,” *Hudson Institute*, http://www.hudson.org/index.cfm?fuseaction=publication_details&id=3175&pubType=RusChin.

⁷⁴ Romano Prodi, ‘2000-2005: Shaping the New Europe’, speech to the European Parliament, Strasbourg, Speech 00/41, (15 February 2000), 3, accessed 1.July <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/00/41&format=HTML&aged=1&language=EN&guiLanguage=en>.

out a proper evaluation of the success of its individual policies.”⁷⁵

Furthermore, Brussels is eager to integrate China into the international community so that not only cooperation between the two sides will be improved, but also the EU’s role in the world will be strengthened. To accomplish that goal, the EU invested for its first China National Indicative Programme (2002-2006) 250 million Euro⁷⁶ and spent in the following one (2007- 2010) 225 million Euro.⁷⁷ However, China’s progress seems to be unsatisfactory.

However, as many observers argue, the hopes of the EU have been disappointed. Although China has signed both of the UN Covenants on Economic, Social and Cultural Rights and on Political and Civil Rights, the Chinese National People’s Congress has not ratified the second covenant eleven years after its signature. Furthermore, since China has become a WTO member the reform has been slowed down or even stopped.⁷⁸ The case of WTO also shows that the hopes of the EU have been disappointed:

“Examples of Europe’s failure to mould China in its own image are legion. Political liberalization seems to have stalled, or even reversed: China has tightened restrictions against NGOs, stepped up pressure on dissidents, and

⁷⁵ John Fox and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, (1), accessed July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

⁷⁶ European Commission, “European Council, National Indicative Programme 2005-2006 – China ” (2005), accessed July 1.2012, http://eeas.europa.eu/china/csp/05_06_nip_en.pdf.

⁷⁷ European Commission, “China Strategy Paper, 2007-2013,” (2006), accessed July 1 2012, http://eeas.europa.eu/china/csp/07_13_en.pdf.

⁷⁸ Hanns Günther Hilpert, „Chinas globale wirtschaftliche Herausforderung Für eine kohärente Außenwirtschaftspolitik Europas,“ (2010): accessed 1 July 2012, http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S29_hlp_ks.pdf, Margott Schüller, „The EU’s Policy on China on Economic Issues: Between Disillusion and Dialogue,“ in *American and European Relations with China, Advancing Common Agendas. German Institute for International and Security Affairs*, David Shambaugh and Gudrun Wacker, ed., 65-78, (2008), accessed 1 July 2012, http://www.swp-berlin.org/fileadmin/contents/products/research_papers/2008_RP03_shambaugh_wkr_ks.pdf.

stopped or rolled back local electoral reforms. At the UN, Beijing has built an increasingly solid coalition of general assembly votes, often mobilized in opposition to EU values such as the defence of human rights.”⁷⁹

Observers criticize that the policy of unconditional engagement is too convenient for EU policy-makers, as there is too less political will for EU leaders to push Beijing hard enough on political values.⁸⁰

One can take the EU-China Human Rights Dialogue as an example. The dialogue was introduced in 1995 and is considered a soft, low-profile approach of influencing China. It tries to take China’s dignity and values and the countries sensitivity after a century of national humiliation by Western powers into consideration. However, after only ten years the EU already expressed for the first time its dissatisfaction with the results of that softer approach, and openly questioned the usefulness and effectiveness of the EU-China Human Rights Dialogue. EU documents from 2006 indicate that the EU’s expectations are not being fulfilled.

The organization “Human Rights Watch” criticizes that the EU-China Human Rights dialogue has "consistently failed" to produce substantive results because it is not linked to other issues such as trade, investment and the environment.⁸¹ The advocacy director of Human Rights Watch, Sophie Richardson, said that

"for too long, the EU-China human rights dialogue has been a toothless talk shop which has failed to meaningfully address the Chinese government's poor record on human

⁷⁹ John Fox and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, (20), accessed, (April 1.2009), July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf. Mikael Mattlin, “A Normative EU Policy Towards China: Mission Impossible?” (Finland: Finnish Institute for International Affairs), September 2010.

⁸⁰ Ibid.

⁸¹ Human Rights Watch, “EU: China Summit Needs Rights Focus,” (May 19, 2009), accessed 1 July 2012, <http://www.hrw.org/news/2009/05/19/eu-china-summit-needs-rights-focus>.

rights,"

In the last 25 years, the European Parliament has adopted more than 25 resolutions pointing at the deficit of democracy, rule of law and human rights in China. The resolutions were not combining with further sanctions and ineffective to push Beijing for the desired actions.

Maybe the most significant showcase of EU's weak approach of "unconditional engagement towards China is the example EU's behavior to Taiwan. In 2004 France conducted a joint naval exercise with China close to Qingdao.⁸² The date and place of the military exercise was significant, because it was just days before Taiwan held its presidential election and first referendum. China, who claims that "there is only one China in the world" and "Taiwan is an inalienable part of China" and is willing to "use force to if necessary".⁸³ The Council of the European Union and especially Javier Solana⁸⁴, the EU High Representative for the Common Foreign and Security Policy, openly criticized Taiwan's political direction and Taiwan's referendum in particular. Between 2004 to 2007 the EU consistently pushed Taiwan not to take any political actions of provoking China.⁸⁵ While this may well have been the case, EU leaders have

⁸² China Daily, "China, France hold joint naval drill," (April 162004), accessed July 1 2012, http://www.chinadaily.com.cn/english/doc/2004-03/16/content_315366.htm, BBC, "China drill before Taiwan poll," March 16.2003, accessed July 1.2012. <http://news.bbc.co.uk/2/hi/3512088.stm>.

⁸³ Embassy of the People's Republic of China in the United States of America, "White Paper - The One-China Principle and the Taiwan Issue," (August 6.1993), accessed 1 July 2012, <http://www.china-embassy.org/eng/zt/twwt/White%20Papers/t36705.htm>

⁸⁴ Xinhua, "Solana concerned over Taiwan leaders' comment" (October 26.2007), accessed 1 July 2012, http://www.chinadaily.com.cn/china/2007-10/26/content_6209103.htm.

⁸⁵ Council of The European Union, "Declaration by the Presidency on behalf of the European Union on the decision of the Taiwanese leader regarding the NUC," (March 6.2006), accessed 1 July 2012, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/cfsp/88561.pdf.

been reluctant in denouncing Beijing for similar actions that could also be deemed provocative, a steady build-up of missiles targeting Taiwan, or rhetorical war threats.

In summary, EU's weak approach is visible on many fronts of EU-China relations. The term unconditional engagement reflects in a perfect manner, how EU Member States are unable to coordinate their national policies towards a stronger EU-approach. Some states confront China political, other EU Member States criticize Chinese trade policies, and others ignore both. EU's weak policy of unconditional engagement and its lack of leverage over China, hinders the EU to pursue its own goals towards China and

2.4. China's Foreign Policy towards the EU

Looking from Beijing's perspective, the EU is a very complex and very hard to deal with. What makes it so difficult for the PRC is that the EU is composed of currently 27 Member States. Each member state has its specific national interest and tries to influence the EU's policies on the one hand, but also interacts directly with Beijing. Furthermore as a supranational organization, the EU has many characteristics that are different from a sovereign state. For Beijing, it seems to be sometimes difficult to know whom to talk to. For example, for economic and trade issues, compared to the European Parliament and the European Council, the European Commission plays often the most important role. The arms embargo, however, is under the supervision of the Common Foreign and Security Policy (CFSP). As a result, the interactions between the EU and China are very complex and are happening in different multilayered levels simultaneously.

China's foreign policy towards the EU is paradoxical. On the one hand Beijing admires the EU's power and influence. On the other hand, the in 2003 published "China's

EU Policy Paper”⁸⁶ lists a series of strange demands on Taiwan, Tibet, human right and the lifting of the arms embargo. It is stated for example that “it is important” that the EU does not let Taiwanese political personalities participate in any activities, have no official contacts with Taiwan or sell weapons to Taipei. On the Tibet issue the tone is even bitterer. The policy states: The Chinese side requests the EU side not to have any outside contact with the “Tibetan government in exile” or provide any facilities to the separatist activities of the Dalai clique” The document ends with an explanation that “The EU should lift its ban on arms sales to China at an early date as to remove barriers to greater bilateral cooperation on defense industry and technologies”⁸⁷.

Even the United States acknowledged that the EU system is very complicated and that the EU Member States are still more important to work with:

“Although the European Union will continue to play a greater role in shaping a common foreign and security policy among member states, implementation of any comprehensive policy, especially for China is complicated by the fact that while the EU has assumed significant responsibility for management of external trade relations, member states have retained final authority over security and foreign policy. While the EU is moving toward developing more common foreign and security policies, the most critical security-related decisions will be determined at the national level.”⁸⁸

⁸⁶ Ministry of Foreign Affairs of the People’s Republic of China, “China’s EU Policy Paper,” (October 13 2003), accessed 1 July 2012, <http://wcm.fmprd.gov.cn/eng/zxxx/t27708.htm>.

⁸⁷ Ministry of Foreign Affairs of the People’s Republic of China, “China’s EU Policy Paper,” (October 13 2003), accessed 1 July 2012, <http://wcm.fmprd.gov.cn/eng/zxxx/t27708.htm>.

⁸⁸ US China Economic and Security Commission, “US-Europe Paper Regarding China,” (January 19, 2005), <http://www.freerepublic.com/focus/f-news/1330008/posts>.

Furthermore, China's policy towards the EU remains essentially economic in nature. Beijing seeks access to the European market and searches for technology transfers.⁸⁹ At the same time, however, Beijing does not accept any inference in internal domestic issues and wants to restrain the EU from getting involved with Taiwan and the Dalai Lama.

While the EU implemented a rather weak foreign policy of unconditional Engagement, Beijing has carefully implemented a policy, well-adjusted to the special political system of the EU. First, Beijing uses the mismatch of its own centralized, strong authority and the EU- governance system based on compromises. With other words the Chinese government appreciates the barrier free European market, but at the same time effectively restricts its own market for European firms.⁹⁰

The European Chamber of Commerce in China's report adds to growing Complaints that Beijing is violating its free-trade pledges while it tries to build up technology industries and global competitors. In its WTO application Beijing promised to treat foreign and domestic companies equally but Chinese companies in computers, green energy and other fields receive subsidies, preferential treatment in government purchasing and other favors.⁹¹ Beijing is trying to build up "national champions" in industries from banking to oil to shipping, prompting complaints the country is violating its promises made when it joined the WTO in 2001.

Another common part of China's EU policy is that Beijing redirects EU's criticism on certain issues, such as human rights, or trade imbalances, by agreeing on formal

⁸⁹ May-Britt U Stumbaum, "Risky Business? The EU, China and Dual-Use Technology", *Occasional Paper*, EU Institute for Security Studies: Paris No.80 (October 2009).

⁹⁰ Fredrik Erixon and Patrick Messerlin, "Containing Sino-European Protectionism," *Economic Affairs*, Vol. 29, Issue 1, (2009), 83-85.

⁹¹ Joe McDonald, "China Discriminates Against Foreign Companies, Survey Says, China Discriminates Against Foreign Companies, Survey Says," *Huffington Post*(May 25.2011), accessed 1 July 2012, http://www.huffingtonpost.com/2011/05/25/china-is-discriminating-against-foreign-companies_n_866682.html

dialogues and meetings concerning those issues.⁹² As many criticize, China then uses those dialogues and turns them into plain, ineffective talking shops.⁹³ As Fox and Godement writes:

“But for Beijing, these meetings are an end in themselves. Human rights dialogues deflect the European urge to adopt critical public resolutions; the high-level trade dialogue, which China has so far restricted to an annual meeting, helps to contain European pressure for trade restrictions triggered by the growing trade deficit. The EU’s foreign policy traditions lead it to rely on these dialogues and point to them as signs of progress, even when they lead nowhere.”⁹⁴

Furthermore, China successfully exploits and even encourages the divisions between EU Member States. The Chinese government does so by singling out individual Member States with hard measures when Beijing sees its national interests at risk. This tactic is also called a divide and rule strategy, or “divide e impera” (“divide and rule”) and “using the barbarians to control the barbarians (yiyi zhiyi)”⁹⁵ which has deep roots in ancient Chinese foreign politics.

China employs economic sticks or economic incentives to “punish” or “reward”

⁹² Examples are the EU-China Human Rights Dialogue, the EU-China Political Dialogue and the EU-China Economic and Financial Dialogue.

⁹³ Human Rights Watch, “China/EU: Rights Dialogue Needs Clear Results,” (June 15, 2011) accessed July 1, 2012, <http://www.hrw.org/news/2011/06/15/chinaeu-rights-dialogue-needs-clear-results>, EU Business “EU, China voice 'differences' on human rights,” (June 29, 2011, accessed July 1, 2012, <http://www.eubusiness.com/news-eu/china-rights.5dg/>.

⁹⁴ John Fox and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, (April 1, 2009): 34, accessed July 1, 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

⁹⁵ Margot Schüller, “The EU’s Policy towards China on Economic Issues: Between Disillusion and Dialogue”, in David Schambaugh and Gudrun Wacker (ed), *American and European Relations with China Advancing Common Agendas*, (SWP Research Paper June 3, 2008), 18, accessed: 1 July 2012, http://www.swp-berlin.org/fileadmin/contents/products/research_papers/2008_RP03_shambaugh_wkr_ks.pdf.

actions of individual European Member States. In the past China has not been above punishing those states that transgress its sovereignty issues: the Netherlands and Denmark, for example, over arms sales to Taiwan and criticism of human rights, respectively. France, on the other hand, has been rewarded with commercial contracts for opposing negative rulings on human rights issues.⁹⁶ Another instrument of “punishment” is to cancel planned visits of delegations or temporarily freezing the regular exchanges with a Member State. In 2008, China even cancelled (postponed) the EU-China summit as a reaction to French President Sarkozy’s plan to meet the Dalai Lama. France had at this time the European presidency and the entire EU had to suffer from Paris’ actions.

Looking from the Chinese perspective, there are two problems in EU-China relations: The issue of Taiwan. Even though Chinese leaders it is an internal affair, it is nevertheless the most important problem in US-China relations. For the EU however, the case of Taiwan has been always neglected. Partly because the EU has no security interests in East Asia such as the US, but also because European Member States mostly adhere to the One- China principle demanded by Beijing. The official policy paper on China published by the European Commission in 2006 is the first document that has a whole section about the Taiwan issue. The EU policy includes:

- opposition to any measures which would amount to a unilateral change of the status quo;
- strong opposition to the use of force;
- encouragement for pragmatic solutions and confidence building measures;
- support for dialogue between all parties;

⁹⁶ Philip Baker, “Human Rights, Europe and the People’s Republic of China,” *The China Quarterly*, (Volume 169 2002): 47, Eberhard Sandschneider, “China’s diplomatic relations with the states of Europe”, *China Quarterly* (169 March 2002): 33–45.

- continuing strong economic and trade links with Taiwan.⁹⁷

The other issue is the Dalai Lama. The Chinese administration frequently threatens, in a more or less open manner, that meetings between EU Member States representatives and the Dalai Lama will be punished and trade relationships will suffer. For example in 2009 the meeting between Dalai Lama and the Danish Prime Minister Lars Løkke Rasmussen lead to temporary rage in China.⁹⁸ China punished Denmark by cancelling a number of official visits, and eventually succeeded in pressuring the Danish parliament to promise to actively oppose Tibetan independence. The organizers of this visit have made it clear that there will not be any political meetings during the Dalai Lama's stay in Denmark. At the same time, China gives preferred treatment to states which are siding with the Chinese government. One good example of this divide and conquer tactic is the case of the Weapon embargo against the Chinese government by the European Union. In October 2003 Beijing published the "Policy Paper on the European Union" which is China's their first official document concerning the European embargo.⁹⁹ Since then China has started a campaign of pushing the EU to stop its arms embargo.¹⁰⁰ The Congressional Research Service concludes in 2005 that the lifting of the embargo would be only a matter of time.¹⁰¹ And indeed the French president, Jacques Chirac,

⁹⁷ Commission of the European Communities, "EU – China: Closer partners, growing responsibilities" (October 24.2006):11, accessed: July 1.2012, http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0631en01.pdf.

⁹⁸ Peter Levring, "China angry with Denmark over Dalai Lama visit," Reuters (May 30, 2009), accessed July 1.2012, <http://in.reuters.com/article/2009/05/30/idINIndia-39985820090530>.

⁹⁹ Ministry of Foreign Affairs of the People's Republic of China, "China's EU Policy Paper," (October 2003 13), accessed 1 July 2012 <http://www.fmprc.gov.cn/eng/topics/ceupp/t27708.htm>.

¹⁰⁰ Kristin Archick and Richard F. Grimmett, Shirley Kan, "European Union's Arms Embargo on China: Implications and Options for U.S. Policy," *CRS Report for Congress* (April 15, 2005), accessed July 1.2012, <http://fpc.state.gov/documents/organization/45458.pdf>.

¹⁰¹ Ibid.

started calling for an end of the arms embargo in late 2003. When he visited China in October 2004, Sarkozy strongly advocated an end of embargo. His remarks were promptly awarded by the Chinese government and business deals worth 3-4 billion EUR were signed.¹⁰² Other EU Member States took notice Sarkozy's fruitful business trip to China and followed French business-oriented approach. Noticeably German leader, Gerhard Schröder, was not too shy in on showing his efforts to praise the China. The German Chancellor also advocated for an end of the embargo. It was not surprising that the 42 German business leaders, who accompanied the Schröder, could sign 17 business deals worth over several 100 million Euros.¹⁰³

China has learned to exploit the divisions among EU Member States. It treats its relationship with the EU as a game of chess, with 27 opponents crowding the other side of the board and squabbling about which piece to move. As irritating as Beijing finds this at times, there is no question about who is in a position to play the better game.

Europeans tend to treat China as a malleable polity to be shaped by European engagement. But the reality is that China is a skillful and pragmatic power that knows how to manage the EU. Its foreign policy is shaped primarily by domestic priorities – such as the need to sustain economic growth and to bolster political legitimacy in the absence of an electoral process. To secure these goals, China has developed three basic tactics in its approach to the EU. First, it takes advantage of the mismatch between its own centrally controlled systems and the EU's open market and government to exploit opportunities in Europe while protecting its own economy with industrial policies, restricted access and opaque procedures. Second, China channels EU pressure on specific

¹⁰² Katinka Barysch and Charles Grant, et al, "Embracing the dragon The EU's partnership with China," Center for European Reform (2005): 14.

¹⁰³ Taipei Times, "China, Germany plan 17 trade pacts," December 06.2004 accessed July 1.2012, <http://www.taipeitimes.com/News/worldbiz/archives/2004/12/06/2003214019>.

issues by accepting formal dialogues and then turning them into inconclusive talking shops. Third, China exploits the divisions between Member States. The cancellation of its annual summit with the EU, evidently to punish Paris for inviting the Dalai Lama, was a typical attempt by the Chinese to trigger unrest within the EU.

While Europeans hope to win over China through the use of unconditional engagement, Beijing has carefully designed a strategy to manage the EU, using three tactics.¹⁰⁴ First, China uses the advantage of its centralized authority over EU's rules-based democratic system. This enables Beijing to fully exploit EU's slow and inefficient governance. The mismatch is especially visible in the trade area: China can use the openness of the EU market while restrict the access for European companies.

Furthermore, "China channels EU pressure on specific issues, such as human rights, by accepting formal dialogues about them – which the EU hails as a great victory – and then turning them into inconclusive talking shops."¹⁰⁵ China reassures the EU by using appeasing language about the advantages of multilateralism. The Human rights dialogues decrease the European eagerness to implement more critical policies. Additionally, the high-level trade dialogue, which has been restricted by Beijing to only an annual meeting, contains pressure by the EU for more trade restrictions. The EU relies too much on these dialogues. EU leaders like to call them as signs of progress, even though no or only gradual progress has been made.

¹⁰⁴ Fox, John and François Godement, "A Power Audit of EU-China Relations", *European Council on Foreign Relations*, (April 1.2009), 33, accessed July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

¹⁰⁵ Ibid. 34.

3. The Impact of the United States on EU-China relations

This chapter will discuss the role of the United States in EU-China relations and examine how the US is influencing aforementioned relations and make an effective, independent EU policy towards Beijing impossible. The case of the weapon embargo will be used to give a showcase of the Washington's influence.

One of the main obstacles for a comprehensive foreign policy towards China is the majority of the EU Member States continue to see the USA more as a close strategic partner, who shares the same political values. Furthermore the inclusion of the Eastern European Nation Czech Republic, Hungary, Poland, Slovakia, Slovenia and the three Baltic states, who are all new members of the North Atlantic Treaty Organization (NATO), strengthened the EU's relations to the United States. Because the Eastern European States often lean towards Washington any attempt to transform into a more independent international actor outside the US-influence even more difficult.

Even though most of the political and economic sanctions, which were imposed on China as a reaction to the 1989 crackdown, were already lifted in 1992, the arms embargo still remained. The embargo prohibits sales of military equipment; sales through special licenses are the exception. Because the embargo is not legally binding and only includes lethal weapons, some European states have exploited the loophole and have sold defense-related technologies to the PRC.¹⁰⁶ The embargo has been criticized by the PRC several times and the CCP tried to push the member states to vote for a lifting. However,

¹⁰⁶ David Shambaugh, "Lifting the EU Arms Embargo on China: An American Perspective," in: China's Rise: Diverging U.S.-EU Perceptions and Approaches, Stiftung Wissenschaft und Politik (August 2005), 23.

within the EU, the embargo remains highly political and the majority of the European states oppose change to policy.

However, the EU embargo on China has not stopped several EU Member States from selling weapons to China. The United Kingdom and France interpreted the arms embargo as only applicable to lethal items and major weapons platforms. The United Kingdom sold Searchwater radar and the French government provided AS-365n Dauphin-2 helicopters.¹⁰⁷ Further, SIPRI found that, between 1989 and 2004, France alone was responsible for 73.2% of total EU arms sales to China, surpassing other EU member states in ignoring the embargo.¹⁰⁸ France is, alongside Ukraine, after Russia, the second supplier of weapons for the PRC.¹⁰⁹ Until now, France has proved to be eager in maintaining good trading relationships with China and even risks to be criticized. As already mentioned above, after EU Member States, especially France and Germany, who greatly benefited by siding with the Chinese government, pushed at the end of 2003 for a lifting of the embargo and a debate within the EU started, whether or not an end of the ban would be reasonable.

However, the US, which still has great influence and strong relations to the EU and its Member States, are worried about a transfer of dual-use weapon technologies. The US, which is still the strongest military power in the East Asia, has close bilateral ties and

¹⁰⁷ Rachel Stohl, "Wrangling Over Arms Sales to China, Foreign Policy in Focus," Foreign Policy in Focus, (November 21, 2006), accessed 1 July 2012,

http://www.fpif.org/articles/wrangling_over_arms_sales_to_china#_ftn2.

¹⁰⁸ Raul Caruso, To Lift or not to Lift? A Few Notes on the Lifting of the European Arms Embargo on China, Crossroads, (Vol. 5, n. 1), accessed 1 July 2012,

http://works.bepress.com/cgi/viewcontent.cgi?article=1013&context=raul_caruso

¹⁰⁹ Rachel Stohl, "Wrangling Over Arms Sales to China," (November 21, 2006), accessed 1 July 2012,

http://www.fpif.org/articles/wrangling_over_arms_sales_to_china, Mark Bromley and Paul Holtom et. al.

"Recent Trends in the Arms Trade," *SIPRI Background Paper*, (April 2009), accessed 1 July 2012,

<http://books.sipri.org/files/misc/SIPRIBP0904a.pdf>.

military with several East Asian is worried about a strengthening of the People's Liberation Army and a gradual power transition towards the Middle Kingdom.

While the State Department and the White House showed some understanding of the European position, the Pentagon refused to even discuss the topic with its European allies. When Washington requests the allegiance of its European allies they like to split the European Union, single out states and threaten their economic interests: The US Congress pushed for sanctions against companies from countries who do business with China and have branches in the States. The threats were especially pointed at Washington's closed ally, the UK. Especially British companies saw its interests at danger, since at least two big British companies, the BAE Systems and Rolls-Royce, have huge investments in the US market.¹¹⁰ The Congress also sent warning signals to European Countries to implement stricter rules on military transfer. Those punishments would also hit the British defense industry the most. Beginning of 2005 the United States put this issue into a loyalty test of Brussels-Washington relations.

This shift in EU policy and the final end of discussion was influenced by American interference. The EU's discussion on lifting the embargo revealed how the difference of opinions made the EU ineffective and much more important, how easily the EU can be influenced by the US.

4. The Role of EU Member States in EU-China relations

¹¹⁰ Financial Times, "Peter Pentagon warns EU on sale of arms to China," (December 23, 2004), accessed 1 July 2012, <http://www.ft.com/cms/s/0/4626b21a-5514-11d9-9974-00000e2511c8.html#axzz1xqxQ078mv>.

This chapter will discuss the role of the 27 EU Member States in EU-China relations. Member States governments continue to have a very important role position with regard legitimate control of transnational and international affairs, concerning public decision-making.¹¹¹ Every EU member state wants to keep some degree of autonomy in the sphere of foreign policy. In other words, the EU's China policy is based on the small common denominator of its Member States' China policy. Generally speaking the spectrum of national foreign policy priorities towards the PRC is very diverse. In the following chapters, the role of the "Big Three" (Germany, France and UK) will be explained. Especially their foreign policy vis-à-vis the EU policies and their "primus inter pares" position will be an important part of the study.

The paper uses the results of the recently published study by the European Council on Foreign relations, EU-China relations have been analyzed on the basis of questionnaires and interviews conducted in all 27 member states, in Brussels institutions and in China. The paper divides the 27 EU member states into different categories according to their policies towards Beijing. Those groups are as followed:

- "Assertive industrialists" (Poland, Czech Republic)
- "Ideological free-traders" (Netherlands, Sweden, Denmark)
- "Accommodating mercantilists" (Slovenia, Finland, Bulgaria, Malta, Hungary, Portugal, Slovakia, Italy, Greece, Cyprus, Romania, Spain)
- "European followers" (Belgium, Ireland, Austria, Luxemburg and the three Baltic States)

¹¹¹ Simon Hix and Bjorn Hoyland, "The political System of the European Union," 2nd ed. (London Palgrave 2005), Hazel Smith, "European Union Foreign Policy," (London Pluto 2002).

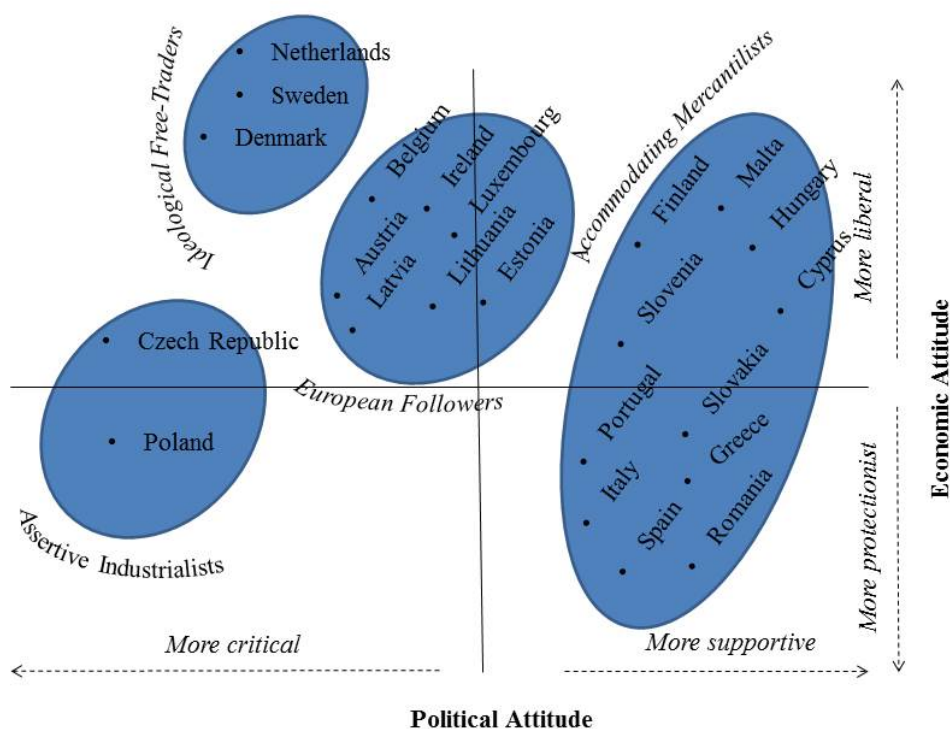
Table 3 pictures the division of the EU Member States. The authors Fox and Godement assigned scores to Member States' individual policies and actions towards China,¹¹² The horizontal axis stands for politics and the vertical axis for economics. Main policies and actions scored were positions on Taiwan and Tibet (as well as willingness to meet the Dalai Lama), willingness to criticize human rights situation in China, willingness discuss global issues with Beijing, voting on anti-dumping issues, position on trade deficit, attitude towards Chinese investment in Europe.

EU member states have different economic interests with respect to China. But there have also been examples of political rifts or dissent within the EU:

- There is no unified opinion on lifting the arms embargo. Especially France and Germany support an end of the ban. Scandinavian countries, the Netherlands and the UK are against it.
- There is no unity on granting China Market Economy Status.
- The EU was divided over the military intervention in Iraq 2002-3 (Germany and France against the war, Poland or the UK were supporting the intervention).
- EU Member States are strongly divided whether or not the EU should take protective measures against the influx of cheap Chinese goods.

¹¹² Scored to the right or left for actions that were respectively more supportive or critical of China, and to the top or bottom for actions that were more free-trade or protectionist.

Table 3: The division of EU Member States



Fox and Godement¹¹³, Erik Class

One of the determining topics between governments of the European Union is how to deal with the Dalai Lama. As already mentioned earlier the Chinese government punishes EU Member States who are meeting with the Buddhist leader and puts pressure economic on European governments. Especially France and Germany, which are both strong export-oriented economies, are interested in improvements of their trade relations with China. While the two economies export similar goods they are competing over market shares in China.

When in 2008 the French leader Sarkozy met the Dalai Lama as well, the

¹¹³ Fox, John and François Godement, “A Power Audit of EU-China Relations”, *European Council on Foreign Relations*, 1. accessed, April 1.2009, July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

Chinese's response came promptly and directly punished the French government.¹¹⁴ Most significantly however, was the cancellation of the EU-China summit, which was scheduled for early December 2008 in Lyon. In a way, the whole European Union was punished by China's anger at Sarkozy and France, who held the EU Presidency at the time. In view of the pressing global problems that would have called for a coordinated response – global financial and economic crisis and climate change, to name the two most serious – the decision of the Chinese government to cancel the summit at short notice caused concern in Europe and was seen as a sign that a cooperative stance of China on these issues could not be taken for granted.

When the German Chancellor Merkel invited the Dalai Lama to the Chancellery for a private meeting in 2007, despite explicit demands by the Chinese government not to do so, bilateral relations between Berlin and Beijing cooled down. Merkel was the first German government leader to meet the Tibetan spiritual leader. The Chinese government reacted promptly and cancelled several state-to-state meetings and business deals were postponed. France took advantage and boosted France-China business relations. The German Financial Times wrote: "Germany is busy debating its policy on China while France is doing wonderful business in Beijing."¹¹⁵ Leaders of the "Big Three" are aware of the complicated situation. On the one hand the national governments need to make sure assist big national governments to sign important business deals with the affluent Chinese, on the other hand the European leaders need to listen to their voters and secure an on

¹¹⁴ New York Times, "Beijing assails Sarkozy for meeting Dalai Lama", (December 7, 2008), accessed 1 July 1 2012,

<http://www.nytimes.com/2008/12/07/world/europe/07iht-france.4.18467673.html>.

¹¹⁵ Naomi Buck "While Germany Debates its China Policy, France Is Doing Good Business," *Spiegel Online International*, (November 27 2007), accessed July 1 2012,

<http://www.spiegel.de/international/germany/the-world-from-berlin-while-germany-debates-its-china-policy-france-is-doing-good-business-a-519960.html>.

human rights oriented policy towards China.¹¹⁶ Moreover, the harsh reactions of the Chinese government even intensified the competition between the three most important EU Member States.

The French customs of sending huge groups of French high profile manager accompanying the French president on his trip to China, raised concerns in the UK. The British business daily, Financial Times wrote: “France ... flies its President – along with several aircraft full of business people – to the People’s Republic each year”.¹¹⁷ As scholars wrote, the British business community envied the business opportunities for their French competitors, a high level representative of the British business community told the Financial Times that the French business model is ‘exactly what we need for a new era of British interest in China’.¹¹⁸ As a reaction to the “success” of the French business approach, the UK adopted a commercial strategy of political support to British companies as well. In its official UK-China Strategic Framework the British government declared its goal is to

“Getting the best for the UK from China's development; ... boosting our business,... ensuring the UK has the right domestic policies in place to benefit from China's growth. ”

With success: During Hu Jintao’s state visit to the UK in November 2005, the Chinese leader signed a significant big business deals with several British companies, most

¹¹⁶ Katinka Barysch and Charles Gran, et al., “Embracing the dragon The EU’s partnership with China,” *Center for European Reform*, May 2005.

¹¹⁷ Jonathan Moules, “Businesses raise their profile in China,” *Financial Times* (February 21, 2005), accessed July 1.2012, <http://www.ft.com/intl/cms/s/0/3757a998-83ad-11d9-bee3-00000e2511c8.html#axzz1yKtykT34>.

¹¹⁸ Ibid.

significantly Rolls-Royce Trend's sale of worth more than USD 800 Mio.¹¹⁹

Germany also followed the French example of the "big contracts": In the year of 2005 the German government successfully negotiated business deals with China during a visit by the Hu Jintao. The German giant Siemens secured sales of transrapid trains worth 2 billion EUR.¹²⁰

The best showcase of how divided the European Member States is maybe the textile disputes between the European Union and the PRC. The main event was when the EU decided in 2006 to extend tariffs on shoe imports from China and Vietnam for another 15 months.¹²¹ It was the highlight not only of a trade dispute between the EU and China but also an internal hot debate between the EU Member States. Especially the economical troubled Mediterranean economies of Spain, Portugal and Italy were the biggest advocates of imposing tariffs on China.

The dispute also commonly known as "Shoe Wars" is a protectionist measure by the EU, which is trying to protect Spanish, Portuguese and Italian producers.¹²² The industry of shoe manufacturing is still rather big in Spain, Portugal, and Italy as well as in East European EU member states such as Romania: In Italy were more than 10,000 enterprises employed in shoe manufacturing in 2007, in Spain more than 4,000 and Portugal almost 3,000. The industry in the EU has been in decline in recent decades. This

¹¹⁹ Nicola Casarini, "October 2006 The evolution of the EU- China relationship: from constructive engagement to strategic partnership," *Political Science*, (vol. 33, no. October 2006), accessed July 1.2012. <http://www.iss.europa.eu/uploads/media/occ64.pdf>.

¹²⁰ Business Library, "Transrapid wins maglev deal in shanghai - World report," (March, 2001), accessed July 1.2012 http://findarticles.com/p/articles/mi_m0BQQ/is_3_41/ai_81006263/, BBC, "German train deal for Shanghai" (21 January, 2001), accessed July 1.2012, <http://news.bbc.co.uk/2/hi/europe/1129295.stm>, 21 January, 2001.

¹²¹ BBC, "EU extends Chinese shoe tariffs," December 2009, accessed July 1.2012, <http://news.bbc.co.uk/2/hi/8426432.stm> 22.

¹²² Ros Davidson, "EU-China tariff war hits shoes," *The Guardian*, (7 April 2006), accessed July 1.2012, <http://www.guardian.co.uk/business/2006/apr/07/china.globalisation>.

trend has been accelerated by the competition from low-cost producers in China. Since 1995, due to international competition, Italy has lost around 5,000 shoemaking enterprises.¹²³

However, the road to a final decision by the European Commission was very long: There was a significant division by among the Member States on the issue. Big importing countries without a domestic shoe-making industry were imposing an extension. Italy, Spain and other Southern European countries with small and less competitive shoe makers were favor of it. especially the UK and Northern European, however, were against this anti-dumping measure. Their argument was the importance of free trade and the benefits of European consumers.¹²⁴

In July 2006 the first proposal by the Commission for the anti-dumping measures was dismissed by the Member States. Thus, the Commission designed another proposal. But it was also declined on 3 August. 14 EU Member states out of 25 voted against it.¹²⁵ Unable to solve the problem the Commission submitted the same proposal to the Council at the end of the August. The Council itself was under pressures to provide a solution because the provisional duty was due to expire on 7 October. Various reports on the maneuvers of the member states came out in September.¹²⁶ On 27 September the Committee of Permanent Representatives (COREPER) discussed the issue. A vote again rejected the Commission proposal. 9 Member States supported it, 14 voted for 'No', and

¹²³ Ding Qingfen' "China files WTO complaint against EU shoe levy," ChinaDaily, February 5.2010., accessed July 1.2012, http://www.chinadaily.com.cn/bizchina/2010-02/05/content_9433402.htm.

¹²⁴ Ibid.

¹²⁵ Shu Min, "Dealing with an Emerging Economic Power: The EU's Trade Policy towards China," (ECPR Joint Sessions of Workshops), (Lisbon, Portugal March 2009

¹²⁶ It was first reported that Austria proposed to apply the Common proposal only for one year on 13 September.

2 abstentions were counted.¹²⁷ On 4 October in a melodramatic turnaround the COREPER finally voted for a proposal made by the French government. The voting result was 9 ‘Yes’, 12 ‘No’, and 4 abstention.¹²⁸ With abstention counted as approval, the revised anti-dumping measures were adopted by the smallest possible margin. It is significant that states such as Italy, Spain and Portugal who account together for two third of the total EU footwear production, were able to lobby for an extension which was not only inefficient but also revealed EU’s ability to enforce effective measure and secure all Member States interests. The other problem, which this example show is, that trade disputes with China are becoming more and more politicized and some Member states were willing to fight against each other. In an effort ease the division of the EU Member States and to finally find compromise he pleaded:

"I appeal to member states to take the long-term view. The price of rejecting my proposal is harm to the consumer. The gain is keeping the agreement alive and the overall restrictions in place over the next three years."¹²⁹

The case studies given in this chapter show how the divisions between the Member States lead to an inefficiency of formulating a strong China polity at EU level. Even though Member States have different ideas about how to interact with China’s, an important reason for the division is the belief of national governments that they can gain more by a national China policy than from an integrated EU approach. In most cases, however, the concessions by China to single Member States on any major issue are mostly small and the Member States only profit in the short run. Furthermore as the case of the textile dispute shows the division also weakens the position of the EU in international

¹²⁷ Shu Min, “Dealing with an Emerging Economic Power: The EU’s Trade Policy towards China,” (ECPR Joint Sessions of Workshops), (Lisbon, Portugal March 2009).

¹²⁸ Ibid.

¹²⁹ People’s Daily, “Online, EU trade chief urges unblocking of Chinese textiles,” (August 31, 2005), accessed July 1.2012, http://english.people.com.cn/200508/31/eng20050831_205434.html.

negotiations and benefit above all the negotiating partner – in this case China.

5. The Role of the “Big Three” in EU-China Relations

The three Germany, France and the United Kingdom are the strongest EU Member States and the have most crucial influence in EU-China bilateral relations. Their role in EU-China relation will be further discussed in this chapter.

5.1 Germany in EU-China Relations

The German government traditionally emphasizes the importance on building strong economic and political relations with Beijing. This pragmatic approach goes back to 1955 when the Federal Republic of Germany opened a trade office in China. This is significant because it was against the Hallstein doctrine which ruled out any contact with governments who recognize East Germany.¹³⁰ This pragmatic ensured the improvement of economic relations between Germany and China and by 1966 Germany was China’s biggest European trade partner.¹³¹ In the 1980s almost 50 percent of technology exports

¹³⁰ German History in Documents and Images, “The New Ostpolitik and German-German Relations,” accessed July 1.2012, http://germanhistorydocs.ghi-dc.org/sub_document.cfm?document_id=917.

¹³¹ Nicola Casarini, “Remaking Global Order: The Evolution of Europe-China Relations and its Implications for East Asia and the United States,” (Oxford University Press 2009), 36.

to China were expected to come from West Germany.¹³² This trade orientated, pragmatic policy was continued by Helmut Kohl, the West-German Chancellor from 1982 until 1990. He implemented the policy of the “German model” which was outlined in the German Asia Concept of 1993 (“Asian-Konzept der Bundesregierung”).¹³³ As Christopher Nesshöver outline, the “German Model” can be characterized by three principles: (1) silent diplomacy – that is avoiding open human rights accusations, (2) the doctrine of change through trade (“Wandel durch Handel”) – that is pushing for political liberalization in China through economic development and (3) strictly holding on a “One China policy”¹³⁴

Since 1972 Sino-German economic relations have improved very fast and can be described as a great success. In 1972, German companies exported to China goods worth just 270 million USD. According to Federal Statistical Office of Germany, in 2011 German exports to China were already worth EUR 64.8 billion, an increase of 20.4 per cent compared with the previous year. German imports from China were worth EUR 79.2 billion, an increase of 2.5 per cent compared with the previous year.¹³⁵

Since 2002, China has been Germany’s second biggest export market outside Europe, after the USA and ahead of Japan. Germany is by far China’s largest European trading partner, ranking fifth overall among China’s trading partners (and fourth excluding Hong Kong).

¹³² Ibid. .

¹³³ Die Deutsche Bundesregierung, *Unterrichtung durch die Bundesregierung, Asienkonzept Bundesregierung*, (1993), accessed July 1.2012, <http://www.asienhaus.de/public/archive/brdasia.htm>.

¹³⁴ Christopher Nesshöver, „Die Chinapolitik Deutschlands und Frankreichs zwischen Aussenwirtschaftsförderung und Menschenrechtsorientierung (1989 bis 1997)“, *Institut für Asienkunde* (1999).

¹³⁵ Auswärtiges Amt, „Beziehungen zwischen der Volksrepublik China und Deutschland,“ (April 2012), accessed July 1.2012, http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/China/Bilateral_node.html#doc334538bodyText4.

Gerhard Schröder, the German Chancellor from 1998 to 2005, realized the importance of the rising Asian giant and seek good relations with Beijing and implemented a China-friendly policy. Schröder promised to visit China at least once a year, not surprisingly he visited China more often than any other country.¹³⁶ Schröder advocated, against the protest of the opposition parties, for an end of the weapon embargo: In 2004 and 2005 he aggravated considerable opposition within his coalition partners and even within his own party. Angela Merkel, the new elected German Chancellor in 2005, implemented a new policy towards China. After her inauguration she made soon clear that she her government will put more emphasize on human rights.¹³⁷ Again, the Chinese reaction was severe; a Chinese diplomat expressed the government's disappointment: "How could the chancellor have done something so despicable?"¹³⁸ The temperature in Berlin-Beijing relations has "dropped almost to the freezing point" as the *Welt-Kenntnis* wrote.¹³⁹ Merkel's approach towards China was highly criticized in Germany as well in Europe. In Germany, business men were unsatisfied with her business-unfriendly approach, which unsettled the Chinese side. "The way we deal with

¹³⁶ Guenter Bannas, „Deutschland und China Politischer Anker,“ *FAZ*, (February 05.2012), accessed July 1.2012, <http://m.faz.net/aktuell/politik/ausland/deutschland-und-china-politischer-anker-11638610.html>.

¹³⁷ Deutsche Welle, „Merkel will für Menschenrechte eintreten“ (February 02.2012), accessed 1 July 2012, <http://www.dw.de/dw/article/0,,15706429,00.html>.

¹³⁸ Spiegel Online International, “Pressure Growing on Merkel to Fix Squabble with China,” (November 27.2007), accessed 1 July.2012, <http://www.spiegel.de/international/germany/german-chinese-relations-pressure-growing-on-merkel-to-fix-squabble-with-china-a-519976.html>.

¹³⁹ Spiegel Online International, “Pressure Growing on Merkel to Fix Squabble with China,” (November 27.2007), accessed July.1.2012, <http://www.spiegel.de/international/germany/german-chinese-relations-pressure-growing-on-merkel-to-fix-squabble-with-china-a-519976.html>.

China is absolutely unjustified."¹⁴⁰ Jürgen Hambrecht from BASF criticized. Eggert Voscherau, also BASF, added: "We have pushed open the door, but others are going through."¹⁴¹ Even though the German leader took a more critical standpoint than her predecessor and advocated for a continuation of the weapon embargo, however, she also didn't stick to a stronger coherent EU approach.¹⁴² In de media, the cost which Merkel's policy towards caused for Germany and the EU was even called "Merkel-cost".¹⁴³

Germany's traditional own strategy, to separate politics from trade, was very successful during the era Kohl and Schroeder. Under Chancellor Gerhard Schröder, German-China relations were greatly driven by economic exchanges. Political issues such as human rights or environmental protection were mostly ignored in order to safeguard smooth (economic) relations with Beijing. Merkel, who lived in the former communist East Germany, made it clear that human rights issues and business disputes such as the quarrel about the protection of Intellectual Property Rights would be addressed more directly under her government.¹⁴⁴ However, under Merkel continued her national approach towards China and, being the biggest European economy, ignored a coherent EU-approach. Even though took a tougher stance towards China, prosper trade relations were still business as usual.

¹⁴⁰ Ralf Beste, Ralf Neukirch and Matthias Schepp, "Merkel Foreign Policy Is Bad for Business," *Spiegel Online*, (October 23.2007), accessed 1.July.2012. <http://www.spiegel.de/international/germany/the-cost-of-being-honest-merkel-foreign-policy-is-bad-for-business-a-513067-2.html>.

¹⁴¹ Ibid.

¹⁴² Terry Narramore, "China and Europe : Engagement , Multipolarity and Strategy" *The Pacific Review*, 21 1 102 (2008).

¹⁴³ Ralf Beste, Ralf Neukirch and Matthias Schepp, "Merkel Foreign Policy Is Bad for Business," *Spiegel Online*, (October 23.2007), accessed 1.July.2012. <http://www.spiegel.de/international/germany/the-cost-of-being-honest-merkel-foreign-policy-is-bad-for-business-a-513067-2.html>.

¹⁴⁴ Focus online, „Menschenrechte werden Thema,“ (21.05.2006), accessed July 1.2012, http://www.focus.de/politik/deutschland/merkels-chinabesuch_aid_109294.html.

5.2 France in EU-China Relations

Although France lacks Britain's historical ties with China and its commercial relations with Beijing are not as strong as Germany has with China, but Paris' political relationships with Beijing are in many ways stronger than of any other EU Member State. The French government regards itself as an idol in respect of leading China into the international system.¹⁴⁵

At the European level, France has been very active and instrumental in building closer relations with China. As mentioned before, Paris was the first European State to normalize relations with Beijing in 1964. In the 1970s France pushed for the opening of diplomatic relations between the European Economic Community (the former name of the EU) and China. The main driver of the France-China rapprochement was that both shared the idea, that after the collapse of the Soviet Union and the hegemony of the United States, the world was unipolar and unbalanced.¹⁴⁶ The two countries began to cooperate closely in the United Nations Security Council, where they both inherit a seat as a permanent member.¹⁴⁷ The two countries arranged closer cooperation, deeper cultural exchanges and arranged annual meetings and summits.

France has been also a leading actor to change the EU's policy on human rights. Already in 1997 France was the first democratic country to lobby for a stop to criticize Beijing in the Office of the United Nations Higher Commissioner for Human Rights

¹⁴⁵ Katinka Barysch and Charles Gran, et al., "Embracing the dragon The EU's partnership with China," *Center for European Reform*, (May 2005), 19.

¹⁴⁶ Alex Hughes, "France/China: Intercultural Imaginings" *Legenda* (London: MHRA and Maney Publishing, 2007 – *Legenda Series Research Monographs in French Studies*, 22 2007), 45.

¹⁴⁷ *Ibid.*

(OHCHR).¹⁴⁸ Furthermore the French government tried to avoid any problems with Beijing concerning human rights, Paris argued in an agreement with China, that human rights should be rather discussed on EU level.¹⁴⁹

France's China-friendly policies were obvious once again during the EU-China negotiations about China's accession to the World Trade Organization (WTO). With the help of the French EU's main negotiator, Pascal Lamy, an agreement was signed in May 2000.¹⁵⁰ After France's supportive role the WTO-negotiations the partnership between France and China was lifted up to a "comprehensive strategic partnership" and both countries shared a large number of identical views. France shows a successful record in implementing a mercantilist strategy of pushing national initiatives and sign large-scale grand contracts with China.¹⁵¹ In other words, the French government is assuming that good political relations will lead to major business deals. While France has been very successful in establishing stronger ties between the European Union, Paris also caused troubles inside the EU while dealing with China. As Fox and Godement describe it:

"... the country's propensity for sudden swings between political support for China and criticism of China over human rights, Taiwan or Tibet make it an unpredictable partner, both for China as well as for other Member States."¹⁵²

Under Jacques Chirac France-China relations were stronger than ever before. In 1975

¹⁴⁸ Giuseppe Balducci, "Inside Normative Power Europe: Actors and Processes in the European Promotion of Human Rights in China", *EU Diplomacy Papers*, (August 2008), 22.

¹⁴⁹ Ibid.

¹⁵⁰ International Centre for Trade and Sustainable Development, "EU and China Reach WTO Accession Agreement," (May 23 2000), accessed July 1.2012, <http://ictsd.org/i/news/bridgesweekly/88831/>.

¹⁵¹ French Ministry of Foreign Affairs, "France and China, Country Files" (2007), accessed July 1.2012, http://www.diplomatie.gouv.fr/en/country-files/china-506/france-and-china_5691/index.html.

¹⁵² John Fox and François Godement, "A Power Audit of EU-China Relations", *European Council on Foreign Relations*, (April 1.2009), 6, accessed July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

Chirac, as France's then prime minister met Deng Xiaoping the first time and praised the Chinese leader highly.¹⁵³ In 1997, two years after his inauguration, during Chirac's visit to China, the French president and its Chinese counterpart, the Chinese president Jiang Zemin agreed upon the establishment of the Sino-French "Global Partnership". Most interestingly,

France was the first Western country to establish such strategic partnership with China.¹⁵⁴ Only China's direct neighbor and long-time ally Russia had already agreed on a "strategic partnership" with China in 1996.¹⁵⁵ France willingness to foster strong ties with Beijing went even to that point that Paris stopped its support for a resolution for the condemnation of China human rights violation in the United Nations Human Rights Commission.¹⁵⁶ In 2002, when Chirac was reelected he continued his approach of pro-China policy pushed for even further improvements of bilateral relations with Beijing: Under his presidency, France pushed several times for an end of the weapon embargo against Beijing, most significantly in 2003 just before his visit to Beijing.¹⁵⁷ France was one of the very first EU Member states who openly questioned the usage of the European Weapon Embargo.

At beginning of his presidency in 2007, France's new leader Nicolas Sarkozy followed continued his predecessor's China-friendly approach. At the same time German-France relations suffered from Merkel's harsh stance on China. At the peak of PRC

¹⁵⁴ Jean-Pierre Cabestan, "Relations between France and China; Towards a Paris-Beijing Axis," *China: An International Journal*, 4(2), (2006), 3270-40.

¹⁵⁵ Andrew Kuchins, "The Emerging Sino-Russian Strategic Partnership and Eurasian Security," *PONARS Policy Memo*, Stanford University (1997), 1.

¹⁵⁶ Paul Lewis, "China Warns Denmark On Resolution," *New York Times*, (April 08.1997), accessed July 1.2012, <http://www.nytimes.com/1997/04/08/world/china-warns-denmark-on-resolution.html>.

¹⁵⁷ Caroline Wyatt, "Chirac bid to lift China arms ban," *BBC*, (8 October. 2004), accessed, July 1.2012, <http://news.bbc.co.uk/2/hi/asia-pacific/3725942.stm>.

criticism of Angela Merkel the French leader went to China on a state visit. The Chinese press hailed French-Chinese relations as ‘stable, long-term, and strategic’.¹⁵⁸ However, France's ties with China strained in 2008 for a number of reasons. In March of that year, relations soured after Sarkozy expressed his criticism at Beijing's crackdown in Tibet after protests there led to violence.¹⁵⁹ One month later, during the Olympic torch relay in Paris and several attempts by protesters to disrupt the ceremony the celebrations were relayed.¹⁶⁰ At the end of the same year a meeting between Sarkozy and the Dalai Lama further alienated Beijing.¹⁶¹

5.3 Great Britain in EU-China Relations

Even though Britain was one of the first Western countries to recognize the PRC in 1950, ambassadors were not exchanged between Beijing and London until March 1972. In the 15 years before 1997, political relations between the UK and China were largely influenced by the debate about Hong Kong and the return of sovereignty to China. In December 1984, both sides signed a joint declaration to mark the hand-over of Hong

¹⁵⁸ China.Org.cn, “Sarkozy visit marks new phase in relations,” (November 26, 2007), accessed July 1.20212, http://www.china.org.cn/international/opinion/2007-11/26/content_1233093.htm.

¹⁵⁹ The Times of India, “French President Nicolas Sarkozy 'shocked' by Tibet unrest,” (Apr 25, 2008), accessed July 1.2012, http://articles.timesofindia.indiatimes.com/2008-04-25/europe/27741804_1_french-president-nicolas-sarkozy-beijing-olympics-dalai-lama.

¹⁶⁰ Alasdair Sandford, “How French protests rained on China's Olympic parade,” *The Guardian*, (April 7.2008), accessed July 1.20212, <http://www.guardian.co.uk/world/2008/apr/07/olympicgames2008.france>

¹⁶¹ ChinaPost, “The China Post Sarkozy meets Dalai Lama as China fumes,” (December 7, 2008), accessed July 1.2012, <http://www.chinapost.com.tw/china/local-news/tibet/2008/12/07/186515/Sarkozy-meets.htm>.

Kong on 1 July 1997.¹⁶²

The newly British Prime Minister, Tony Blair of the Labour party handled the hand-over in 1997. The processes went rather smoothly without any major disturbances. In these new circumstances, relationships between the PRC and the UK seem to have become easier and more relaxed. After 1997 a series of state-visits marked an improvement of bilateral relations. In April 1998, China's Prime Minister Zhu Rongji visited Britain, and President Jiang Zemin followed in October 1999.¹⁶³ Tony Blair paid a visit to Beijing in October 1998 just after Britain's Deputy Prime Minister John Prescott was in China in July 1998.¹⁶⁴ This new diplomatic climate was formed and is influenced by the conclusion that both countries, as permanent members of the Security Council of the United Nations, have similar international interests and responsibilities and should therefore step up bilateral and multilateral co-operation. As a result, China and the UK agreed in 1998 to intensify their political and military dialogues and work together towards a more peaceful and secure world.¹⁶⁵ Both countries also share common global interests in issues such as environmental protection, fighting crime and corruption, drugs and AIDS. Furthermore, the two sides enjoy close bilateral ties in areas like education, science, finance, academic ex- changes, health and culture.

Tony Blair became Prime Minister of the United Kingdom in 1997. In the same year he had to handle the handover of Hong Kong to China.¹⁶⁶ HK was the biggest issue

¹⁶² Eberhard Sandschneider, "China's Diplomatic Relations with the States of Europe," *The China Quarterly*, vol. 169, (April 2002).

¹⁶³ Xinhuanet, "Backgrounder: China and the United Kingdom," (July 16.2003), accessed July 1.2012, http://news.xinhuanet.com/english/2003-07/16/content_977034.htm.

¹⁶⁴ Ibid.

¹⁶⁵ Xinhuanet, "Backgrounder: China and the United Kingdom," (July 16.2003), accessed July 1.2012, http://news.xinhuanet.com/english/2003-07/16/content_977034.htm.

¹⁶⁶ BBC, Hong Kong handed over to China, (December 31.1997), accessed July 1.2012, http://news.bbc.co.uk/2/hi/special_report/for_christmas/_new_year/events_of_the_year/41020.stm.

that had influenced UK-China relations since the end of World War. The end of this problem in UK-China relations made way for a new China-policy by London. Robin Cook, Foreign Secretary, broke with tradition by announcing “a global foreign policy”, a “third way” and a “business-like approach“ for Britain’s foreign policy.¹⁶⁷ Furthermore Cook announced that “our foreign policy must have an ethical dimension and must support the demands of other peoples for the democratic rights on which we insist for ourselves. The Labour Government will put human rights at the heart of our foreign policy.”¹⁶⁸ However, despite the smooth hand-over and several state-visits, relations between London and Beijing were shaky during Blair’s administration. Reason for that was Blair’s rather China-critical foreign policy.¹⁶⁹ In 1997, during the first meeting since 1991 between British and Chinese representatives, he stressed the importance of freedom of the press and human rights.¹⁷⁰ Two years later, the Dalai Lama visited the British Prime Minister.¹⁷¹ During his term, Blair was eager to boost trade relations with China and stabilize political relations in general. However, his emphasize on human rights and UK’s close ties to Washington created problems in London-Beijing relations.

During his comparatively short term as the British Prime Minister (2007-2010) Gordon Brown followed the steps of his predecessor, but put more weight on strong

¹⁶⁷ The Guardian, “Robin Cook’s speech on the government’s ethical foreign policy, The speech by Robin Cook that started it all”, (December 05.1997), accessed July 1.2012, <http://www.guardian.co.uk/world/1997/may/12/indonesia.ethicalforeignpolicy>.

¹⁶⁸ Ibid.

¹⁶⁹ The UK Defence Forum, “New Directions in UK Foreign Policy Presentation to the Australian Institute of International Affairs,” (August 5.1997), accessed July 1.2012, <http://www.ukdf.org.uk/assets/downloads/assets/writings/articles/older/artukfp.html>

¹⁷⁰ Teresa Poole, “Hong Kong handover: Blair accepts invitation to visit China,” *The Independent*, (July 1.1997), accessed 1.July.2012, <http://www.independent.co.uk/news/world/hong-kong-handover-blair-accepts-invitation-to-visit-china-1248371.html>.

¹⁷¹ BBC, “Dalai Lama meets Blair,” (May 11.1999), accessed July 1.2012, http://news.bbc.co.uk/2/hi/uk_news/politics/340564.stm,

business relations with China.¹⁷² In 2009 an execution of a British citizen convicted of drug running prompted a fierce diplomatic row between the UK and China. The British Prime's efforts to save the British man's life were fruitless, said he was appalled and disappointed". Besides that, under Gordon Brown's administration, no big disturbances or great foreign policy changes occurred.

Table 4: The divisions of the Big Three

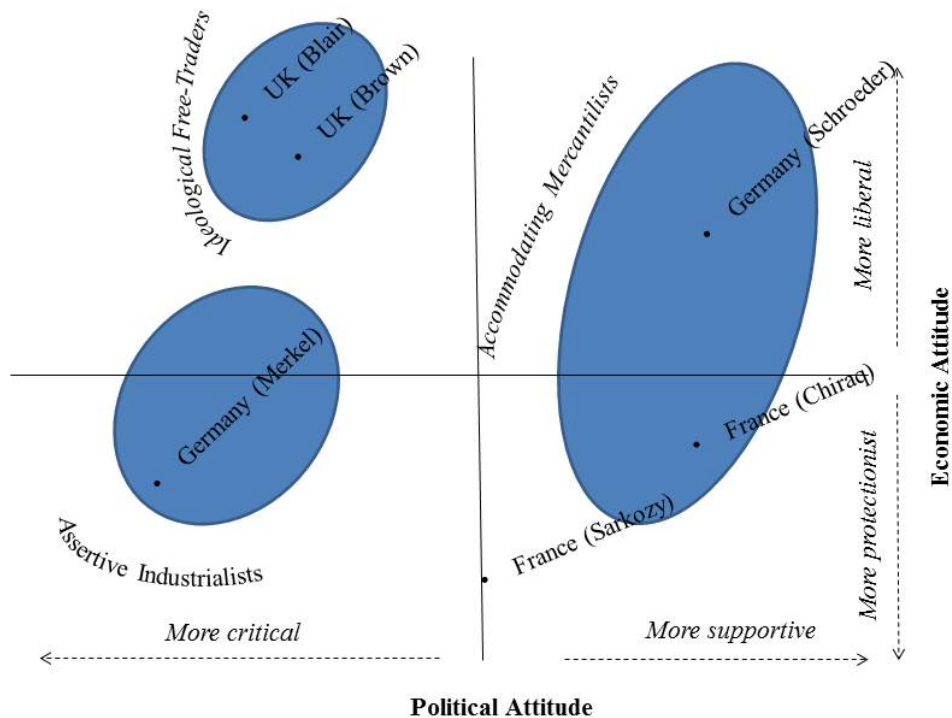


Table 4: Fox and Godement¹⁷³, Erik Class

¹⁷² BBC, "Brown calls for China trade boost," (2 February 2009), accessed July 1.2012, http://news.bbc.co.uk/2/hi/uk_news/7864245.stm.

¹⁷³ Fox, John and François Godement, "A Power Audit of EU-China Relations", *European Council on Foreign Relations*, accessed, April 1.2009, July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

Table 4 shows the difference of the leaders of the Big Three and their respective China policy. Except the Blair and Brown it is remarkably how a change of power also changes their countries foreign policy. This not also means that the bilateral relations to China are unstable and unpredictable but also has a huge impact on the EU policy making process. As discussed before, the Big Three have significant means to influence the outcome of the EU internal process and a change of power of one EU Member State also means that the whole EU internal system has to react to this change.

The biggest responsibility for the failure to develop a coherent and effective EU approach lies with France, Germany and the UK. They are competing to become China's closest ally and openly criticize EU's trade policy to China. This "me-first strategy" ignores the cost of this selfish, short-term oriented approach. Furthermore, their policy undermine each other and a coherent EU policy more generally. The dispute between these three states over whether the EU should lift its arms embargo on China was described by a senior European official in Beijing as "the classic counter-example of what you should not do – it should be taught in diplomatic schools"¹⁷⁴.

6. Conclusion and Policy Implications

The study concludes that the EU's foreign policy is weak and need to be changed.

¹⁷⁴ John Fox and François Godement, "A Power Audit of EU-China Relations", *European Council on Foreign Relations*, (April 1.2009): 28, accessed July 1. 2012, http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

Furthermore the consequential sub-propositions, which were given at the beginning of this paper, can be all described to be true.

Chapter 1 explained that the EU has implemented a weak China-policy of unconditional engagement which hindered the EU to implement an efficient foreign policy. The results of chapter 2 show that the US had a strong influence on EU's decision making process. The case study of weapon embargo explained how Washington is able to push Brussels not to lift it. It is also discussed, what kind of policy China as implemented to deal with the EU. China adopted an effective policy, which exploits institutional shortcomings in the EU-system. Chapter 3 concludes that EU Member States follow a national, short term oriented policy rather than supporting a coherent EU China policy. This creates a political situation which unable the EU to implement a strong China-policy. In chapter 4 it was explained how EU Member States follow a national, short term oriented policy rather than supporting a coherent EU China policy.

The role of the national leaders of Germany, France and the UK and their different China-approaches is discussed in chapter 5 and explained, how they affected EU-China relations.

The two authors of "A Power Audit of EU-China Relations", Fox and Godement, invented the term of "reciprocal engagement". This policy is an approach of a new, stronger EU China-policy. They define reciprocal engagement as following:

"Reciprocal is a new interest-based approach with two principles and two criteria. The principles: European offers to China should be focused on a reduced number of policy areas, and the EU should use incentives and leverage to ensure that China will reciprocate. The criteria: relevance to the EU, and a realistic expectation that a collective European effort will shift Chinese policy."¹⁷⁵

¹⁷⁵ John Fox and François Godement, "A Power Audit of EU-China Relations", *European*

Interpreting Fox and Godement's definition of "Reciprocal engagement" one can say that this policy is neither an aggressive strategy towards China nor any kind of a traditional containment policy.¹⁷⁶ In order to tackle international issues the EU has no choice but to engage China as a global partner. Reciprocal engagement means to stiffen Brussels approach and to hold on EU's interest while bargaining with Beijing.

It is suggested that the EU follows two main criteria.

First European confessions to China should be focused on a reduced small number of areas. Rather than confront China with the full range of European demands, it would be more appropriate to set clear priorities. Second: The EU should use sticks and carrots to ensure that China will stick to its commitments.

An example for the first principle is that the EU should focus on the opening of the Chinese market and the removal of important barriers. The market position and export opportunities for EU companies would be investors in particular, through an opening of services markets, the European Equal Treatment to improve the suspension and opening of public procurement.¹⁷⁷

An example for the second principle could be awarding China the Market Economy Status in exchange for better investment rules for European companies. Since China already is already a WTO-member and a membership cannot be used as an incentive anymore, recognition of the market economy status is the main remaining

Council on Foreign Relations, (2008), 52, accessed July 1. 2012,

http://ecfr.3cdn.net/532cd91d0b5c9699ad_ozm6b9bz4.pdf.

¹⁷⁶ Pilko Alexey, America's Policy of "Containment of China", *Global Research*, (April 16.2012), accessed July 1.2012,

<http://www.globalresearch.ca/index.php?context=va&aid=30354>.

¹⁷⁷ Hans G. Hilpert, „Chinas globale wirtschaftliche Herausforderung - für eine kohärente

Außenwirtschaftspolitik Europas,“ *Deutsches Institut für Internationale Politik und Sicherheit*, (Dezember 2010), accessed July 1. 2012, [http://www.swp-](http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S29_hlp_ks.pdf)

[berlin.org/fileadmin/contents/products/studien/2010_S29_hlp_ks.pdf](http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S29_hlp_ks.pdf).

leverage the EU has. The value of this negotiation incentive however falls rapidly as the People's Republic will receive the confirmation of this status in 2016 anyway. At the same time the EU should stop its unrealistic demands for democratic progress and focus on economic areas.

As the fiascos over Mr. Sarkozy's and Ms. Merkel's meeting with the Dalai Lama showed, EU leaders also need to help each other rather than exploiting a bad situation of other EU Member States who was attacked by Beijing. A part of reciprocal engagement is that EU Member states acknowledge that only a coherent, common approach by all Member States would make a European China policy more effectively. Furthermore it is important that the Member States quickly agree on certain points and adopt robust common positions on these sensitive issues. It is important that all EU Member States acknowledge the fact that Member States, who are seeking special privileged relations with China, undermining the legitimacy, credibility and commercial potential threat to the EU. Thus, on the one hand it would be necessary to be included Member States in the decision making process of the trade policy by the European Commission and on the other hand vote, three or five largest European trading partner of China among them closely.

Second, Europe's foreign trade policy should solely focus at facilitating access to the Chinese market. Better export opportunities for European companies would be particularly important. Key sectors are still not accessible by European companies and in other sectors European companies face severe market access restrictions and other form of economic discrimination.¹⁷⁸ Since all European Member States would have a great interest in abolishing the market access barriers and it would be easy to find a common standpoint of all states. A focus of the EU's efforts on market access would be far more

¹⁷⁸ Patrick A. Messerlin and Jinghu Wang, "Redesigning the European Union's trade policy strategy towards China," *Europe*, vol. 32, no. 04, pp. 1-33, (April 2008).

effective than the common approach by the EU of addressing too many problems at the same time.

Certainly, the EU won't be able to force China of opening its markets. Any punitive tariffs against China, import quotas, aggressive market-opening measures will primarily lead to strong nationalist backlashes. At the end those efforts by the EU would be contra productive and no improvement of the market position of the European companies would be reached. Obviously, a trade unilateralism is not a viable alternative to the difficult path of bilateral negotiations.



Appendix

EU-China Relations: Chronology

1975	May	Diplomatic relations established. Christopher Soames first European Commissioner to visit China
1978	2 May	Trade agreement EEC-China signed. Inter alia, establishes Joint Committee
1979	February	Roy Jenkins visits China. First visit of a Commission President. Meets Deng Xiaoping
	July	First meeting of the Joint Committee in Beijing
	18 July	(First) agreement on textile trade
1980	June 16-19	First inter-parliamentary meeting between delegations of the EP and of the
1983		Launch of first science and technology cooperation program
1984		First political consultations at ministerial level, in the context of European Political Cooperation
		Launch of first cooperation projects in China (Management training and rural development)
1985	21-23 May	Agreement on trade and economic cooperation signed
1989	June	As a reaction to Tian An Men incidents of 4 June, EC freezes relations with China and imposes a number of sanctions, including an arms embargo
1990	October	Council and EP decide to re-establish bilateral relations step by step
1992		EC-China relations largely back to normal; arms embargo remains in place
	June	Launch of environmental dialogue
	June	June Establishment of a new bilateral political dialogue
1993	October	Opening of Commission office in Hong Kong
1995	15 July	European Commission publishes first Communication "A long-term policy for China-Europe relations"
		Launch of a specific dialogue on human rights issues
1996	1-2 March	First Asia-Europe Meeting (ASEM); China and EU are active participants
1998	25 March	European Commission publishes Communication "Building a Comprehensive Partnership with China"
	2 April	1st EU-China Summit, London

	22 December	Agreement on scientific and technological cooperation signed
1999	21 December	2nd EU-China Summit, Beijing
2000	19 May	Bilateral agreement on China's WTO accession signed in Beijing
	11 July	Visit of Prime Minister Zhu Rongji in Brussels (first visit of a Chinese Premier to the Commission)
	24 October	3rd EU-China Summit, Beijing
2001	15 May	European Commission publishes Communication "EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a more Effective EU Policy"
	5 September	4th EU-China Summit, Brussels
	17 September	New Information Society Working Group launched
	25 -26 October	Human Rights Dialogue, Beijing
	13 November)	Ministerial Troika, New York (in the margin of UN General Assembly)
	30 November	Political Directors Troika, Beijing
	8 December	Human Rights Seminar, Brussels
	11 December -	China becomes the 143 rd Member of the World Trade Organisation
2002	30-31 January	EC-China Joint Committee, Brussels
	1 March	Release of China country Strategy paper 2002-2006
	5-6 March	Human Rights Dialogue, Madrid
	28 March-4	April Visit of Commissioner Fatten to China
	16 May	Launch of negotiations on Chinese participation in GALILEO
	June	Exchange of letters strengthening the EU-China political dialogue
	24 September	5th EU-China Summit, Copenhagen
	6 December	EU-China maritime transport agreement signed
2003	14 February	EU—China Ministerial Troika held in Beijing
	5-6 March	Human Rights Dialogue, Athens
	10 March	EC opens European Economic and Trade Office in Taiwan
	3 June	China formally requests market economy status under EU's anti-dumping instrument
	30 June	Ministerial Troika, Athens

	10 September	European Commission adopts policy paper “A maturing partnership: shared
	13 October	EU Council of Ministers endorses Commission policy paper “A maturing □ partnership”
	13 October	China releases first ever policy paper on EU
	30 October	6 th EU-China Summit, Beijing: Agreements signed on’ - cooperation in the Galileo satellite navigation program - Industrial Policy Dialogue - EU-China Dialogue on Intellectual Property
	26-27 November	Human Rights Dialogue, Beijing
2004	10-11 February	EU-China Seminar on the two Policy Papers issued in October held in Beijing, □ leading to “Guidelines for Common Action”
	12 February	Signing of MOU on Approved Destination Status (the “Tourism Agreement”)
	26-27 February	Human Rights Dialogue, Dublin
	26 February	Political Directors Troika, Beijing
	16 April	Commission President Romano Prodi visits China
	6 May	Chinese PM Wen Jiabao visits Commission Headquarters, new dialogue initiatives signed; customs cooperation agreement initialed; political leaders recommend that the “Guidelines for Common Action” are implemented
	26 May	5 th High Level Consultations on Illegal Migration and trafficking of human beings, Brussels
	24 September	Human rights dialogue, Beijing
	8 October	Ministerial Troika, Hanoi
	12 November	Geographical Directors’ Troika, Beijing
	8 December	th7 EU-China Summit, The Hague: the EU and China signed - Joint declaration on Non-proliferations and Arms Control - EU-China Customs Cooperation Agreement - Agreement on R&D cooperation on the peaceful use of nuclear energy
2005	24-25	February Human Rights Dialogue, Luxembourg
	11 May	Ministerial Troika, Beijing
	30 June-1 July	EU-China Civil Aviation Summit, Beijing
	7 July	First ADS Committee (“Tourism Agreement”) Meeting, Beijing

	14—18 July	Commission President José Manuel Barroso visits China
	5 September	8 th EU-China Summit, Beijing: the EU and China signed: - MOU on labour, employment and social affairs - Joint Statement on cooperation in space exploitation, science & technology development - Joint declaration on climate change
	25-27 October	Human Rights Dialogue, Beijing
	4 November	EC-China Joint Committee, Brussels
	20 December	1 st EU-China Strategic Dialogue, London, UK
2006	January	EU-China MoU on food safety is signed in Beijing
	3 January	Ministerial Troika, Vienna
	20 February	Commission and Chinese Government sign a MoU on cooperation on near zero emissions power generation technology
	27 March	Political Directors Troika, Beijing
	30 March	The first EU-China bilateral consultations under the Climate Change Partnership are held, Vienna
	6 April	Geographical Directors Troika, Brussels
	15 May	EU-China Dialogue on Regional Cooperation initialed
	25—26 May	Human Rights Dialogue, Vienna
	6 June	2 nd EU-China Strategic Dialogue
	9 September	9 th EU-China Summit, Helsinki: the EU and China agree on opening negotiations for a new comprehensive framework agreement
	11 October	Official launch of China-EU Science and Technology Year
	19 October	Human Rights Dialogue, Beijing
	24 October	Commission adopts Communication “EU-China: Closer Partners, growing responsibilities” and a policy paper on trade and investment
	7 November	EC-China Joint Committee, Beijing
	7 December	The first Macroeconomic Dialogue is held
	11 December	The Council endorses the Commission Communication and adopts related Council Conclusions
2007	16—18 January	Commissioner for External Relations Ferrero-Waidner visits Beijing: launch of negotiations on a Partnership and Cooperation Agreement
	5 March	Geographical Directors Troika, Beijing
	3 May	Commission and ECB discuss economic policy issues with Chinese

		counterparts, Beijing, China
	8 May	Political Directors Troika, Brussels
	15-16 May	Human Rights Dialogue, Berlin, Germany
	11-12 June	EC-China Joint Committee, Brussels
	22 June	1 st Meeting of the EU-China Civil Society Round Table, Beijing, China
	17-18	October Human Rights Dialogue, Beijing, China
	25 October	3 rd EU-China Strategic Dialogue, Lisbon
	14 November	2 nd Meeting of the EU-China Civil Society Round Table, Brussels
	28 November	Euro-zone Troika and Chinese counterparts, Beijing, China
	28 November	10 th EU-China Summit, Beijing: the EU and China - established High Level Economic and Trade Dialogue - agreed to enhance cooperation on climate change
2008	11 March	Geographical Directors' Troika, Brussels
	24—25 April	President José Manuel Barroso and nine Commissioners meet with their counterparts in Beijing
	25 April	1 st EU-China High Level Economic and Trade Dialogue, Beijing
	15 May	Political Directors' Troika, Beijing
	15 May	Human Rights Dialogue, Brdo, Slovenia
	9 June	EU-China Ministerial Troika, Ljubljana
	11 June	Chinese Foreign Minister Yang Jiechi visits Brussels
	23-26 June	3 rd Meeting of the EU-China Civil Society Roundtable, Beijing, China
	24-25 September	EC-China Joint Committee, Beijing
	6-7 November	4 th Meeting of the EU-China Civil Society Roundtable, Paris, France
	28	November Human Rights Dialogue, Beijing
2009	19 January	4 th EU-China Strategic Dialogue, Beijing
	30 January	Commissioner B. Ferrero-Waldner's visit to China
	7-8 May	2 nd EU-China High Level Economic and Trade Dialogue, Brussels, Belgium
	18-19 May	5 th meeting of the EU-China Civil Society Round Table, Tianjin, China
	20 May	11 th EU-China Summit, Prague, Czech Republic: the EU and China - addressed the issues of the financial crisis and climate change.
	14 May	Human Rights Dialogue, Prague, Czech Republic
	27 May	EU-China Ministerial Troika, Phnom Penh, Cambodia

28 October	6 th meeting of the EU-China Civil Society Round Table, Stockholm, Sweden
18 November	Political Directors' Troika, Stockholm, Sweden
20 November	Human Rights Dialogue, Beijing, China
29 November	Euro-zone Troika and Chinese counterparts, Nanjing, China
29 November	EU-China Ministerial Troika, Nanjing, China
30 November	12 th EU-China Summit, Nanjing, China: the EU and China - agreed to speed up the negotiations on the Partnership and Cooperation Agreement - agreed to strengthen people-to-people exchanges and cultural cooperation
17 December	5 th EU-China Strategic Dialogue, Stockholm, Sweden



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