

EU in China: Images, Visibility and the Prospects of Soft Power

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Abstract

Europe's ability to project power is said to have depended on a unique combination of normative influence with a specific mix of policy instruments that help to increase its political and economic influence all around the world. For the purpose of this analysis, the images and the perceived importance of the EU in China are subject to empirical examination. We try to ascertain the effectiveness of the EU's action in forging a partnership not only with the leaders but also with the people. Although both sides take pride of forging a comprehensive strategic partnership, with highly positive public perceptions of the EU and its actions in China, the EU's soft power approach to international relations is found to be inadequate in dealing with the rise of China as a global power. Under such circumstances, whether or not the EU can advance its foreign policy agenda and values in China would ultimately depend on its leaders' willingness to speak truth to power.

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EU-China relationship has enjoyed a pace of unprecedented growth over the past decade. Since 2004, the EU has been China's first trading partner. China is now the EU's second trading partner behind the US and the biggest source of imports. Their bilateral trade has more than doubled between 2003 and 2007. Europe has become the largest source of technology and equipment transfer to China. Expectations for mutual benefits continue to grow in line with the fostering of a comprehensive strategic partnership. The EU has been portrayed by the state-controlled media in China as a prominent global player and an increasingly close ally. It is no coincidence that Chinese journalists and academics have shared a penchant for such colourful notions as 'honeymoon' and 'marriage' to describe EU-China relations.¹

To the extent that the EU has no pretensions to become an Asian power, the EU has concentrated on promotion of 'economic goods' such as programmes on economic, commercial and development cooperation, as well as 'political goods' such as rule of law, democratic values, civil society development, and respect for human rights. In recent years, security and political cooperation have contributed to a much wider spectrum of EU-Asia relations, presenting new opportunities for diplomatic manoeuvre.² In the words of Javier Solana, 'The EU is already a major economic player in Asia, and we are now becoming a political actor too'.³ Over time, the EU Strategy towards Asia has expanded from 'aid and trade' into an 'enhanced partnership' encompassing regional security, social, political and cultural fields.

An increasingly important aspect of the EU strategy towards Asia has been 'to strengthen further the mutual awareness between Europe and Asia and to reduce persisting stereotypes'.⁴ In sharp contrast to the US, which has been dubbed a 'warrior state', the emergence of the EU as a global actor has relied mainly on non-military tools to exert its influence and to maintain its visibility. The notion of a 'soft' or 'civilian' power refers to the EU's preference for diplomacy and dialogue over peremptory military threats in pursuit of foreign policy aims.⁵ The conventional wisdom holds that the EU 'may be **more** influential as a global actor by celebrating its differences with the US and NATO rather than by attempting to imitate those actors' (emphasis mine).⁶

¹See, for example, David Shambaugh, Eberhard Sandschneider and Zhou Hong (eds.), *China-Europe Relations: Perceptions, policies and prospects* (London and New York: Routledge, 2008).

²Christopher Holtby, 'East Asian Stability and Security: The Roles and Responsibilities of the EU', in David Kerr and Liu Fei (eds.), *The International Politics of EU-China Relations* (Oxford: Oxford University Press, 2007), pp. 259-264.

³The EU's Strategic Partnership with Japan, Speech delivered at Keio University, Tokyo on 24 April 2006.

⁴http://ec.europa.eu/comm/external_relations/asia/doc/com01_469_en.pdf. See also Georg Wiessala, *The European Union and Asian Countries* (London and New York: Sheffield Academic Press, 2002).

⁵See, for example, Michael Smith, 'Between Two Worlds? The European Union, the United States and World Order', *International Politics*, Vol. 21(2004), pp. 95-117.

⁶Michael Smith, *Europe's Foreign and Security Policy: The Institutionalization of Cooperation* (Cambridge: Cambridge University Press, 2004), p. 261. See also Tod Lindberg (ed.), *Beyond Paradise and Power: Europe, America and the Future of a Troubled Partnership* (London: Routledge, 2004).

Obviously, policy intentions are necessary but not sufficient conditions for the exertion of influence in the region. One must go beyond general policy statements and probe further into action and issues that may have rendered the EU's visibility and perceived importance better or worse. For example, humanitarian action and economic cooperation would bring the partners closer, whereas political and trade disputes imbue citizens with scepticism or resistance towards closer ties. Good bilateral relationships serve as a facilitating factor for the exercise of the EU's soft powers. As nature of things, however, the influence of the EU may vary from case to case, depending on the extent to which EU manages to obtain public approvals for its action and decisions.

In this paper, the images and the perceived importance of the EU in China are subject to empirical examination. In doing so, we try to ascertain the effectiveness of the EU's action in forging a partnership not only with the leaders but also with the people. Perceptions and visibility issues have begun to receive attention in existing literature on EU-China relations which has concentrated mainly on trade figures, tourist numbers, policy issues, and shared stances or areas of discord at the elite level. Perception has always been a crucial element in determining one's expectations of others in international relations. As an evolving *sui generis* entity the EU possesses few of the traditional advantages accorded to states, such as a sense of national interest and access to hard powers. This is a task made doubly difficult by a deficit of institutional leadership in the fields of foreign and security policy. Moreover, the difficulties for the EU in developing a positive and coherent international perception are compounded by media practice of relegating or grossing over EU affairs 'at the expense of more accessible national stories like the UK royal family, French culture and social issues, the quirkiness of Italy's political system and so on'.⁷

For the purpose of this study, we argue that the visibility and the perceived importance of the EU to China would help observers to decipher the effectiveness of the EU in forging a strategic partnership with China. Impaired visibility is expected to limit the influence of the EU, but high and unimpaired visibility alone does not guarantee influence if the EU is not seen as important and a relevant actor. In the worst case scenario, the EU is likely to be dismissed as totally irrelevant. In contrast, the prospects of EU influence are promising if we know that hopes and expectations in the EU are high among citizens and that they would like to see more rather than less involvement of the EU.

These scenarios are explored here as part of an on-going investigation of the external perceptions of the EU in the Asia-Pacific region.⁸ The project

⁷Mathew Saltmarsh, 'EU-Asian Relations in the Media: A Practitioner's View', *Asia Europe Journal*, 2 (2004), pp. 15-18.

⁸Martin Holland, Peter Ryan, Alojzy Nowak and Natalia Chaban (eds.), *The EU through the Eyes of Asia: Media, Public and Elite Perceptions in China, Japan, Korea, Singapore and Thailand* (Singapore and Warsaw: Warsaw University Press, 2007). See also, Martin Holland and Natalia Chaban (eds.), *The EU through the Eyes of the Asia-Pacific: Public Perceptions and Media Representations* (Christchurch, New Zealand: National Centre for Research on Europe, 2005). Zhu Liqun, 'Chinese perceptions of the EU and the China-Europe relationship', in David Shambaugh, Eberhard Sandschneider and Zhou Hong (eds.), *China-Europe Relations:*

seeks to address a gap in the existing literature by examining what the EU means to citizens in the Asia-Pacific region. In addition to media analysis and face-to-face interviews with 32 elites, an opinion survey using on-line methods with representative samples of 400 citizens in Shanghai, China was successfully completed in 2006.⁹ Notwithstanding the inherent shortcomings of one-off empirical research at a fixed point of time, one must bear in mind that the formation of media, elite and public perceptions towards the EU does not take place in isolation from the historical context and the political process.

The Perceived State of Relationship with the EU

In recent years, 'win-win', 'mutual benefits' and 'interdependency' have become the watchwords of EU-China relations. The Europeans have been keen to foster China's social and economic development, assist its integration into the world economy and contribute to good governance, respect for human rights and the rule of law, and the development and consolidation of democracy. In recent years, the EU has urged China to work together on global challenges such as climate change.¹⁰ The assumption that the EU will be able to shape the context for future policy choices when interacting with China is inherent to the policy of engagement. The multiplicity of Sino-European contacts has developed at several levels, namely (1) bilateral relations between individual EU member states and China; (2) relations between the EU and China; and (3) interregional relations between the EU and China among a specific group of Asian states, such as the Asian Europe Meeting (ASEM) or the ASEAN Regional Forum. At the EU level, the European Commission is the most visible actor of EU engagement in China and is therefore responsible for raising the EU's profile in China.

According to the Chinese Premier Wan Jiabao, EU-China cooperation 'should be long-term and stable', 'transcending the differences in ideology and social systems, and is not subject to the impact of individual events that occur from time to time'.¹¹ China's 2003 announcement about collaboration in the EU Galileo space satellite tracking system, putting up some 20% of the costs, was a case in point. The growing EU-China ties are attributable to the absence of fundamental geopolitical conflicts between the EU and China in the post-Cold War era.

Figure 1 shows that the status of the relationship with the EU was viewed positively by our respondents. A vast majority of respondents (in excess of 90%) felt that China's relationship with the EU was improving or steady, only a few respondents were unable to comment on this matter. Li Xiaoping, a CCTV producer, observed earlier, 'In recent years, the Chinese media have provided extensive coverage of Europe's integration and

Perceptions, policies and prospects (London and New York: Routledge, 2008), pp. 148-173, and also Karine Lisbonne-de Vergeron, *Contemporary Chinese View of Europe* (London: Chatham House, 2008).

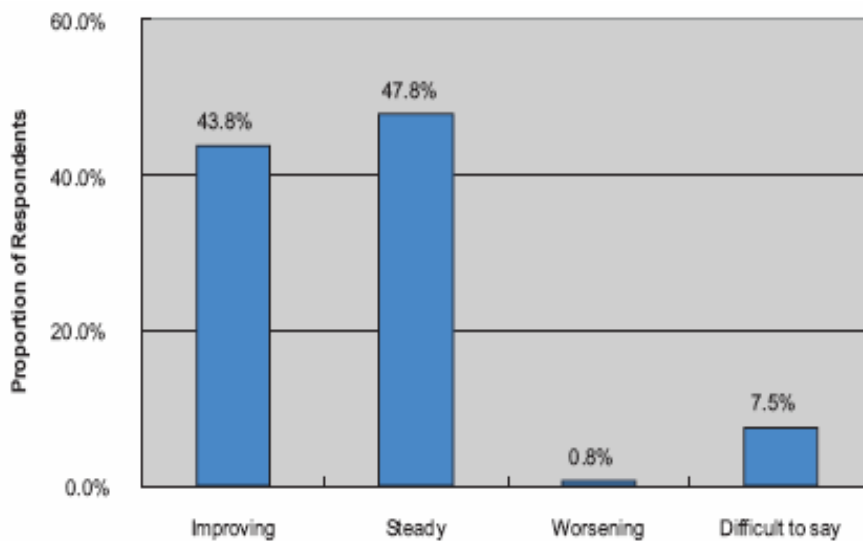
⁹No less than 60% of respondents in our survey claimed that they 'occasionally' or 'often' discussed Europe/EU related issues with family, friends and colleagues.

¹⁰http://ec.europa.eu/external_relations/china/policy_en/htm

¹¹Wan Jiabao, 'Vigorously Promoting Comprehensive Strategic Partnership between China and the European Union', speech delivered at the China-EU Investment and Trade Forum, Brussels, 6 May 2004.

expansion, exchange visits by European and Chinese leaders, and developments in the Sino-EU relationship. All of these factors have helped to engender a good social atmosphere for the further development of Sino-EU relations'.¹² Li's observation was confirmed by our study of the Chinese media in 2006, in which monitoring of four news outlets throughout the year on a daily basis showed that media coverage on the EU concentrated on the EU's diplomatic endeavours in China, Iran and the Middle East, as well as the EU's economic profile as a trade bloc and industrial power. Relatively less attention was given to social, culture and people-to-people exchanges, but most of the 1979 reports under examination were objective and mild in tone.¹³

Figure 1 Perceived State of Relations with EU



Arguably, the EU may stand to gain more leverage from such overwhelmingly positive evaluations of its ties with China. But it will be premature to conclude that 'the primacy of soft power' thesis is adequately authenticated by the perceptions of 'good bilateral relations' *per se*. Therefore, our respondents were asked about their views on what the EU meant to them, as well as in what ways and to what extent the EU had been important and relevant to China.

The Imagery of the EU

In the study, respondents in the public opinion and elite surveys were asked to list three thoughts that came to mind when they heard the phrase 'the European Union'. Clearly, respondents had different interests in and feelings towards Europe or the EU. Thus, the EU stood for strong economy, a powerful trading bloc with a single currency, prosperity, democracy, human rights and rule of law, the welfare state, good education systems, culture, technological innovations and, quite interestingly, European football teams that were well-

¹²Li Xiaoping, 'Chinese Television Coverage and Chinese Perceptions of Sino-EU Relations', in David Keer and Liu Fei (eds.), *The International Politics of EU-China Relations* (London: Oxford University Press, 2007), pp. 102-177.

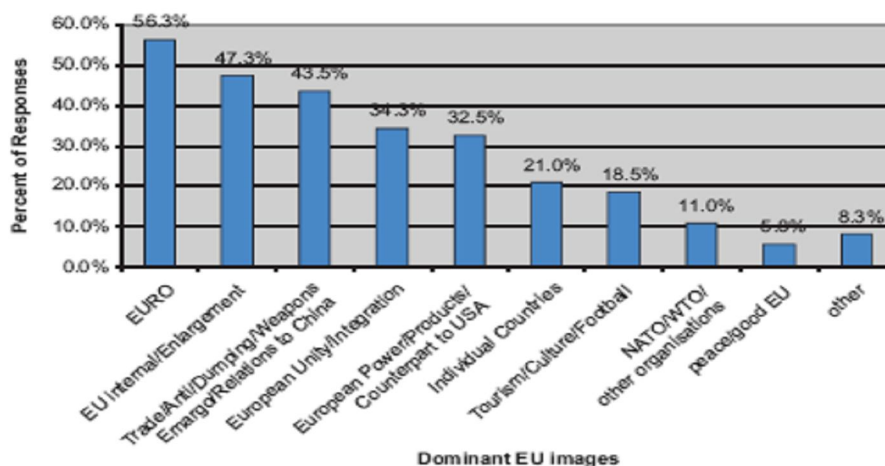
¹³The four media outlets were CCTV1, People's Daily, China Daily and International Finance News.

known to some respondents. Some respondents predominantly described the EU in country terms, with Germany, France, and the United Kingdom most mentioned. The EU was also seen by some as an exclusive club for a number of economically powerful countries, thus reinforcing the division between those who were in and those not.

To Chinese, the most important element that constituted the European identity was obviously the single currency. The euro was widely associated with the EU even though only 13 Member States adopted were in the Euro zone at the time of the survey. Clearly, a monetary union represents not only an advanced stage of European integration among some of the most advanced economies in the world, but also projects a more united image of the EU abroad.

Chinese people have always been impressed by the emergence of the EU, the processes of integration and enlargement, and the ensuing peace and prosperity for peoples across 27 nations. Our respondents also paid special attention to dynamics leading to accession of the former Communist regimes in East Central Europe to the EU. The EU itself and the process of integration of Europe constituted the next most mentioned image in our study. The EU has managed to capture people's imagination as a positive model for regionalism and regional integration in Asia, thus indicating some potential for the exercise of soft power by the EU. In particular, the EU had come across as a reference point for economic integration for Asian nations in their desire for regional stability and prosperity. For one thing, the processes of globalisation have brought about economic, political and security challenges which propel regional collaborations. For another thing, European integration offers rich experiences of state-led regional cooperation to show how community-building might work for mutual benefits. Last but not least, elites interviewed in the 2006 study were able to highlight specific problems such as trade disputes and the EU's arms ban on China which cast shadows on the EU-China relations. Furthermore, there was some expectation to see the EU 'soft balancing' the hegemonic position of the US in the region (Figure 2), thereby indicating the underlying realist considerations.

Figure 2 Dominant Images of the EU in the Eyes of Elites



By and large, the images of the EU found in our study are in agreement with the EU's self-perception of a civilian power using political and economic measures to influence other nations. Of equal importance, the images expressed by the majority of our respondents suggest that Chinese people had a supranational-cum-civilian appreciation of the EU rather than one based on scepticism and disaffection towards the EU.

The Importance of the EU to China's Future

In 2003, China's first foreign policy document was devoted to the EU, which was described as 'a major force in the world...a strong and the most integrated community in the world (which) will play an increasingly important role in both regional and international affairs'.¹⁴ As a global economic power, the EU is believed to be important to China as bilateral, regional and multilateral partner. As mentioned above, the EU was seen as a good partner for China and EU trade with China has grown on average by 20% annually in recent years. It is not surprising that the majority of the public thought positively about EU-China relations. Moreover, the EU's multiple identities as a benign international actor were reflected in people's awareness of the single currency, its global profile as an economic and trade bloc, as well as the unique experience of European integration in accordance with the principles of unity in diversity.

China and EU have been keen on improving their respective profile and mutual understanding with no less than 40 political dialogue mechanisms, including the latest addition of the High Level Economic and Trade Dialogue Mechanism since April 2008. The colonial legacy of some European countries in China is believed to be immaterial to the development of a strategic partnership between the EU and China. The fact that there are no longer any territorial or border disputes between China and the EU has clearly helped.

However, it should be noted that China's interests in the EU are part and partial of its global agenda and ambitions. At the wake of the reform era, the Chinese Communist Party's strategic goals have been to strengthen the legitimacy of one-party rule at home and to win sympathies and support abroad. These two goals are intertwined, reinforcing each other as China pursues both power and recognition in the international arena. China's 'peaceful rise' (sometimes also referred to as 'peaceful development') is the top priority of the leadership today. As an emergent power, China has been able to take advantage of the EU's attachment to multilateralism, international law, engagement and coalition building.¹⁵ But China desires a more united if not stronger EU for the formation of a multipolar world. Strengthening relations with the EU on the basis of mutual respect and equality would serve the purpose of counterbalancing the US and reinforcing

¹⁴<http://www.fmprc.gov.cn/chn/wjb/zjg/xos/gjlb/EuropeanUnion/smgb/t27700.htm>

¹⁵Jean-Pierre Cabestan, 'Learning from the EU? China's changing outlook toward multilateralism', in Wang Gungwu and Zheng Yongnian (eds.), *China and the New World Order* (London and New York: Routledge 2008), pp. 203-217.

multipolarity in international politics. As David Shambaugh and his collaborators have observed,

‘There is a strong proclivity to view Europe as a pole in the emerging multipolar global order that China seeks. When it comes to assessing China-Europe relations, China’s Europe Watchers are almost uniformly upbeat and optimistic...In terms of the so-called US-China-EU triangle, they are constantly looking for fault lines across the Atlantic, which could possibly be exploited by China’.¹⁶

The 2006 study showed that China’s strong pro-EU policy had an impact on public perceptions as well, in the sense that the public generally considered the EU to be the most important region for the future of China, followed by Asia and North America. (Table 1) At the elite level, optimism also prevailed, with political and business leaders even more upbeat about prospects of the EU’s importance to China. (Table 2)

Table 1 Public Assessment of the Importance of EU to China’s Future
(1=not important at all, 5=very important)

Region	Average Score
EU	4.4
Asia	4.1
North America	4.0
South America	3.4
Australia	3.3

Table 2 Elites Assessment of the Importance of the EU to China
(1=not important at all, 5=very important)

Elites	Average Score	
	Present	Future
Business	4.3	4.8
Political	4.5	4.8
Civil Society	4.1	4.3
Media	3.6	4.4

More interestingly, qualitative analysis of the opinions of elites across the four sectors under investigation shows more hard-headed assessments of

¹⁶David Shambaugh, Eberhard Sandschneider and Zhou Hong (eds.), *China-Europe Relations: Perceptions, policies and prospects* (London and New York: Routledge, 2008).

the powers of the EU and their implications for China. Here, the EU was widely perceived as 'an economic giant' but 'a political dwarf'.¹⁷ In the eyes of the interviewees, the US remained the dominating power in the world. As some of our interviewees put it:

- ❖ 'I think it is a strong power, and will become more powerful. But I think the power mainly lies in economic areas. Militarily, I don't have such strong impression that the EU is a strong power'.
- ❖ 'It is hard to say the EU is a great political leader, because different countries in EU have different political views. Some countries may have better relationship with US than other countries. They have different political interest'.
- ❖ 'I would say it is a secondary leader, specifically in the political field, where the world leader is still the US. In the international stage, as a world power, America is more aggressive and active, while the EU member states are holding different positions. In such significant international issues as Russia, NATO expansion, the Middle East and so on, the EU tends to follow America's trend, albeit the EU also raises some of its own ideas here and there. Sometimes it backs the US up; sometimes it quits; sometimes it mediates, so its role is more neutral and flexible'.
- ❖ 'The EU is only a union of nations, not a federal or confederal state. It cannot achieve its goals because of some structural conflicts inside the union. It will be a long way to go for EU to become a strong political force'.

By and large, one may see that Chinese respondents did wish to see a stronger and more unified EU, but traditional statecraft and features of hard power displayed by US have been more successful in capturing their imaginations. The clear lead of the US over the EU has arguably cast serious doubts about the 'primacy of soft power' thesis.

Prospects of EU's Influence on China

How does the EU matter to China? Opinions vary.¹⁸ Optimists point out that the EU and China are highly complementary economically and their leaders share a common vision for a more multilateral world order which would become more 'democratic' and 'just'. They saw great potential in terms of trade and economic cooperation with the EU. It has been reassuring to note that China has engaged in good neighbour policies since the 1990s, settled border disputes with Russia, Vietnam and India, played a greater role in international institutions, and recognized the benefits of using soft power such as hosting the 2008 Olympics and the 2010 World Expo, as well as financing

¹⁷In the aftermath of the Gulf War the Belgian Foreign Minister declared the EU to be 'an economic giant, a political dwarf, and a military worm'. Reported in *New York Times*, 25 January 1991, cited by John McCormick, *Understanding the European Union*, (Basingstoke: Palgrave, 2004), p. 197.

¹⁸See, for example, Sebastian Bersick, 'Strategic considerations in the US-China relationship and the role of European soft power', *Asia-Europe Journal*, 4 (2006), pp. 251-264, Olaf Griese, 'EU-China relations—an assessment by the communications of the European union', *Asia-Europe Journal*, 4 (2006), pp. 545-553, and Ali M. El-Agraa, 'The EU/China relationship: not seeing eye to eye?', *Asia-Europe Journal*, 5 (2007), pp. 193-215.

no less than 100 Confucius Institutes worldwide.¹⁹ China has upheld its five principles of peaceful coexistence that call for mutually beneficial cooperation on the basis of equality, mutual respect, non-interference in the internal affairs of other countries, and resolution of conflicts through dialogue. Moreover, the EU serves as a model for China in terms of its economic, social and environmental policies; areas in which the EU is commonly portrayed as a global leader and role model.²⁰ In the end, the closer the EU-China partnership becomes, the bigger the potential will be for the EU to shape China's international identity and corresponding behaviour through the diffusion of norms, policy ideas and political practices.

On the other hand, sceptics hold that the influence of the EU on China would remain limited to trade, economic and monetary areas. China would like to rejoin the international community on its own terms, with the aim of consolidating its 'peaceful rise' without compromising the authoritarian regime's grip over the nation. Proximity per se does not guarantee a convergence of political culture, as China and the EU have remained poles apart on human rights and democracy. Beijing has been irritated by EU's concerns about the situation in Tibet, Taiwan and Hong Kong. With its robust economy, rising military spending, and growing confidence in the international arenas, the so-called China factor could hardly be ignored in neighbouring nations, thereby complicating Western nations' commitments in Asia. Moreover, the Chinese model of authoritarian capitalism presents new challenges to the EU's role as a democracy and human rights promoter. China's growing needs for energy and natural resources have already threatened to endanger the strategic interests of the EU in Central Asia, Africa and the Middle East.²¹

The 2006 study shows that there appeared to be a wide consensus among respondents that the EU had considerable influence on China across a wide range of issues and policies. Our respondents were presented a list covering a wide range of issues and then asked to rate each issue using a 10-point scale to indicate how much impact they thought the above issues would have on China in the near future. The main findings are summarised in Table 3.

**Table 3 Perceived Impact of EU Actions on China
(1=No impact at all, 10=Huge impact)**

EU as a trading partner for China	8.82
EU's dealings with China	8.60
ECB policies and their influences on world financial markets	8.23
EU anti-trust legislation	8.13
EU-ASEAN Relations	8.04
EU environmental standards	8.00
EU energy policy	7.97

¹⁹ Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven and London: Yale University Press, 2007).

²⁰Hong Zhou, 'A Chinese perspective on Lisbon Strategy', *Asia-Europe Journal*, 5 (2007), pp. 357-365.

²¹Mark Leonard, *What Does China Think?* (London: Fourth Estate, 2008).

EU's dealings with the US	7.95
The bi-annual Asia-Europe Meeting (ASEM)	7.89
EU's role in the WTO Doha Round negotiations	7.88
EU car industry	7.83
EURO	7.80
EU enlargement	7.79
EU's stance on international human rights protection	7.68
EU reactions to bird flu	7.30
EU reactions to international terrorism	7.10
EU's dealings with Eastern European countries	7.01
EU reactions to nuclear crisis in Iran	6.98
EU actions in the Middle East	6.53

By and large, the influence of the EU on China was felt by respondents in our 2006 survey, first and foremost in terms of trade and the substance of its policy towards China. European Central Bank policies and the single currency constituted the next dimension of EU influence which respondents believed to have perceptible impact on the world financial markets. Policy-wise, the EU's anti-trust legislation, its environmental and energy measures, its stance on human rights issues and its reactions to international terrorism have widened and deepened the profile of the EU further in China. Moreover, respondents recognised the impacts of EU on China at the WTO level. Geopolitically, EU's dealings with key regional players such as ASEAN and the US were given more consideration than enlargement or EU's diplomatic efforts in Iran and the Middle East, respectively.

However, the unequivocal recognition of the EU's influence on China would have to be qualified by public and elite awareness of a range of contentious issues affecting future EU-China relations, which included renminbi—EURO exchange rates, Chinese exports safety, trade imbalances, anti-dumping, fair access to Chinese market, transfer of technology, protection of intellectual property rights (IPR), China's Market Economy Status, arms embargo, and human rights.

Human Rights and Arms Embargo

As a democracy promoter, the EU supports democracy throughout the world as the best means of creating legitimate, stable, accountable and transparent government, protecting rights and freedom, and upholding the rule of law.²² Insofar as the EU and China does not share democratic values, differences cannot be simply wished away. In particular, Chinese people remain defiant against any meddling with what they regard as internal affairs. In a country where internet access is heavily monitored by the state and media censorship is the order of the day, Beijing has vehemently opposed to the use of Tibet and human rights issues to attack China, whilst the failure of

²²Giuseppe Balducci, 'Europe's Identity as a Democracy Promoter', Working Paper, Institute of European Studies of Macau, Macau, 2006. See also Richard Youngs, *The European Union and the Promotion of Democracy* (New York: Oxford University Press, 2001).

the EU to lift arms embargo since 1989 has been criticised as an example of Western discrimination against China.²³

As Communism fades away, Chinese leaders have resorted to nationalism as a key source of legitimacy for the party-state. Moreover, it is not uncommon among citizens to believe that the only alternative to the existing order will be a China suffering from chronic social upheavals, ethnic conflicts, and humiliations by foreign powers. Since 1996, the EU has stopped backing UN resolutions critical of the human rights situation in China. However, if public criticism is regarded by EU officials as counter-productive, low-key political dialogue with China on human rights issues has not shown any concrete results either. The ratification of the UN International Covenant on Civil and Political Rights is important to the EU but not to China. Nor has the EU been able to use trade and economic cooperation to transfer its norms and standards to China. Last but not least, Beijing and Brussels are effectively competitors in their dealings with regimes such as Angola, Sudan, Zimbabwe and Burma.

It is believed that China's growing economic might has forced EU leaders to soften their criticism on democracy and human rights issues. But it is an undeniable fact that political and ideological differences continue to constitute serious obstacles to the fostering of a strategic partnership between the EU and China. Beijing's handling of the protests in Tibet in March 2008 and the ensuing disruptions to the Olympic torch relay in Europe strained the relationship and provoked a wave of nationalistic outbursts in China. In the event, Carrefour and other French companies suffered a boycott by angry Chinese consumers, adding to public anxiety in Europe about the rise of China. Sino-EU ties have been strained by French President Nicolas Sarkozy's meeting in December 2008 with the exiled Tibetan Buddhist leader, the Dalai Lama. Beijing retaliated by cancelling the annual EU-China summit. In February 2009, China angrily condemned what it called the illegal auction in Paris of two bronze artefacts taken from the Summer Palace 150 years ago.

Meanwhile, China's military power has increased significantly over the last decade, including plans to step up naval patrols in disputed waters in the South China Sea. There have been growing concerns about how a stronger and less constrained China might behave in the future, but the EU is in no position to exert any influence on the shifting balance of power in Asia. All this has undermined the credibility of EU's engagement policy towards China.

Trade Disputes

Trade has always been the main conduit for closer relations between the EU and China. One of the objectives for the EU in recent years has been to acquire better access to the Chinese market for European companies and investors going beyond WTO commitments. The former Trade Commissioner Peter Mandelson once described the EU's trade relationship with China as 'deeply unequal'; suggesting that trade deficit with China was growing 'at 17

²³Shao Cheng Tang, 'The EU's policy towards China and the arms embargo', *Asia-Europe Journal*, 3 (2005), pp. 313-321.

million euros every hour'.²⁴ In 2007 the EU ran a 3.9 billion euros surplus on trade in services with China, which was estimated to be 60 times smaller than its trade deficit for goods.²⁵ But EU companies find it very difficult to break into the Chinese market and are often discriminated against. China maintains investment and ownership caps in many sectors such as construction, banking, telecommunications and legal service.

Meanwhile, the EU tries to make sure that China meets its WTO obligations. China is the biggest target of trade defence investigations in the EU. The EU currently has 49 anti-dumping measures in force against Chinese imports, covering less than 2% of Chinese trade.²⁶ The protection of IPR is another major issue for EU companies, for whom counterfeit and pirated products pose a serious challenge. China is by far the largest source (around 60%) of such products seized at the EU borders. The EU also seeks an end of forced technology transfers.

In recent years, China's record on food and product safety has become another area of concern in the EU. In 2007, millions of Chinese-made toys were recalled amidst safety concerns about lead paint or detachable parts. Emotions ran high when Chinese vice-premier Wu Yi angrily accused the European Commission of 'exaggerating and politicising' the product safety issues. For its part, China has been lukewarm to repeated calls for reevaluating the renminbi against the euro, and has demanded Market Economy Status from the EU.²⁷

Over the years, China has learnt how to limit EU's influence to cultural, economic and trade cooperation, where Beijing has some advantage. Evidently, the legendary success of China's economy has tilted the political balance in favour of Beijing, as EU member states scramble to secure a niche in the lucrative Chinese market.²⁸ The collective trade power of the EU member states are not transformed into political clout towards China. The inability to coordinate the stance and action of the member states means the influence of the EU on China may be circumvented by Chinese attempts to divide and conquer.

In this section, we have seen that although the EU enjoys a high level of visibility and is perceived as an important actor in China, there is a pervasive perception that the EU is not effective actor and the so-called strategic partnership between China and the EU are far from a reality. The EU's

²⁴Peter Mandelson, 'Growing Trade, Shared Challenges', EU-China Business Summit, 27 November 2007. Carol M. Glen & Richard C. Murgu, 'EU-China relations: balancing political challenges with economic opportunities', *Asia-Europe Journal*, 5 (2007), pp. 331-344.

²⁵EU-China Trade in Facts and Figures, Brussels, 22 February 2008.

²⁶See, for example, European Commission, General Overview of Active WTO Dispute Settlement Case involving the EC as Complainant or Defendant and or Active Cases under the Trade Barriers Regulations, 23 January 2009, pp. 7-9.

²⁷China has been complaining about unfair treatment because Russia was granted the market economy status by the EU and the US in 2002. See Mathieu Rémond, 'The EU's refusal to grant China 'Market Economy Status' (MES)', *Asia-Europe Journal*, 5 (2007), pp. 345-356.

²⁸Among the Member States, Germany was by far the largest exporter to China in 2006, followed by France and Italy. Germany was also the largest importer, followed by the Netherlands and the United Kingdom. Beijing has also agreed individual strategic partnership with France, Germany and the United Kingdom.

demands for 'good governance' are ignored by China. Disputes and occasional outbursts of anger are to be expected. However, the EU sees it the best strategy to work with, not against, China through cooperation and dialogue in order to advance its interests. Speaking to the Communist Party Central School in 2007, José Manuel Barroso stressed that he 'wanted to make things in a way that European citizens view China positively and in no way as a threat. This reservoir of goodwill allowed us, for example, to face the recent crisis about the quality of products imported from China, in a spirit of responsibility and partnership'.²⁹ At the end of the day, economic and trade cooperation remains the driving force of EU-China relations.

Challenges for the EU

On balance, the EU is a highly relevant actor in China, but the findings of this study do call for a more sober appraisal of 'the primacy of soft power' thesis which has been advocated by some observers and practitioners of EU foreign policy. For example, Manners has argued that the peculiar, normative construction of Europe 'predisposes it to act in a normative way in world politics'.³⁰ But the capabilities of the EU to promote its own norms and policy in other parts of the world appear to be questionable. High hopes for the rise of the EU as an international power have received an ambivalent reception in China.³¹ In fact, the EU's influence is found to be rather limited in moulding China's strong emergence.

The key challenge for the EU has been, and remains, translating its presence into effective action. Complexity is compounded by the fact that the EU's foreign and security policy depends on the inner consensus of the Member States. Smith, for example, has pointed out that 'Europe can say yes, no and maybe all at the same time...showing considerable variation in collective action potential and practice...between different issue areas and domains'.³² In June 2006, the European Commission issued a communication entitled 'Europe in the World: Some Practical Proposals for Greater Coherence and Visibility'.³³ The bottom line is that even in its traditional strongholds of trade, lesson-sharing and developmental assistance, the EU must strive for better coordination between all European actors, as well as enhanced visibility of its external action from inception to implementation.

²⁹José Manuel Barroso, 'The EU and China: shaping the future together, speech delivered at the Chinese Communist Party Central School, Beijing, 27 November 2007.

³⁰ Ian Manners, 'Normative Power Europe: A Contradiction in Terms?', *Journal of Common Market Studies*, Vol. 40, No. 2 (2002), pp. 235-58. See also, Henry Bull, 'Civilian Power Europe: A Contradiction in Terms?', *Journal of Common Market Studies*, Vol. 21, No. 2 (1981), pp. 149-64. and Sonia Lucarelli and Ian Manners (eds.), *Values and principles in European Union foreign policy* London: Routledge, 2006).

³¹Stanley Crossick and Etienne Reuter (eds.), *China-EU: A Common Future* (Singapore: World Scientific, 2007), David Keer and Liu Fei (eds.), *The International Politics of EU-China Relations* (London: Oxford University Press, 2007), David Shambaugh, Eberhard Sandschneider and Zhou Hong (eds.), *China-Europe Relations: Perceptions, policies and prospects* (London and New York: Routledge, 2008), and Johnathan Holslag, 'The European Union and China: The Great Disillusion', *European Foreign Affairs Review*, 11 (2006), pp. 555-580.

³²Michael Smith, 'European Foreign Policy in Crisis? EU responses to the George W. Bush administration', *European Political Science*, Vol.5, No.1 (2006), pp. 41-51.

³³COM (2006) 278. Available: http://ec.europa.eu/external_relations/euw_com06_278_en.pdf.

Little progress has been made since. In the words of the European Commission for External Relations Benita Ferreo-Waldner,

'I am telling you no secrets by saying that the fundamental obstacle to a more effective EU foreign policy is our Member States mustering the necessary political will to pursue the common EU interest'.³⁴

Although China and the EU would like to emphasise how Europeans and Chinese have benefited from Sino-European interdependency, in the current climate of global financial crisis, the EU tends to temper their criticisms of China. Being the world's third largest economy and the largest foreign reserves holder (nearly US\$2 trillion), China now asks for more rights and power in the international organisations in response to calls for contributing more.

To be sure, soft power is not a magic wand but a sensible way for achieving part of the EU's global ambitions. But such power is muted owing to prolonged failure to heed repeated calls for institutional change and capacity-building measures aiming at better coordination between all European actors. Under such circumstances, whether or not the EU can advance its foreign policy agenda and values in China would ultimately depend on its leaders' willingness to speak with one voice and speak truth to power.

Conclusions: Lisbon, *plus ça change*?

In recent years, the notion of soft power has gained much ground as an important value, or more accurately as a powerful slogan, in the milieu of the EU. It has been argued that the rise of the EU as a region has contributed to the development of a multilateral world in line with a set of community-building norms and values. Accordingly, soft power is not a magic wand but a valuable policy tool, which continues to be relevant to the EU in three ways: in the formulation of the foreign policy objectives, in forging partnership with third countries in accordance with the EU's self-interest, and in promoting lesson-learning and sharing of values that may have potential utility in a different context.

In the fields of international relations much of the emphasis is on the political elites whose visions and conducts shape the world for better or worse. The findings of this study have somewhat filled the gap in the current literature on EU-China relationships by looking at how the EU has been perceived in China. We believe it is both necessary and helpful for political leaders to understand the popular basis of their actions, namely how the public view their actions and where public opinions are likely to have an impact on the legitimacy of those actions.

However, even when the EU is clear about what it wants and how it wants to see itself, it may still have difficulty in persuading others to see in just that way. The main findings of this case study of China suggest the presence of reasonably strong images about the EU as a strong actor in economic and trade areas more than anything else. While trade partnerships were not

³⁴Benita Ferreo-Waldner, 'The European Union and its place in the world—the current agenda', College of Europe, 7 April 2008.

without difficulties, public perceptions on the EU were found to be largely positive. A vast majority of respondents in China felt that their country's relationship with the EU was growing positively, but the EU has not been very successful in converting trade and economic relationships into political clout.

China's emergence as a world power is widely perceived to have strong implications for countries in the Asia-Pacific region and beyond. The Chinese leadership has emphasised the peaceful nature of the country's development. It remains to be seen how China might develop some common grounds with the other power in the region, the US, and avoid clashes in order to ease the pervasive anxieties about China's ambitions in international affairs. To the extent that China has tried to balance the US hegemony with the help of a more unified EU which may become increasingly independent from the US, the EU can easily fall between two stools.³⁵

As a final remark, the Lisbon Treaty has introduced a number of institutional changes designed to help the EU to become a more effective and coherent actor in international relations:

- A newly created position of President of the European Council and a new High Representative for the EU in Foreign Affairs and Security Policy, also Vice-President of the European Commission, to increase the impact, the coherence and the visibility of the EU's external action;
- A new European External Action Service to provide back up and support to the High Representative;
- A single legal personality for the EU to strengthen the its negotiating power and visibility on the world stage.

As a successor to the ill-fated European Constitution, it remains to be seen how the Treaty of Lisbon may project the EU's power and image more effectively abroad and give the Member States new impetus to attach more importance to the principles under which the EU acts on a global stage, namely democracy, the rule of law, human rights and fundamental freedoms, respect for human dignity, and the principles of equality and solidarity.

³⁵Steve March and Hans Mackenstein, *The International Relations of the European Union* (Essex: Pearson Longman, 2005). See also, Robert Ash, David Shambaugh, and Seiichiro Takagi (eds.), *China Watching: Perspectives from Europe, Japan and the United States* (London: Routledge, 2007).