

INTRODUCTION

Today, the relationship between the European Union and China is strong and important, though it is not in the most desirable situation for both sides. After having a progressive development from 1995-2005, recent years have witnessed a number of setbacks, creating some acrimonious feelings on both sides. As the world is embracing a more challenging future after the severe world economic and financial crisis, and in view of the new foreign policy system enshrined in the Lisbon that is taking the shape, it is time for the EU and China to engage in a more serious and in-depth dialogue, so as to contribute to a possible revitalising of this important relationship.

In the following sections, the authors intend to identify the EU's place in Chinese foreign policy thinking in the past, to assess the development of their relations, outline the priorities in China's EU policy, and frame a Chinese strategy towards the EU.

1. Europe in China's foreign policy thinking in the past

The EU/EC and its member states have occupied a prominent place in China's foreign policy thinking since the early 1970s. Firstly, since China and all major western European countries established normal diplomatic relationships at the beginning of the 1970s, Europe has been regarded as a group of countries which have no fundamental conflicting interests with China. Apart from China's diplomatic skirmishes with European countries over human rights, disputes with France over its export of 60 Mirage-2000 fight planes to Taiwan and with the UK over the Hong Kong handover in the early 1990s, there had been no major concerns over European infringement of China's security and sovereignty. After the UK withdrew its troops from Hong Kong in 1997, there is no European military presence in East Asia, and the Taiwan issue for the most part did not feature as prominently in EU-China relations as in US-China relations. Therefore, the 2003 China EU Policy Paper could proclaim: "There is no fundamental conflict of interest between China and the EU and neither side poses a threat to the other¹".

Secondly, China has seen its relations with Europe serving its strategic objectives from the beginning. After China forged the diplomatic normalization with all EC member states in early 1970s, China and the European Community established diplomatic relations in 1975. While these steps were taken in their mutual interests, from China's side, improving relations with Europe and supporting European integration reflected the strategic thinking of China, namely the "Three Worlds" idea, which saw the United States and Soviet Union as the "First World", and western European states as belonging to the "Second World", and therefore as valuable partners in China's effort to fight the two Cold War hegemonies. China supported and urged the European states to integrate themselves and to develop a common independence policy towards the superpowers. Such a line of thinking continued in the post-Cold War era, when China sees the United States being an unruly unipolar power and becoming the most threatening force to China's core interests. As European countries solidified their integration process by establishing an EU with a common currency and Common Foreign and Security Policy (CFSP), and shared China's concerns about US hyperpower, Europe is seen as a natural and ideal partner in China's drive for a multipolar world. Although China itself replaced the multipolar world concept with a "harmonious world" vision and a new stress on multilateralism from 2005, multipolarization is still seen as an inevitable trend which paves the way for a functioning harmonious world and multilateralism.

Thirdly, since China's reform and opening-up policy of late 1970s, it has long been recognized that stable relations with Europe would be a necessary pre-requisite for Chinese development. With an export-oriented development strategy, Europe, with its advanced economy, can provide the export market, technologies, and much-needed investment for China's massive economic development project. Over the last three decades, the rapid growth of the Chinese economy seems to have further consolidated Chinese demands in this regard.

¹ Foreign Ministry of PRC, "China's EU Policy Paper" (2003).

Furthermore, the EU as a successful model of internal and regional transformation is of itself of interest to Chinese elites. Chinese scholars and policy makers are enthusiastically looking for good lessons from European experiments and achievements, such as the development of a functioning welfare state, green economy, balanced regional development, and the creation of European single market. In view of China's tremendous challenges unfolding in the process of rapid economic development, China needs advice from Europe to help narrow the developmental gap between coastal and inland regions, to achieve sustainable economic development, to construct a single domestic economy out of provincial protectionism, and to rebuild its social welfare system. As China is increasingly involved itself in the Asian regional cooperation process, this also raises the prospect that the model of European integration might even offer an example if not template of how China might deal both with greater China and with the Asian region as a whole.

2. The EU-China relations during the Post-Cold War period

With the strong push from key member states, such as Germany and France, the European Commission issued a policy paper on China, *A Long-Term Policy for China-Europe Relations*, in 1995. In the paper's view, China "is increasingly strong in both the military-political and the economic spheres", and the developments in China "not only have a far-reaching impact on itself, but also have global and regional implications". Therefore, the EU's China policy should aim to promote "the fullest possible Chinese involvement in the international arena, whether on security, political, environmental, social or economic issues"². Positive developments in the following years led the Commission to issue another China policy paper in 1998, calling for the building of a "comprehensive partnership" with China³. Amid the heightened concerns over American unilateralism in the wake of American invasion of Iraq, the Commission in the 2003 China policy paper further called for an EU-China strategic partnership, stating that "it is in the clear interest of the EU and China to work as strategic partners on the international scene... Through a further reinforcement of their cooperation, the EU and China will be better able to shore up their joint security and other interests in Asia and elsewhere"⁴. In October 2003, apparently as a direct reply to the EU's September China policy paper, the Chinese Ministry of Foreign Affairs also issued a policy paper on the EU, *China's EU Policy Paper*. This is an unprecedented move, because the Chinese government has never published any policy paper of its kind relating to a country or regional group, a fact fully demonstrating the high importance which China attached to its relationship with the EU. The paper points out that, "despite its difficulties and challenges ahead, the European integration process is irreversible and the EU will play an increasingly important role in both regional and international affairs". With regard to bilateral relations, the paper stated that "there is no fundamental conflict of interest between China and the EU and neither side poses a threat to the other.", and "China-EU relations now are better than at any time in history". Interestingly, the paper did not describe the EU-China relationship as a strategic one. Only in the last part of paper regarding the military aspect, did the paper seek to "develop and improve, step by step, a strategic security consultation mechanism". Nevertheless, the paper expressed a strong commitment from the Chinese government to strengthen and enhance China-EU relations as "an important component of China's foreign policy", and to build a "long-term, stable and full partnership with the EU"⁵. One year later, leaders from both sides claimed the relationship as a "comprehensive strategic partnership"⁶.

² European Commission, "A Long-Term Policy for China-Europe Relations" (1995). COM (1995) 279.

³ European Commission, 1998, "Building a Comprehensive Partnership with China", COM(1998) 181 final.

⁴ European Commission, "A Maturing Partnership - Shared Interests and Challenges in EU-China Relations" (2003) COM(2003) 533.

⁵ Foreign Ministry of PRC, "China's EU Policy Paper" (2003).

⁶ *Joint Statement*. 7th EU-China Summit. The Hague, 8 December 2004.