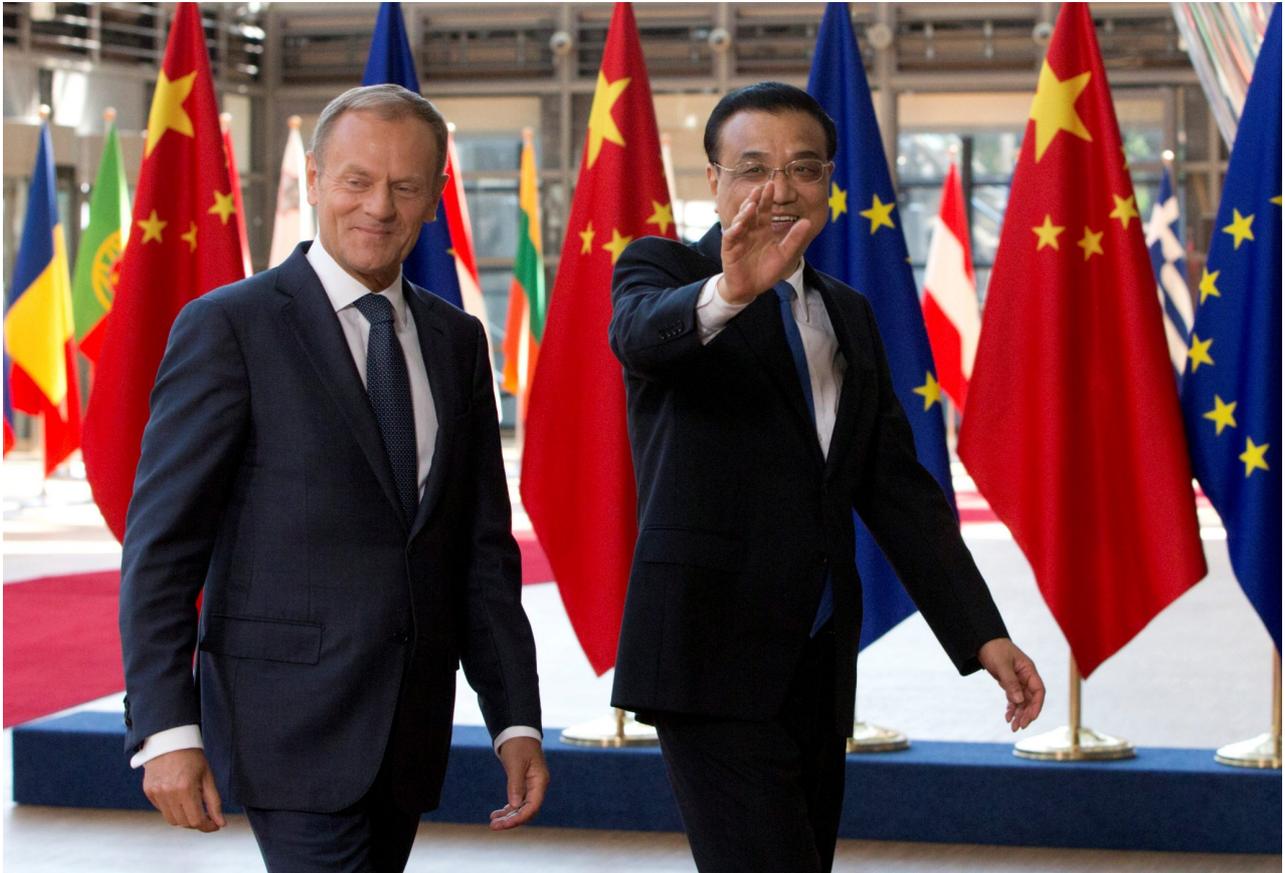


EU–China relations in the Trump era

EAF eastasiaforum.org/2017/07/22/eu-china-relations-in-the-trump-era/

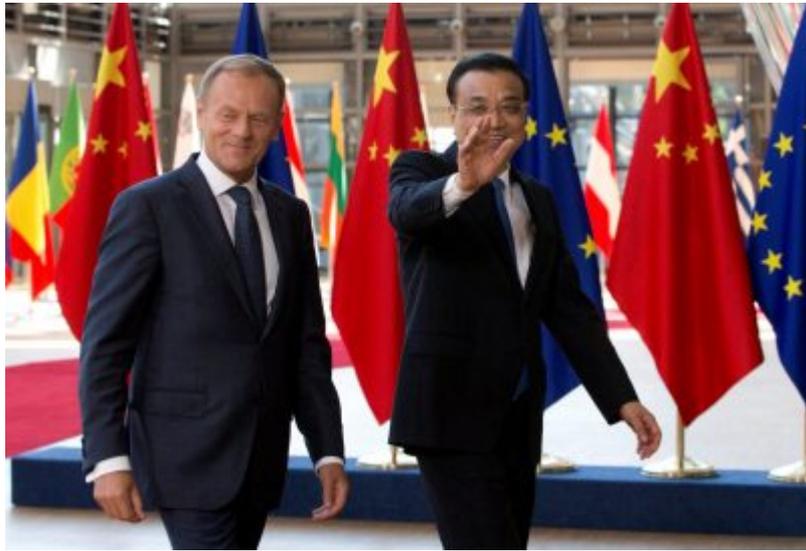
July 22, 2017



Author: Silvia Menegazzi, LUISS Guido Carli University

In a period in which multilateralism seems under threat, EU–China relations have never appeared as highly strategic as they are today. To some extent, the EU–China partnership might have the potential to keep the international multilateral system afloat.

The EU and China are two of the three largest economies in the world. As the United States' global leadership continues to be pushed aside by Trump's declarations to boycott multilateral cooperation, the potential of the EU–China partnership to counterbalance the United States within multilateral organisations and regimes cannot be underestimated.



Contrary to his predecessor, Trump does not believe that multilateralism should be a central element of US foreign policy. Nikki Haley, US Ambassador to the UN, made it clear for instance that the United States is ready to fight alone to reassure security in Northeast Asia and to use military force against North Korea. This is a vastly different approach from the UN's proposed multilateral diplomacy, as well as from the Chinese and EU position of using multilateral frameworks to find a peaceful solution to the crisis.

The EU's foreign policy towards North Korea has been supportive of regional cooperation. China, alongside the EU, has been among one of the strongest promoters of the Six Party Talks. Even though the talks have now reached a dead end, China welcomes further efforts to enhance the role of the EU to solve regional insecurity in Northeast Asia as the only possibility to compensate for US military presence in the region.

On key issues in international politics, the void created by the United States in global leadership is already affecting the EU–China relationship in a number of ways. That said, it remains to be seen how the strategic partnership will boost multilateral cooperation now that the United States seems to be moving away from political and economic globalisation.

The environment and climate change regime could be one in which the EU and China are willing to co-operate. On 1 June 2017, Trump announced the decision to withdraw the United States from the Paris climate change agreement. Widespread criticism emerged, particularly from political leaders in Brussels and Beijing, many of which were shocked by the irrationality of Trump's decision.

But it is the trade and business sectors in which the EU–China partnership is developing the strongest ties. On 2 June 2017, European Commissioner for Trade Cecilia Malmstrom called for China to maintain its 'leadership role' for a successful and rules-based multilateral system, in compliance with World Trade Organization's rules of conduct.

The EU is currently China's largest trading partner and principal investor. But Malmstrom reiterated the need to improve reciprocity between China and the EU. While Chinese investments in Europe have reached record highs, current levels of EU investments in China have been weak in recent years.

There is only one solution according to the EU — a fair and sound bilateral agreement on investments resolving once and for all the overcapacity and trade imbalances between the two nations. This approach suggests an image of the EU that is far from its conception as a 'normative power', oriented instead towards pragmatism when it comes to trade, investments and reform of the international market.

Key aspects of the EU being a normative power — the centrality of peace, democracy, supranational rule-of-law and human rights — today coexist and seem to be as important to the EU as economic interests like open markets and the ability of European companies to fairly conduct business in China. In Malmstrom's speech, the European Commissioner only briefly mentioned respect for the rule-of-law and human rights, once considered to be the backbone of every politician in Brussels when thinking about the EU–China partnership.

But a big question mark remains regarding the impact of Brexit on EU–China relations. With Brexit talks finally under way, the EU–China axis needs to be recalibrated in the light of future consequences and challenges ahead. Brexit will inevitably cause disruption in the trade of goods and services among firms, banks and consumers between the United Kingdom (UK) and the EU. China supports a united EU, though it has always maintained significant economic interests in the UK. The UK's departure from the EU is therefore expected to affect EU–China economic and commercial relations in terms of trade in both goods and services.

Further, without the UK promoting liberal policies on China, it remains to be seen whether the remaining EU member countries will still share the idea of preserving the EU's identity as a normative power. In a post-Brexit scenario, the EU strategy of prioritising democracy-first, rule-of-law and human rights discourses with China may not be sustainable over economic pragmatism.

Silvia Menegazzi is a Postdoctoral Fellow at LUISS Guido Carli University.