

# COMMENTARY

## Of Pandas and Elephants: The EU is Positioning Itself between China and the US after the April 2019 EU-China Summit

Tereza Novotná

The Brexit drama and (yet another) Brexit summit have overshadowed a long-planned high-level meeting that took place just a day earlier in Brussels: the 21<sup>st</sup> EU-China Summit. On 9 April 2019, Donald Tusk, the President of the European Council and Jean-Claude Juncker, President of the European Commission, met with Li Keqiang, China's Premier. From the global perspective, as well as from the standpoint of the European Union's (EU) future prosperity and its role in the world, the talks with China will have more impact than divorce proceedings with one of its members, particularly since this EU-China gathering has actually produced good results.

Despite the fact that news was circulating that Brussels and Beijing could not agree on a joint statement, due to the last-minute tough negotiations and concessions by the Chinese side, the final 7 page-long communiqué has been agreed upon. The historical joint statement contains a number of trade-related provisions aimed at strengthening the reciprocity, market access, investment and intellectual property rights protection, work on geographical indications and technology transfers, state aid rules, WTO reform, industrial subsidies, etc.- all issues that the Europeans wanted to have included otherwise they were willing to forgo issuing of a joint release.

The joint statement, however, also deals with non-economic issues, such as the Paris Agreement and its implementation, while the concluding section covers foreign and security policy, namely shared interest in upholding

the Iran nuclear deal, support for dialogue on the Korean peninsula and peace talks in Afghanistan and Venezuela, as well as a mutual call for full implementation of the Minsk agreement in Ukraine. The EU also inserted a point on settling the South China Sea dispute through engagement and other points on maritime- and cybersecurity and "African solutions to African problems." Even if the EU has reaffirmed its one-China policy and endorsed forging synergies between China's Belt and Road Initiative and the EU's own Strategy on Connecting Europe and Asia, the two topics dear to the hearts of the Chinese interlocutors, the statement overall quite clearly reflects the interests of the EU and its long-sought demands. To be sure that Beijing not only talks the talk, but also walks the walk, the statement is scattered with various "sunset clauses", i.e. deadlines for deliverables and dates for stocktaking meetings, making the statement a kind of roadmap for the EU-China ties in the next two three years.

No matter how important the bilateral issues are, however, the most important outcome of the Brussels talks are two other aspects: firstly, the global context in which the summit took place and, secondly, the place of values, such as human rights, within the EU-China relationship. As regards the global perspective, negotiations leading up to the summit must be seen in the light of the relationship with a third actor – the United States (US). Even if the US was left out of the summit, it was certainly the elephant in the room – and not only because the elephant is an emblem of President Trump's Republican Party. To a large degree,

many of the demands that the Trump Administration has been putting forward to Beijing during the US-China trade talks match those asked by Brussels; primarily ensuring the level-playing field for American (and European) investors in China and the manner in which the Chinese companies enjoy their state aid while operating in foreign countries. In contrast to the US, nonetheless, the Europeans are much less concerned about their trade balance with China.

Yet the methods of achieving the same transatlantic goals differ quite significantly: while Washington has put all its weight behind imposing tariffs while waging a trade war with China, the EU has focused on tough love messages, albeit with willingness to ultimately agree on a deal if and where possible. China has been trying hard to peel away individual EU Member States, be it Greece, Italy or 16+1 members, including Hungary and the Czech Republic, thus fragmenting the unity of the Union. It has also attempted to sway the EU as whole from the US's side to its orbit. China has so far achieved neither: Brussels has got the same concessions that Washington wants without having to cave in on issues important for Europe, such as human rights.

Although it may seem regrettable that the EU-China joint statement does not include any direct criticism of the human rights situation in China, it does include a paragraph in which both sides reaffirm the universal, indivisible, interdependent and interrelated nature of human rights. Moreover, the statement welcomes the EU-China Human Rights Dialogue, which was held in Brussels a week before the summit on 1-2 April 2019. In fact, holding of such a dialogue was precondition by some EU Member States to allow the main summit to go ahead.

After the Dialogue concluded, the EEAS published a comprehensive summary of the two-day discussions in which the EU highlighted the deteriorating human rights situation in China, including in Xinjiang and Tibet, and raised cases of several Chinese human rights defenders. Brussels also pressed Beijing on the cases of Michael Kovrig and Michael Spavor, two Canadians who were detained arbitrarily by the Chinese authorities on 10 December 2018, seemingly in retaliation of Canada arresting Meng Wanzhou, Huawei's top executive and the daughter of the company's

founder, at the behest of the US, for breaking sanctions against Iran. Although Ms Meng has been released on bail and is awaiting her extradition proceedings to the US in her lavish home in Vancouver, the two Canadian citizens have since been held under harsh conditions in an unknown location without any access to lawyers and contacts with family and, in fact, without any official indictment.

Although the Czech public discourse has been focused on Huawei as a potential cyber threat during the roll out of 5G technologies, the case of the two Canadian men is important not only because of their individual mistreatment, but also due to the fact that one of them, Kovrig, thanks to his dual Hungarian nationality, is an EU citizen. Nonetheless, the main reason for concern among the Europeans should be that their fate in a way symbolizes what could happen to the EU (and anyone else) if it does not publicly stand up for the rights of both Michaels while simultaneously building links with Beijing in other areas: as the two of them, the EU could become an innocent pawn in the power game between China and the US. Canada, and the Canadians, have already been victims of such a conflict. If the EU as whole, as well as single Member States, do not forcefully protest such 'hostage diplomacy', it might be next time a German, an Italian or a Czech who can be caught up as a collateral in the Sino-American rivalry.

Apart from all the practical economic benefits resulting from the EU-China agreement, its most significant outcome might therefore be the positioning of Brussels within the US-China-EU triangle. When it comes to upholding multilateralism, the rules-based international order and free trade, Europe currently sees eye to eye with Xi Jinping rather than Donald Trump. Yet Brussels must make clear to the Chinese leaders that if they want the EU to collaborate with China, they cannot cherry-pick the fields of cooperation where it suits them, such as partnerships on climate change and the Iran deal, while breaking the rules that are less convenient to them, like those on the state subsidies and rule of law.

As the "EU-China – A strategic outlook" (a contribution that was drafted in the run-up to the summit by the European Commission and HRVP in March 2019) outlines, depending on the area, China has become the EU's

cooperation and negotiation partner, economic rival and systemic competitor, all at the same time. At the EU-China summit, Tusk and Juncker have struck the right balance with Li. Now, it will be up to the Chinese counterparts to show within a year or two whether they agreed to the statement only to preempt Brussels from teaming up with Washington against Beijing, or whether they are serious

about China's domestic reforms and its international commitments. After all, it's not only the Brits who can't have their cake and eat it. It's the Chinese (and the Europeans), too. And, as in the case of Britain leaving the Union, one can hope that the European unity will be as unflinching as it has proven to be these past years during the Brexit saga.

### Tereza Novotná

Dr Tereza Novotna is a Senior Associate Research Fellow at EUROPEUM and Marie-Sklodowska Curie Fellow at Free University Berlin. Her current "EUSKOR" research project on the EU's role in North East Asia has received funding from the EU's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No 797977. She was previously a Fudan Fellow at Fudan University in Shanghai and collaborates with REPI/IEE at Universite libre de Bruxelles."



Co-funded by the  
Europe for Citizens Programme  
of the European Union

*The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.*