

**What Drives Contemporary E.U.
External Strategic Engagement?
A Case Study of Contemporary
E.U.-China Relations**

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Introduction

- There are contradictory and competing claims regarding the determinants of the EU's strategic preference formation towards China
- This study examines the EU's engagement with China in the context of the underpinning norms, structural arrangements and inherent predispositions that guide its motivation and action
- Understanding the primary motivation of both actors can diminish miscommunication, uncertainty, misunderstanding and mistrust that often characterizes present-day EU-China interactions

Framework

- Three behavioural theories – institutional, social, and agency/stakeholder – are utilized to understand and explain the underpinnings that drive contemporary EU-China relations

Institutional Theory

- The EU's preferences are shaped by institutional structures that create a series of “rituals” and “regulations” for individuals to abide by
- This is a deterministic account of change that assumes a path-dependent preference formation once institutional outcomes are in place

Framework (cont'd)

- It is a uniform view of institutional arrangements that cannot account for variations within regions/nations
- There is an underestimation of stakeholder impact on political outcomes and an emphasis on national drivers at the expense of global ones

Social Theories

- Crudely put, socio-cultural factors motivate social actors
- Institutions are perceived in terms of “cultural legacies” and “historical heritages” that typify individual behaviour

Framework (cont'd)

- Institutions are embedded in a cultural nexus that is undergoing constant re-negotiation
- Social theories often exaggerate the role of culture, presenting it as the universal variable that can account for the totality of actions
- It significantly diminishes the tangible impact that collective rationality and resource constraint can exert on political preference formation
- Moreover, it does not address the overtly normative view of behaviour

Framework (cont'd)

Agency/Stakeholder Theory

- The agency approach suggests that individuals are the primary determinants of their own behaviour patterns
- The stakeholder approach extends this analysis to relevant groups of social actors, thus arguing that the state, interest groups, companies, etc., independently create their preference orientations
- The impact of institutional and social forces are significantly downplayed, due to the notion that actors actively shape, rather than reflect, their characteristics

Complementary Qualities Among the Theories?

- The three theoretical orientations are fragmented, with insufficient attention given to arguments across the various approaches
- The emphasis is cast on different variables that are often set out in competition with one another
- Institutional theories underscore structures, while social and agency/stakeholder theories stress culture and individual autonomy
- Can we merge complementary elements of the theories into a framework that can transcend their restrictions?

The EU and China

1. Fundamental divergence in regime types
2. Variance in norms
3. Growing imbalance in economic power
 - Theorized inclination of the EU towards norms-based action (due to the hypothesized pre-eminence of culture in determining behaviour) predisposes a normative clash between the EU and China over issues of democracy and justice (and other inter-related concepts)

The Case Studies

- Aim: to assess whether the working framework can account for the multidimensional nature of the EU's strategic engagement with China, and not merely retain relevance to certain concrete situations
- If the case studies show that the EU's foreign policy practice with China is largely dependent on its cultural legacies, then even some non-normative issues, such as economic policies, can be heavily imbued with culture-based norm concerns

EU-China Arms Embargo

- Imposed on China in 1989, post-Tiananmen
- The embargo was a direct response to what the EU perceived as China's strong disregard for human rights and freedom of speech
- It was rational to use strategies such as the arms embargo as (1) China was not a major economic or regional/global power in 1989, and (2) the EEC was receiving comparatively low economic benefits from its trade with China, while China was heavily dependent on the EEC
- EU continues to defend its norms at significant economic costs, thereby suggesting a strong normative undercurrent to its policy

EU-China Arms Embargo (cont'd)

- Put differently, security interests is not the sole determinants behind the EU's position
- The embargo, in practice, is no longer capable of achieving its aim of transforming China's human rights policy, and it does not significantly undercut China's military capacity
- The EU is constrained by the symbolism a lifting of the arms embargo would signal
- The EU's enforcement mechanisms are weak: due to the nature of the declaration and the scope of the embargo is not clearly defined

EU-China Engagement in Africa

- EU-China engagement in Africa is exemplified by the trilateral dialogue and cooperation framework put forward in 2008, but minimum progress has been made on the dialogue's aims to date
- EU's general interest in African development stemmed from a mixture of economic, normative and security interests
- Cultural norms, resource constraints and rational considerations underpinned the EU's choice of instigating a trilateral dialogue initiative with China in Africa
- Economic and security considerations were of tertiary importance to the EU initiative

EU-China Engagement in Africa (cont'd)

- China's investment policy was not heavily impinging on EU markets or energy security; rather, any contentions with China's behaviour stem from normative considerations
- The EU perceives China's economic involvement in Africa as spreading corruption and weakening transparency and governance: China's FDI and aid packages come without clauses relating to promoting transparency, accountability and good governance
- The EU, having an explicit political agenda in developing non-democratic nations, loses its position in Africa to China

EU-China Engagement in Africa (cont'd)

- EU showed unease that China and some African states do business regardless of human rights protection and their leaders do not respect the frameworks of international conventions
- EU is dissatisfied China employs the international system to protect the host nations that it engages with, from international sanctions and other preventive measures, in the face of serious allegations of genocide and crimes against humanity
- Variances in culture-based norms between the EU and China have been the overriding obstacle to enact the policy framework of the trilateral dialogues

Market Economy Status

- Article 15 of China's Accession Protocol to the WTO allows WTO members to treat China as a non-market economy for anti-dumping purposes until December 11, 2016, unless China can prove that it has a market economy before that date
- The EU continuously refuses to give China MES on technical grounds – with Brussels' fearing giving MES will impact the EU's economy, notwithstanding the economic arguments are debatable
- Foremost, as China is decreasingly dependent on export markets (rather looking to generate growth by spurring domestic demand, the increase in China's exports to the EU may not be as big

Market Economy Status (cont'd)

- Second, only about 1% of all Chinese exports to the EU are affected by the EU's anti-dumping measures
- Third, China's reclassification as a market economy will not shield it from anti-dumping actions by its trade partners
- Finally, China's growing middle class represents an opportunity for European companies, thus giving China market economy status should not have an overtly negative impact on the EU's economy
- In short, much of the EU's economic reasoning is erroneous and points to other issues behind its calculus, i.e. cultural norms