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## CHINA AND THE EU IN CENTRAL ASIA -- COMMON INTERESTS AND DIVERGENT UNDERSTANDINGS

Sebastian Paulo\*

Steady economic growth over the past three decades has prompted China into assuming a greater role in other regions of the world. At the same time, the EU is developing a global profile. Hence, both actors find their paths crossing more frequently in different regions of the world as is increasingly the case in Central Asia. In relation to the rivalry between Tsarist Russia and the British Empire in the 19<sup>th</sup> century, some scholars refer to a “new Great Game” in Central Asia.<sup>1</sup> According to this “realist” viewpoint, Russia, China, the US, India and the EU have (re-)discovered the region as a terrain of great power competition. This train of thought has led to perceptions of EU-China relations in Central Asia, in largely antagonistic terms. At the same time, stated objectives of the EU and China's Central Asia policies exhibit a considerable degree of overlap. Above all, both the EU and China adopt a discourse of promoting stability in the region.<sup>2</sup>

This paper looks into the question of why this common interest in stability and security has, thus far, not led to more cooperation between the EU and China in Central Asia. The main argument advanced here is that China and the EU operate on the basis of different understandings of stability. Firstly, I will compare the interests pursued by the EU and China in Central Asia in order to illustrate the substantial degree of overlap. Secondly, I argue that this overlap has to be qualified since the EU and China use different notions of stability, which they try to project when interacting with other regions. These different understandings of stability originate in the EU and China's own historical experiences with regard to instability and periods of transition.

### **The EU in Central Asia**

Absorbed by transition processes in its immediate neighbourhood after the Cold War, the EU has treated Central Asia with neglect for some time.<sup>3</sup> The EU appeared principally as a development actor without a distinct geopolitical profile.<sup>4</sup> Its main tools in Central Asia have been technical assistance (through

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<sup>1</sup> See Niklas Swanström, “China and Central Asia: a new Great Game or traditional vassal relations?”, *Journal of Contemporary China*, Vol. 14, Issue 45, November 2005, p. 581.

<sup>2</sup> Council of the European Union, *The EU and Central Asia: Strategy for a New Partnership*, Brussels, 2007, p. 3; Sébastien Peyrouse, “Central Asia's Growing Partnership with China”, *EU Central Asia Monitoring Working Paper No. 4*, FRIDE, October 2009, p. 4.

<sup>3</sup> Emilian Kavalski, “Partnership or Rivalry between the EU, China and India in Central Asia: The Normative Power of Regional Actors with Global Aspirations”, *European Law Journal*, Vol. 13, No. 6, November 2007, p. 842.

<sup>4</sup> *Ibid.*, pp. 842-843.



the TACIS programme, now Development Cooperation Instrument/DCI) and bilateral Partnership and Cooperation Agreements.<sup>5</sup> However, the completion of the Eastern enlargement (2004/2007) and the initiation of the European Neighbourhood Policy (ENP) have brought the EU closer to Central Asia.<sup>6</sup> For the EU, Central Asian states are now “the neighbours of our neighbours.”<sup>7</sup>

In 2002, the EU started to adopt a region-wide approach with a first Regional Strategy Paper in the framework of TACIS.<sup>8</sup> In 2005, the Council appointed a Special Representative for Central Asia (currently Pierre Morel).<sup>9</sup> In July 2007, the Council of the EU adopted its Central Asia strategy,<sup>10</sup> so far the most important document guiding the EU's relations with the region.<sup>11</sup>

The document highlights “[s]ecurity and stability” as the EU's main “strategic interests” in the region.<sup>12</sup> EU action focuses on a wide range of areas: the document stresses especially the importance of democracy, the rule of law and human rights<sup>13</sup> as well as regional cooperation (trade, transport and energy connections; water management)<sup>14</sup> for long-term stability.

As for specific security concerns, a concise list of EU priorities comprises the following points: first of all, combating “non-conventional threats to security,” such as organised crime (human and drug trafficking) and international terrorism, is one area of action.<sup>15</sup> Furthermore, the “Central Asian states are crucial for the stabilisation of Afghanistan” where the EU conducts a police mission, EU member states are militarily engaged and act as major donors.<sup>16</sup> As to energy security, Central Asia plays an important role in plans to diversify oil and gas sources, as well as supply routes, in order to reduce European “dependence on Russia.”<sup>17</sup>

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<sup>5</sup> Yuqun Shao, “The EU's Central Asia Policy and its implications for China”, *German Development Institute Discussion Paper 9/2008*, p. 3.

<sup>6</sup> Council, *The EU and Central Asia*, *op. cit.*, p. 3.

<sup>7</sup> Shao, *op. cit.*, pp. 3-4.

<sup>8</sup> Kavalski, *op. cit.*, p. 843.

<sup>9</sup> Council of the European Union, “Pierre Morel, EU Special Representative for Central Asia”, *Council Website*, <http://www.consilium.europa.eu/showPage.aspx?id=1153&lang=EN>, retrieved 31 March 2010.

<sup>10</sup> Council, *The EU and Central Asia*, *op. cit.*

<sup>11</sup> Neil Melvin and Jos Boonstra, “The EU Strategy for Central Asia @ year One”, *EU Central Asia Monitoring Policy Brief No. 1*, FRIDE, October 2008, p. 1.

<sup>12</sup> Council, *EU Central Asia Strategy*, *op. cit.*, p. 3.

<sup>13</sup> *Ibid.*, pp. 5-7.

<sup>14</sup> *Ibid.*, pp. 10-14.

<sup>15</sup> *Ibid.*, pp. 14-15.

<sup>16</sup> Shao, *op. cit.*, p. 7.

<sup>17</sup> *Ibid.*, pp. 6-7.



### **China in Central Asia**

In contrast to the EU, China has a long history of relations with Central Asia which was only interrupted by Soviet hegemony in the region.<sup>18</sup> However, similarly to the EU, China's comeback in Central Asia is driven by concerns over stability and security.<sup>19</sup>

China's situation differs from the EU's in that Central Asia is a concern of "[p]eripheral security" in its immediate neighbourhood.<sup>20</sup> There is a direct link between stability in Central Asia and security within China's own territory. The situation in the Chinese north-western province of Xinjiang is the main driver behind China's Central Asia policy.<sup>21</sup> Muslim separatism linked to "trans-boundary ethnic groups" in Xinjiang and several Central Asian states, is an important factor.<sup>22</sup> For instance, Uyghur separatists from Xinjiang, Kyrgyzstan, Kazakhstan and Tajikistan fight for the creation of "East Turkestan."<sup>23</sup> In this respect, Afghanistan is a concern for China as it is for the EU. According to Beijing, Uyghur separatists have received training in Afghanistan.<sup>24</sup> Afghanistan is also a major source of drug trafficking towards China.<sup>25</sup> Important Chinese infrastructure, transport and energy investments would suffer from a return of the Taliban.<sup>26</sup>

Evoking the image of a "new Silk Road,"<sup>27</sup> China is also interested in developing "economic and trade relations between China's western provinces and Central Asian states."<sup>28</sup> Moreover, Central Asia is part of China's strategy to diversify energy supply sources and transit routes<sup>29</sup> in order to reduce dependence on the Middle East.<sup>30</sup>

The Shanghai Cooperation Organisation (SCO) is an important regional instrument through which China aims to foster stability in Central Asia. Originally conceived to resolve border disputes, it developed into a

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<sup>18</sup> Swanström, *op. cit.*, p. 570.

<sup>19</sup> Shao, *op. cit.*, p. 18.

<sup>20</sup> Ramakant Dwivedi, "China's Central Asia Policy in Recent Times", *China and Eurasia Forum Quarterly*, Vol. 4, No. 4, 2006, p. 141.

<sup>21</sup> Swanström, *op. cit.*, p. 571.

<sup>22</sup> Shao, *op. cit.*, p. 18.

<sup>23</sup> Dwivedi, *op. cit.*, p. 141.

<sup>24</sup> *Ibid.*, p. 143.

<sup>25</sup> Peyrouse, *op. cit.*, p. 6.

<sup>26</sup> John Fox and Daniel Korski, "Can China save Afghanistan?", *European Council on Foreign Relations Website*, 29 September 2008, [http://www.ecfr.eu/content/entry/can\\_china\\_save\\_afghanistan](http://www.ecfr.eu/content/entry/can_china_save_afghanistan), retrieved 18 March 2010.

<sup>27</sup> Valérie Niquet, "China and Central Asia", *China Perspectives*, No. 67, September-October 2006, <http://chinaprospectives.revues.org/document1045.html>, retrieved 16 March 2010.

<sup>28</sup> Kavalski, *op. cit.*, p. 845.

<sup>29</sup> Dwivedi, *op. cit.*, p. 147; Swanström, *op. cit.*, p. 584.

<sup>30</sup> Kavalski, *op. cit.*, p. 845.



framework to address “non-traditional security challenges”<sup>31</sup> in particular the “three evils,” i.e. “separatism, fundamentalism and terrorism.”<sup>32</sup>

### **Common ground between the EU and China's Central Asia policies**

The outline of the EU and China's main interests in Central Asia shows great overlap. Table 1 illustrates the striking similarities between European and Chinese priorities:

**Table 1: Top three reasons for engagement in Central Asia**<sup>33</sup>

	<b>EU</b>	<b>China</b>
1	“the region's strategic location bordering areas of instability in Afghanistan, Pakistan and Iran”	“establishing Central Asia as a bulwark against security threats from Afghanistan, Iran and Pakistan”
2	“contain[ing] Islamic fundamentalism”	“prevent[ing] terrorism and separatism from spilling over to Xinjiang”
3	“energy resources”	“energy resources”

In short, the priorities of both the EU and China are very similar. Moreover, China sees EU engagement in Central Asia more positively compared to other powers. EU presence in the region is partly welcomed as a balancing act to Russian dominance.<sup>34</sup> What is more, China appreciates the EU's emphasis on regional cooperation and its “development-oriented” approach more than the bilateral, militarised approach of the US in the region.<sup>35</sup> Even energy security is not only an area of zero-sum competition: China and the EU “have the same interests in developing the region's energy industry and helping the region break Russia's monopoly of their energy markets.”<sup>36</sup> Finally, despite China's opposition to Western military presence, countering instability coming from Afghanistan is a shared interest.<sup>37</sup>

### **The meaning of stability in European and Chinese foreign policy**

Why then are relations between the EU and China in the region still largely perceived as one between competitors, even though both parties pursue an

<sup>31</sup> Dwivedi, *op. cit.*, p. 150.

<sup>32</sup> Chien-peng Chung, “The Shanghai Co-operation Organization: China's changing influence in Central Asia”, *China Quarterly*, Vol. 180, 2004, p. 989.

<sup>33</sup> Self-made table on the basis of quotations from: Andy Yee, “Engaging Central Asia: The EU-Shanghai Cooperation Organisation (SCO) Axis”, *East Asia Forum Website*, 7 November 2009, <http://www.eastasiaforum.org/2009/11/07/engaging-central-asia-the-eu-shanghai-cooperation-organisation-sco-axis/>, retrieved 18 March 2010.

<sup>34</sup> Shao, *op. cit.*, p. 20.

<sup>35</sup> *Ibid.*, p. 21.

<sup>36</sup> *Ibid.*, p. 20.

<sup>37</sup> Fox & Korski, *op. cit.*



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agenda of promoting stability and security? The explanation put forward here is that European and Chinese policies towards the region operate on the basis of different meanings of stability. Distinct historical experiences with instability and political or economic transition processes have led to different understandings of how to promote stability. Countries in transition, such as the Central Asian states, are especially prone to instability.<sup>38</sup> The EU and China advance different policies to promote stability in such cases.

For Europeans, 65 years of post-War stability and prosperity are associated with democracy, the rule of law and human rights in combination with regional economic integration.<sup>39</sup> This has led to certain assumptions on how stability can be achieved. In other words, Europeans relate authoritarianism to war and instability; democracy and human rights are seen as a precondition for stability and prosperity.

The EU aims at projecting this model beyond its borders in order to “export” stability.<sup>40</sup> The successful management of the post-communist transitions in Eastern Europe, in the framework of the EU's enlargement process, provides a general pattern of stability promotion that is also followed in the European Neighbourhood Policy and the EU's strategy for Central Asia.<sup>41</sup> The Central Asia strategy assumes a clear causal relationship between democracy, human rights, democratic values and stability:

“The EU strongly believes that strengthening the commitment of Central Asia to [...] the rule of law, human rights and democratic values [...] will promote security and stability in Central Asia.”<sup>42</sup>

In short, democracy, the rule of law and the respect for human rights lead to stability whereas shortcomings in these fields potentially cause instability.<sup>43</sup>

In contrast, China has drawn completely different conclusions from history. Avoiding chaos (*luan*) is an “essential component of the traditional Chinese worldview.”<sup>44</sup> After the disorder of the Cultural Revolution, Chinese leaders opted for economic reforms under political control by the Communist Party.<sup>45</sup> Furthermore, the demise of the Soviet Union and the Russian transition

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<sup>38</sup> Edward Mansfield & Jack Snyder, “Democratic Transitions, Institutional Strength, and War”, *International Organization*, Vol. 56, No. 2, Spring 2002, pp. 297-337.

<sup>39</sup> See Council, *EU Central Asia Strategy*, *op. cit.*, p. 1.

<sup>40</sup> Ruth Seitz, “Exporting Stability or Importing Problems? The EU's Security Policy towards its Near Abroad”, in D. Mahncke and S. Gstöhl (eds.), *Europe's Near Abroad. Promises and Prospects of the EU's Neighbourhood Policy*, P.I.E. Peter Lang, Brussels, 2008, p. 95.

<sup>41</sup> Council, *EU Central Asia Strategy*, *op. cit.*, p. 1.

<sup>42</sup> *Ibid.*, p. 4.

<sup>43</sup> Shao, *op. cit.*, p. 9.

<sup>44</sup> Linda Jakobson and Christer Pursiainen, “At the Crossroads of Post-Communist Modernisation: Russia and China in Comparative Perspective”, *UPI Working Paper 30*, Finish Institute of International Affairs, 2001, p. 14.

<sup>45</sup> *Ibid.*



experience “shocked Beijing's leaders.”<sup>46</sup> They wanted to avoid “walking down the road of the Soviet Union” which stands for “instability.”<sup>47</sup>

Contrary to Russia, China opted for economic reforms without changing the political system.<sup>48</sup> In China, as well as Central Asia, “the concept of democracy is mainly associated with economic downturn, mass disorder and the image of a drunken Boris Yeltsin.”<sup>49</sup> Put differently, the Chinese experience with transformation processes relates democracy and human rights to political instability. Hence, China's model for stability aims at economic development without political liberalisation. Therefore, China is opposed to Western attempts to promote democratisation and human rights in Central Asia.<sup>50</sup> These diverging meanings of stability also correspond to different concepts of security: while the EU strategy is influenced by a “human security” approach (security of individuals), China stresses classical state security (sovereignty, territorial integrity).<sup>51</sup>

### Conclusion

This paper has shown that the EU and China share to a great extent similar interests and concerns in Central Asia: above all, both consider the promotion of stability a main priority and have highly converging security agendas in the region. However, different understandings of stability undermine the potential for a more cooperative outlook on EU-China relations in Central Asia. The antagonism precisely lies in the fact that while the EU pushes for political transition in Central Asia in order to promote stability, China considers political transition a source of instability.<sup>52</sup> This divergence becomes apparent, for instance, when events like the “Tulip Revolution” in Kyrgyzstan (2005) or the violent repression by the Uzbek government in Andijon (2005) trigger completely opposed reactions in Brussels and Beijing.<sup>53</sup>

So far, China's notion of stability yields greater success. “[I]t seems that Beijing appears to project a better contextualised regional policy than [...] Brussels.”<sup>54</sup> EU policies lack attractiveness in “probably the most authoritarian region of the world.”<sup>55</sup> According to some commentators, the EU “has gone

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<sup>46</sup> *Ibid.*, p. 23.

<sup>47</sup> *Ibid.*

<sup>48</sup> Kavalski, *op. cit.*, p. 853.

<sup>49</sup> Cornelius Graubner, *EU Strategy on Central Asia: Realpolitik After All*, CACI Analyst, Central Asia Caucasus Institute, 14 May 2008, <http://www.cacianalyst.org/?q=node/4859>, retrieved 18 March 2010.

<sup>50</sup> Kavalski, *op. cit.*, p. 847.

<sup>51</sup> Melvin & Boonstra, *op. cit.*, p. 9.

<sup>52</sup> Kavalski, *op. cit.*, p. 855.

<sup>53</sup> Dwivedi, *op. cit.*, p. 144.

<sup>54</sup> Kavalski, *op. cit.*, p. 851.

<sup>55</sup> Jos Boonstra, “The EU Strategy towards Central Asia needs a Face-lift”, *New Europe Website*, 1 March 2010, <http://www.neurope.eu/articles/99330.php>, retrieved 18 March 2010.



completely out of tune with reality.”<sup>56</sup> Moreover, its norms-driven approach might not have sufficient influence<sup>57</sup> because the EU shifted Central Asia from TACIS to the DCI, where it has less leverage than with accession candidates or ENP countries.<sup>58</sup> Hence, the EU might see itself forced to revert to more “Realpolitik.”<sup>59</sup> As for the Central Asian states, they find themselves in a comfortable position, directly benefiting from the competition taking place between the power actors in the region.<sup>60</sup>

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<sup>56</sup> Otto Lambsdorf, *China, India and Europe*, Paper presented at the SAIS Center for Transatlantic Relations (18 April 2006), cited in Kavalski, *op. cit.*, p. 852.

<sup>57</sup> Shao, *op. cit.*, p. 4.

<sup>58</sup> Kavalski, *op. cit.*, p. 844.

<sup>59</sup> Graubner, *op. cit.*

<sup>60</sup> Kavalski, *op. cit.*, p. 856.



## OBSTACLES IN UPGRADING THE 1985 TRADE AND ECONOMIC COOPERATION AGREEMENT BETWEEN THE EU AND CHINA

Brian Colin\*

The relations between the EU and the PRC were established in 1975, and are governed by the 1985 EU-China Trade and Economic Cooperation Agreement (TECA).<sup>1</sup> Since then, the constant development of trade relations and the increasingly complex cooperation agenda have driven both partners to negotiate a new Framework Agreement – the Partnership and Cooperation Agreement (PCA) – in order to upgrade the 1985 TECA, and “to reflect the full breadth and depth of the strategic partnership between China and the EU.”<sup>2</sup> While the aim of this paper is not to give a full picture of the negotiations, which would cover all aspects of the relationship between the two sides, it will identify some sticking points which are supposed to be dealt with, and discuss whether the agreement has a chance to be concluded in the near future. In the light of my academic research and of interviews conducted with French and Chinese officials, I will answer the following question: to what extent do trade issues prevail over political clauses in the apparent blockage of the PCA? This paper is to be divided in three different sections. In the first two sections, I will examine the nature of the obstacles that are blocking any form of agreement. In the final section, I will highlight the individual internal variables of both the EU and China, which are contributing to an unfavourable negotiation context and are therefore hindering any chances of overcoming this impasse.

### ***A single PCA, a double agreement or no agreement?***

Officially launched in November 2007,<sup>3</sup> the negotiations represent a “hard and time-consuming process,”<sup>4</sup> and many obstacles are blocking the road to reaching an agreement. The first necessity before analysing trade and political issues is to distinguish the new TECA from the PCA.

A procedural issue between the EU and China is whether the new PCA will replace the 1985 TECA, or whether it will be negotiated in separate terms. Indeed, the title of the agreement carries important implications: while the update of the 1985 TECA only focuses on trade and economic aspects, the

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<sup>1</sup> Council Regulation (EEC) No. 2616/85 of 16 September 1985 concerning the conclusion of a Trade and Economic Cooperation Agreement between the EEC and the PRC.

<sup>2</sup> European Commission, *Joint Statement*, 10th China-EU Summit, Beijing, 28 November 2007.

<sup>3</sup> *Ibid.*

<sup>4</sup> Lingliang Zeng, *A preliminary perspective of negotiations of EU-China PCA: a new bottle carrying old wine or new wine or both?*, *European Law Journal*, Vol. 15, No. 1, January 2009, p. 128.



PCA would establish a comprehensive partnership and cooperation in the fields of politics, culture, education, sciences, technology, *together with* trade and economic issues.<sup>5</sup>

On the EU's side, the Commission believes there is only one global negotiation encompassing *both* political and commercial dimensions.<sup>6</sup> According to a French official, while around *fifteen out of thirty* political clauses have been solved, only *three out of eighteen* trade clauses have been settled so far.<sup>7</sup> By establishing a horizontal linkage between commercial issues (such as market access) and non-commercial issues (such as climate change, the arms embargo or good governance), more progress would be made to strike a "grand bargain"<sup>8</sup> towards a coherent and comprehensive agreement.

However, China's view of the negotiations reflects another procedure. According to a Chinese official, the Chinese government believes the PCA and the new TECA to be two separate agreements, implying two different negotiations.<sup>9</sup> While the substance of the TECA will be reflected and expressed in a trade and economic chapter of the PCA, more details would remain in the updated 1985 agreement. On the whole, trade issues would not be put in the same context than the overall EU-China Partnership and Cooperation Agreement, but would be discussed as a separate matter.

Since the EU is China's largest trading partner and China its second largest trading partner, a separate negotiation and implementation of the new TECA needs no more justification.<sup>10</sup> Trade is at the core of EU-China relations, as well as being one of the heaviest and most far-reaching topics up for discussion. Commercial and economic issues might consequently be the main sticking point between both side's negotiators.

### **The commercial and economic clauses as main obstacles?**

Scholars such as Zeng Lingliang assume there will be little difficulties in reaching consensus on political clauses, such as the respect for international law and the objectives embodied in the UN and WTO Charters.<sup>11</sup> There is no doubt that Beijing will emphasise the "One China" policy (Chinese sovereignty over Taiwan, Xinjiang or Tibet), and that the EU will primarily stress the principles of democracy, human rights, rule of law and good governance.<sup>12</sup> EU member states have already adhered to the "One China"

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<sup>5</sup> Zeng, *op. cit.*, p. 126.

<sup>6</sup> Antoine Sautenet, *EU-China trade and the future PCA: intellectual property rights and investments*, in J. Men & G. Balducci (eds.), "Prospects and Challenges for EU-China relations in the 21<sup>st</sup> century", P.I.E. Peter Lang, Brussels, forthcoming 2010, p. 107.

<sup>7</sup> Interview with a French official conducted in Brussels, February 2010.

<sup>8</sup> These are the words of former Trade Commissioner Peter Mandelson, in 2006. See, "China and the EU can 'strike bargain'", 7 July 2006, <http://news.bbc.co.uk/2/hi/business/5156816.stm>.

<sup>9</sup> Interview with a Chinese official conducted in Brussels, April 2010.

<sup>10</sup> Zeng, *op. cit.*, p. 132.

<sup>11</sup> *Ibid.*, p. 129.

<sup>12</sup> The "democracy and human right clauses" were inserted in all the PCAs concluded with Eastern European and Central Asian states. See: *Promotion of Human Rights and*



policy<sup>13</sup> and China has now understood the implications of the democracy and human rights clause by implementing its goal of “building a harmonious society” through its economic reforms.<sup>14</sup>

Chinese and French officials admit that in terms of trade, no overall consensus has been reached.<sup>15</sup> If we look at the EU-China relationship, economic and trade aspects are the crucial foundations of the relationship. China wants from Europe concrete concessions such as the Market Economy Status (MES), the lifting of the arms embargo, stronger EU discipline in anti-dumping measures, or the removal of tariffs on manufactured exports and agriculture; while the EU identifies the key issues as being the growing trade deficit, lack of transparency, market access, the effective implementation of intellectual property rights and investment rules, environmental protection, or product safety.<sup>16</sup> Since commercial negotiations provide real substance, it is natural that concessions are not easy to reach. Moreover, European negotiators demand that trade negotiations be tied to wider subjects such as human rights or good governance, and so far, China seems satisfied with the status quo.<sup>17</sup>

### ***The impact of domestic variables on the freeze in negotiations***

At the time of the beginning of the PCA negotiations, some EU and Chinese officials were optimistic about reaching a positive outcome in the negotiations.<sup>18</sup> Since then, while some steps have been taken, the most controversial trade issues remain unsolved.

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*Democratisation in the EU's External Relations,*

[http://ec.europa.eu/external\\_relations/human\\_rights/index\\_en.htm](http://ec.europa.eu/external_relations/human_rights/index_en.htm).

<sup>13</sup> Despite the European Parliament's support for Taiwan's accession to international organisations. See: *EP resolution of 10 March 2010 on the annual report of CFSP in 2008 (2009/2057(INI))*, Paragraph 68.

<sup>14</sup> It remains to be seen whether the EU will push for China's accession to the Statute of the International Criminal Court to enforce the effective promotion of human rights in China. It is also important to note that Asian interpretation of human rights and democracy are linked to the stability of the state and society. The best choice for China is not to make any concrete provisions, but to express willingness to promote democracy, good governance, the rule of law and human rights with a general wording in the Preamble. See: Zeng, *op. cit.*, pp.134-136.

<sup>15</sup> Interviews, February and April 2010.

<sup>16</sup> In other words, European negotiators require implementation of Chinese WTO and “WTO plus” commitments. See: Sautenet, *op. cit.*, p. 108 and Patrick Messerlin & Jinghui Wang, *Redesigning the European Union's trade policy strategy towards China*, Paris, Joint ECIPE-GEN Working Paper, No. 4, 2008.

<sup>17</sup> Interview, February 2010 and Zeng, *op. cit.*, p.135.

<sup>18</sup> Carmen Amado Mendes, *The significance of the PCA in Sino-European relations: a step forward or a stumbling block?* in J. Men & G. Balducci (eds.), “Prospects and Challenges for EU-China relations in the 21<sup>st</sup> century”, P.I.E Peter Lang, Brussels, forthcoming 2010, p. 222.



### Europe: the rise of protectionism and member states' divisions

From the textile dispute<sup>19</sup> (which came up in every newspaper headlines in 2005) to today's major financial and economic crisis, the main task of the European Commission has been to avoid Chinese exports flooding the EU market. The trade deficit issue has become so acute that the EU is criticised as being too naïve and too soft with China.<sup>20</sup> And because of the crisis, protectionist pressures are on the rise in some member states.<sup>21</sup> Facing the possibility of "Eurosclerosis," former Trade Commissioner Peter Mandelson, issued in 2006 the Global Europe communication<sup>22</sup> with a separate policy paper on EU-China trade and investment relations,<sup>23</sup> so as to strike a "grand bargain." He also tried to launch a Green Paper review on EU trade defense instruments. But thus far, this initiative has failed.

As in many other fields in the EU, its need for a coherent policy is undermined by division among the member states. Given the mixed nature of the PCA,<sup>24</sup> the EU and its member states need to jointly negotiate and conclude the agreement.<sup>25</sup> To date, the arms embargo and the MES issue remain, because no consensus has yet been reached at the Council.<sup>26</sup> If the EU has kept acting in a particularly obdurate manner since the entry into force of the Lisbon Treaty, it is also because the agreement needs to be ratified with the consent of the European Parliament. A lot of MEPs have different interests and concerns about the issues dealt in the PCA, in line with European public opinion which condemns China's human rights record in Tibet or Xinjiang and perceive the surge of Chinese exports as a threat.<sup>27</sup>

### In China: reform fatigue and the paralysis of the Doha Round

Following the financial crisis, China is also under protectionist pressures which do not make market access concessions easier at this stage. After years of WTO negotiations, China made tremendous strides towards adaptation.<sup>28</sup>

<sup>19</sup> Read in particular: Jappe Eckhardt, *The evolution of EU trade policy towards China: the case of textiles and clothing*, in J. Men & G. Balducci (eds.), "Prospects and Challenges for EU-China relations in the 21<sup>st</sup> century", P.I.E. Peter Lang, Brussels, forthcoming 2010.

<sup>20</sup> John Fox & François Godement, *A power audit of EU-China relations*, European Council on Foreign Relations, London, April 2009, p. 1.

<sup>21</sup> Andrew Cottey & Joern-Carsten Gottwald, *EU-China relations in a new world order: status, dynamics, scenarios*, in J. Men & G. Balducci (eds.), "Prospects and Challenges for EU-China relations in the 21<sup>st</sup> century", P.I.E. Peter Lang, Brussels, forthcoming 2010, p. 31.

<sup>22</sup> See, [http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc\\_130380.pdf](http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc_130380.pdf).

<sup>23</sup> See, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0631:FIN:FR:PDF>.

<sup>24</sup> Since clauses on trade in services in areas such as social policy, culture or health would be included.

<sup>25</sup> Zeng, *op. cit.*, p. 128.

<sup>26</sup> Fraser Cameron, *EU-China relations: is the EU as weak as some believe?*, *EU-China Observer*, Issue 3, June 2009, p. 9.

<sup>27</sup> As shown by the Pro-Tibet Protest in the EU during the 2008 Beijing Olympics and the textile disputes.

<sup>28</sup> China joined the WTO in November 2001. After that, there was a 5 years transition period during which China progressed to fulfill its commitments.



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Domestically, the atmosphere for radical market reforms is no longer en vogue and more and more people tend to see this as a period of consolidation.<sup>29</sup> "Given enormous transformations China has experienced in the past thirty years, and the need to train people in international trade and financial regulations," says Fraser Cameron, "China needs time to adjust."<sup>30</sup> We assume that this "reform fatigue" could have consequences on the PCA negotiations.

In addition, at the global level, negotiations on the Doha Round are paralysed. According to a Chinese official, if China would make further market access concessions, the forum should be the WTO, where the rule of the most favored nation applies to all members. However, since the Doha round is going nowhere, it is difficult to imagine major market access concessions being made from the Chinese side, as much as there are none made from the US, Indian or European sides.

### **Conclusion**

The tremendous commercial transactions and widening economic cooperation between the EU and China need a comprehensive legal basis – this paper underlined the obstacles on the way to its conclusion. The successful outcome of the EU-China PCA lies in the extent of compromises on those key substantial clauses claimed by each side.

We are now in a transitional period, a period of reflection, of testing whether the existing mechanisms are still viable and effective, and also a period of waiting for the European institutions to reach their prime. While the 11th five year plan will end this year, China will have a new plan next year, and a new leadership by 2012.<sup>31</sup> As a consequence, we assume that the divergences between Brussels and Beijing will not be resolved overnight, and that it would take some time for the PCA to be concluded.

China will not make radical market access reforms simply to satisfy the MES criteria set by the EU and the US, while the European member states are too divided to grant the lifting of the arms embargo to China. It is more likely that Beijing will make reforms in a steady way, step by step, and continue the negotiation process with the Commission under the current framework. Eventually, 2010 will be a year of adjustment rather than one of conclusion.

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<sup>29</sup> Interview with a Chinese official, April 2010.

<sup>30</sup> Cameron, *op. cit.*, p. 8.

<sup>31</sup> Xi Jinping, *possible futur successeur de Hu Jintao en Chine*, Chine Information, 15/10/2007.



## RECOMMENDATIONS FOR EU POLICY ON TIBET

Vincent Metten\*

The lack of cohesion among European member states on the issue of Tibet and conflicting national approaches, especially on protocols for meeting with the Dalai Lama, has left some states more vulnerable to Chinese governmental pressure.

Over the past two years, Beijing has stepped up pressure on European member states and civil society to block meetings between heads of government, ministers and members of Parliament with the Dalai Lama. Some European leaders have succumbed to the pressure. It undermines European values of dialogue and conciliation, and ultimately weakens EU leverage rather than contributing to the development of a strong EU-China relationship that encourages China to become a better global citizen.

At the end of 2008, China abruptly cancelled the 11<sup>th</sup> EU-China Summit and the 5<sup>th</sup> EU-China Business Summit, citing the decision of then EU President Nicolas Sarkozy, to meet the Dalai Lama in Poland a few days later. To underscore China's dissatisfaction with France, Prime Minister Wen Jiabao, a few weeks later, declined to visit Paris during his European mission to Germany, Spain, Brussels and the UK.

By threatening reprisals against EU countries whose leaders welcome or meet the Dalai Lama, the Chinese government undermines its own position against interference in the "internal affairs" of other states. Meetings between European political leaders and the Dalai Lama are welcome and signal important attention and concern. It should take place in the context of a coherent and coordinated policy on Tibet by the EU and its member states.

The issue of Tibet<sup>1</sup> is resolvable and the current situation is urgent. The 2008 protests and crackdowns have transformed the political landscape. The Dalai Lama has demonstrated a consistent approach to the dialogue. The Tibetan side has shown rigor in addressing key issues and in framing its position in terms of the Chinese Constitution and Chinese laws. Various major

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<sup>1</sup> The term "Tibet" in this paper is used to refer to all Tibetan areas currently under the jurisdiction of the People's Republic of China. Note on geography: Tibet was traditionally comprised of three main areas (Amdo - northeastern Tibet), Kham (eastern Tibet) and U-Tsang (Central and Western Tibet). The Tibet Autonomous Region was set up by the Chinese government in 1965 and covers the area of Tibet, west of the Yangtse River, including parts of Kham, and is sometimes referred to now as "Central Tibet." The rest of Amdo and Kham have been incorporated into Chinese provinces, and where Tibetan communities were said to have "compact inhabitancy" in three provinces, they were designated Tibetan autonomous prefectures and counties. As a result, most of Qinghai and parts of Gansu, Sichuan and Yunnan provinces are acknowledged by the Chinese authorities to be "Tibetan." See ICT, *Defining Tibet*, [http://www.savetibet.org/files/documents/Defining\\_Tibet.pdf](http://www.savetibet.org/files/documents/Defining_Tibet.pdf).



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international actors have shown an interest in promoting the dialogue forward towards a mutually acceptable conclusion.

It is the Chinese side that is in a difficult position – Beijing needs to understand that the Dalai Lama is not the obstacle to the issue of Tibet, but that he is rather the solution. He is arguably the sole individual who can ensure the implementation of a genuine autonomy for Tibet in China.

China is failing to act in accordance with international human rights norms and seems unable to move forward. The United Front Work Department of the Chinese Communist Party has been unresponsive as a dialogue partner to the envoys of the Dalai Lama. There has been no direct engagement between the Dalai Lama and the Chinese leadership in 50 years.

The Chinese government is acting as a bully, thus exposing mismatched values, rather than elevating the relationship. The EU's approach, should be unified, advanced multilaterally, and framed in the context of common interests. To continue to equivocate on Tibet, after so many years of support to the Dalai Lama, would represent a significant historic and moral set-back, and goes against Europe's interests.

### **European policy on Tibet**

After Beijing's rejection of the Memorandum on Genuine Autonomy presented by the Tibetan side during the round of dialogue in November 2008, on the grounds of "disguised independence," the Chinese government stepped up its anti-Dalai Lama campaign in China and abroad. Chinese diplomats and other spokespeople not only continue to allege that the Dalai Lama seeks to "split the motherland," but they also – and erroneously – claim that his vision of a future Tibet includes the expulsion of non-Tibetans and the People's Liberation Army.<sup>2</sup>

Beijing has subverted and politicised international forums where its human rights record has been challenged and refused to answer questions from European governments about the use of lethal force against unarmed protestors or the welfare of individual detainees. The Chinese authorities have engaged in a comprehensive cover-up of the torture, disappearances and killings that have taken place across Tibet over the past two years. A security crackdown remains firmly in place and "patriotic education" campaigns exacerbate tensions in Tibet.

The detention of the influential Tibetan writer Shogdung in April 2010 signals a deepening crackdown on Tibetan writers, artists and educators since protests against the Chinese state began in March 2008. ICT's last report details the cases of more than 50 Tibetans, including 13 writers, involved in the

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<sup>2</sup> ICT, *Note on the Memorandum on Genuine Autonomy for the Tibetan People*, 19 February 2010, [www.savetibet.org/policy-center/topics-fact-sheets/note-memorandum-genuine-autonomy-tibetan-people](http://www.savetibet.org/policy-center/topics-fact-sheets/note-memorandum-genuine-autonomy-tibetan-people).



arts and public sphere who are either in prison, have “disappeared” or have faced torture or harassment after expressing their views.<sup>3</sup>

The Chinese government has refused to respond to requests for access to Tibet by UN rights monitors, foreign governments and international human rights NGOs, whilst gross violations of human rights continue to occur, including the killing of Tibetans in detention.<sup>4</sup> This reflects not only intransigence by the Chinese government, but also the failure of the EU to challenge the Chinese government on this international concern.

The international community continues to urge engagement from all parties to resolve differences, and both sides have indicated that they are open to dialogue. However, the Chinese government insists on various preconditions, including that the Dalai Lama cease all efforts to internationalise the Tibet issue, including his meetings with foreign leaders.

The efforts undertaken so far by the EU Council and its 27 member states are insufficient to address the situation. The EU should assess how to adopt a coherent and coordinated foreign policy on the sensitive question of Tibet, and should clarify its overall goals and long-term objectives, as well as work with stakeholders to identify concrete steps that could help the Tibetans and Chinese parties find mutually acceptable solutions.

A multilateral approach may be the only way of tackling China's hardline position on Tibet. The current approach of various EU countries has not yielded substantive results. Without coordination, EU countries are working at cross-purposes. As a first step, EU countries must forge a consistent, unified Tibet policy. The EU must then coordinate efforts with the United States, Japan and other interested allies to help China and the Dalai Lama reach a resolution.

Despite some helpful wording in the EU Report on Human Rights 2008,<sup>5</sup> EU statements should reflect a stronger, more defined position in order to provide a meaningful engagement on the issue of Tibet. Nevertheless, ICT welcomes the EU Statement of 29 October 2009 which:

“condemns the executions of two Tibetans Lobsang Gyaltzen and Loyak [and] recalls that in case the death penalty is maintained, internationally recognised minimum standards must be respected [and] reiterates its concerns about the conditions under which the trials were conducted, especially with regard to whether due process and other safeguards for a fair trial were respected.”<sup>6</sup>

<sup>3</sup> ICT, *A Raging Storm, The Crackdown on Tibetan Writers and Artists after Tibet's Spring 2008 Protests*, May 2010, <http://www.savetibet.org/media-center/ict-news-reports/raging-storm-crackdown-tibetan-writers-and-artists-after-tibets-spring-2008-protests>.

<sup>4</sup> ICT, *A Great Mountain Burned by Fire: China's Crackdown in Tibet*, March 2008 <http://www.savetibet.org/media-center/ict-press-releases/a-great-mountain-burned-fire-chinas-crackdown-tibet>.

<sup>5</sup> See, [http://www.consilium.europa.eu/uedocs/cms\\_data/librairie/PDF/169233\\_02\\_2008\\_2971\\_EN\\_INT.pdf](http://www.consilium.europa.eu/uedocs/cms_data/librairie/PDF/169233_02_2008_2971_EN_INT.pdf).

<sup>6</sup> The two Tibetans were sentenced to death in April 2009 on charges relating to “starting fatal fires,” according to a report in the Chinese state media and were executed on 20 October 2009 in Lhasa.



However, the EU should be more vocal and use public statements more often to send clear and firm messages to Beijing. Closed door or “shadow” diplomacy such as *démarches* and private discussions with Chinese counterparts should be accompanied by clear public statements. The European Commission and some officials from the member states maintain that they are doing all that can be done on Tibet, but such a position does not reflect the range of policy options at the EU’s disposal. One starting point could be for the EU to set up a Tibet Desk within the EU Delegation in Beijing.

The European Parliament has played an important role by condemning the deterioration of the human rights situation in Tibet and by promoting a peaceful resolution to the problem. However, these concerns have not been sufficiently considered by other EU bodies and member states.<sup>7</sup> On 24 March 2010, the European Parliament held a fruitful debate on Tibet at a plenary session in Brussels. When discussion on Tibet started, representatives of the Spanish Presidency unfortunately left the room. European Deputy Laima Andrekiene immediately expressed her “deep disappointment that neither the Spanish Presidency nor the High Representative will be present for this discussion” and said that this represented “a very bad precedent especially having the Treaty of Lisbon in force.”<sup>8</sup> Nevertheless, Maroš Šefčovič, Member of the Commission, made some interesting points on Tibet:

“[...] we have always supported peaceful reconciliation through dialogue between the Chinese authorities and the representatives of the Dalai Lama. This dialogue has to be constructive and substantive, addressing all core issues such as the preservation of Tibet’s unique culture, religion and traditions and the need to achieve a system of meaningful autonomy for Tibet within the Chinese Constitution. The dialogue should also address the participation of all Tibetans in decision-making. For the EU, Tibet is a human rights issue.”<sup>9</sup>

From 11 to 15 September 2009, a delegation composed of President Sepi, Peter Clever and Sukdev Sharma of the European Economic and Social Committee (EESC) visited Lhasa. This mission was the first visit to Tibet by one of the EU institutions, after the unrest in 2008. Some of its preliminary conclusions of the mission are worth mentioning:

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<sup>7</sup> Among the EP recommendations and messages addressed to the EU Council, its 27 member states and to the European Commission, are:

- the different resolutions adopted on Tibet (12 March 2009, 10 April 2008, 15 February 2007...);
- the 2008 Report on Foreign Relations;
- the 2008 Human Rights report.

<sup>8</sup> See,

<http://www.europarl.europa.eu/sides/getDoc.do?type=CRE&reference=20100324&secondRef=ITEM-014&format=XML&language=EN>.

<sup>9</sup> See,

<http://www.europarl.europa.eu/sides/getDoc.do?type=CRE&reference=20100324&secondRef=ITEM-014&format=XML&language=FR>.



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- "Tibet suffers from a heavy dependence on the central government funding for its development and we could not see the presence of a long-term development model aiming at increasing Tibetan economic autonomy;
- There is a high level of discrepancy between urban and rural areas. This can be source of tensions, with the Han Chinese tending to be more present in the more developed urban areas and Tibetans predominating in the poorer rural areas of the region;
- The Delegation's concerns about the degree of participation of Tibetans in the region's economic development were strongly highlighted on several occasions during our mission;
- It is crucial, for a genuine and comprehensive development of Tibet, to seriously invest in the human capital and in a higher degree of participation of the Tibetans in society."<sup>10</sup>

The EU could step up funding for development projects on the ground in Tibet. The centrally-planned economic development model that Beijing pursues in Tibet, based on resource exploitation and infrastructure construction, is failing most Tibetans. Meaningful EU support on the ground could contribute to a re-orientation of economic strategy towards local integration, helping to reverse the trend of marginalisation and creating space for the Tibetan identity to survive.

### **Recommendations**

After evaluating the current situation in Tibet and the EU's policy on Tibet, ICT suggests the following recommendations:<sup>11</sup>

Firstly, there is a need for better coordinated national positions and to adopt a clear EU policy on Tibet for instance by nominating a Special EU coordinator for Tibet;

Secondly, there must be a re-think of the EU-China Human Rights dialogue and better integration of the human rights issues into other aspects of EU-China relations;

Thirdly, a common position should be adopted stating that it is the right of all EU member states to welcome and meet with the Dalai Lama in whatever manner they deem appropriate and without interference or threats from the

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<sup>10</sup> See,

[http://www.eesc.europa.eu/organisation/president/sepi/blog/template\\_permalink.asp?id=134](http://www.eesc.europa.eu/organisation/president/sepi/blog/template_permalink.asp?id=134)

<sup>11</sup> ICT, *11<sup>th</sup> EU-China Summit: A Revived EU Policy on Tibet*, 18 May 2009, <http://www.savetibet.org/files/documents/EU%20China%20Summit%20-%20A%20Revived%20EU%20Policy%20on%20Tibet.pdf>.



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PRC government and to organise a meeting between the EU High Representative for Foreign Relations, Baroness Ashton, and the Dalai Lama;

Fourthly, Sino-Tibetan negotiations should be actively supported, whilst bearing in mind the long-standing EU experience in the promotion of dialogue in conflict and crisis situations;

Fifthly, all appropriate UN forums should be utilised to press the PRC government on the situation in Tibet;<sup>12</sup>

Finally, transatlantic and international coordination/cooperation on Tibet should be reinforced.<sup>13</sup> For example, the former US Special Coordinator for Tibetan Issues regularly joined multilateral meetings in Washington, D.C. This tradition should continue, with the participation of the EU representative.

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<sup>12</sup> The EU can press China at the UN for access to Tibet for the various UN independent experts, for example the Special Rapporteur on Freedom of Religion or Belief, the Working Group on Enforced or Involuntary Disappearances, and the Special Rapporteur on extrajudicial, summary or arbitrary execution.

<sup>13</sup> An interesting precedent was the June 2008 EU-US Summit where partners agreed on a common wording on Tibet, inserted in the final statement.