

**EU-ASIA RELATIONS IN THE XXI CENTURY.
SELECTED ASPECTS**

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The opportunity is also used to express our gratitude to the non-teaching and administrative and service staff of CEDEU for their work and contribution to the promotion of this collection.

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PROLOGUE

The 21st century is a period of global changes in the economic, political and social fields. It is also a period of the formation of a new international order and increasing rivalry between world powers. Europe is slowly losing its importance as the world's centre of international relations and is increasingly giving way to the Asia-Pacific region. China, on the other hand, is openly declaring its aspirations to be a global superpower. On the one hand, a manifestation of these ambitions is China's growing involvement in the South Asian region. Its policy is also part of a strategy of global expansion and rivalry with the USA. China is succeeding in pursuing its interests and increasing its economic, political and cultural presence in most of the countries of the region. On the other hand, they are also increasing their involvement in Europe, which, apart from numerous Chinese investments on the continent, is manifested, *inter alia*, by the New Silk Road project. There is a growing conviction in Europe that the scale of the challenges and opportunities now associated with the Asian region has changed. For the EU, the Asian countries are undoubtedly a key economic partner, but also a serious competitor in the field of technology. Despite growing economic interdependence, there are many differences. They concern, for example, issues relating to human rights or the political system. This does not change the fact, however, that the European Union and Asia are destined to cooperate in the 21st century.

The New Silk Road is certainly a project which aims to strengthen China's global position. It may also provide an opportunity for many benefits for European countries, especially in an economic context. However, this project is not without risks for EU countries. It may contribute to the further disintegration of the Member States and paradoxically to a weakening of the international role of the European Union. Whether this project will be beneficial for Europe depends to a large extent on the European states themselves. Whether in the face of growing rivalry between global powers they will be able to rise above their individual interests and jointly face global threats and challenges.

Many scientific, popular science and journalistic publications have already been written on Asian-European relations and the New Silk Road project. In this context, it is extremely important to continuously discuss and analyse the opportunities, threats and potential consequences of the project. Such an attempt has been made in this publication, which is the result of research and conclusions on the above-mentioned relations.

The book consists of two parts written by scholars from Spain, Georgia and Poland. The first part consists of 11 chapters written by experienced researchers representing such scientific fields as economics, political science and law. The second part consists of summaries of papers prepared by PhD students. The presented publication undoubtedly has an interdisciplinary character. It is also the result of numerous studies, discussions and cooperation conducted by an international research group associating such academic centres as: CEDEU Centro de Estudios Univesitarios, Universidad Nacional de Educación a Distancia from Spain, Georgian National University SEU from Georgia and Lazarski University from Poland. We hope that this book will contribute to the discussion on the EU-Asia relations, with a special focus on China, and that it will become a source of numerous reflections and inspiration for further research on this issue.

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EUROPEAN UNION POLICY TOWARDS CHINA

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1. Introduction

When writing about the EU's policy towards the People's Republic of China (PRC), it is first necessary to define the subject of research. In principle, it is the policy of EU institutions towards China, although in practice, the position of these institutions is greatly influenced by the two largest Member States, namely France and Germany. How Brussels' stance towards Beijing has been formed is best demonstrated with the example of two meetings between French President Emmanuel Macron and President Xi Jinping. To their first meeting of March 2019 in Paris, Macron additionally invited the then European Commission President Jean-Claude Juncker and German Chancellor Angela Merkel. Together, they discussed not only the politics of bilateral Franco-Chinese relations, but also the entire Union's policy toward the PRC in a broader sense. During the second meeting in November the same year, Macron was accompanied by EU trade commissioner Phil Hogan and Federal Minister of Education and Research Anna Karliczek (Germany). At the time, the French president brought back 13.6 billion euros worth of contracts from China; neither did he forget to sort out other European issues, such as the protection of European (mainly French) companies' trademarks in the PRC (*Agreement on Geographic Indications*). He also made other important trade arrangements on behalf of EU institutions. Macron then agreed that Chinese authorities and the European Union Aviation Safety Agency would have completed a certification process by March 2020 that would allow the French-Italian company ATR to export its short-haul aircraft to operate domestic flights in China (Momtaz, 2019). Thus, the French leader was making decisions on behalf of an EU agency that was autonomous in theory as well as decisions concerning the EU's trade relations with the PRC, only in the presence of the EC official responsible for this area of "exclusive" EU competence. It is worth adding that France at the time had no formal mandate to represent all Member States or the entire EU in talks with Beijing.

The EU policy towards the PRC is therefore mostly influenced by the two leading Member States, although this does not mean that governments of other countries or other EU institutions have no impact at all. The multitude of different actors involved in the shaping of this policy makes the EU's stance towards Beijing neither unified nor unambiguous, but rather akin to a cacophony of contradictory voices. Not just the multiplicity of actors seems to be blamed, but mainly the two leading countries that do not have a clear strategy towards China. They are simultaneously vying for lucrative contracts and market access to the PRC while reiterating European values or other issues that provoke irritation in the Chinese leadership. As a result, Europe lacks a clear strategy toward China, be it economic or geopolitical.

In the 21st century, three agreements constituted the framework for the EU's relations with the PRC, namely *EU-China Comprehensive strategic partnership* of 2003, *EU-China 2020 Strategic Agenda for Cooperation* of 2013, and finally *EU-China Comprehensive Agreement on Investment* reached in late 2020. Initially, the economic partnership with the PRC was seen as unequivocally beneficial since it enabled the development of European corporations. Later it became apparent that mutual economic relations were distorted by a growing asymmetry to the EU's disadvantage. It concerned both trade imbalances and unequal rules of economic exchange, which unmistakably favoured Chinese entities. With regard to geopolitical matters, the EU has generally tried to stay away from controversies with China, albeit with some exceptions. Brussels has a sense of its own international mission and treats the EU as a “normative power”, which entails promoting universal human rights and democracy on a global scale. This is why European institutions and some Member States have tried to remind Beijing of their values. Most often, this has resulted in a deterioration in mutual relations, but otherwise has not had the slightest effect on changing the PRC's practices. It also showed the inconsistency of the EU's approach to the Middle Kingdom.

Another characteristic of the EU policy towards China was the predominance of declarations over actions. At times, the EU's legal and political decisions were inconsistent with practice, as in the case of the arms embargo on China, which was later repeatedly violated by some European exporters. Even though the European Commission called China a “systemic rival” in 2019, this did not have been translated into any substantive policy, including countermeasures to balance the bilateral relations. Instead, the same year saw two more meetings organized by the French president, seeking economic contracts that were as favourable to French companies as possible.

For all these reasons, EU policy seemed not only ineffective but also unreliable to Beijing. China was thus able to violate the arrangements it had made with the EU, which was not unique in this superpower's dealings with weaker Western actors. For example, Australian authorities warned Brussels to tread carefully when dealing with the PRC's obligations under international agreements. Despite signing the *China-Australia Free Trade Agreement* in 2015, Beijing imposed punitive tariffs on Canberra as a result of political grievances, specifically because the Australian government had insisted on an inquiry into the causes of the 2020 pandemic outbreak (Sheftalovich & Heath, 2021).

China also exploited the existing divisions between EU Member States as well as the divisions within individual European states, such as between successive cabinets. Moreover, it has repeatedly fuelled fragmentation within the EU by, *inter alia*, spreading false information or supporting extremist parties. Josep Borrell, the High Representative of the Union for Foreign Affairs and Security Policy and Head of the European External Action Service, acknowledged that his subordinates are aware of the growing disinformation undertaken by China, but do not have the resources and authority to counter it (Cerulus, 2021). This shows another characteristic of the EU's external policy. Namely, it is relatively weak as it neither has many financial resources at its disposal nor instruments for action (Grosse, 2010). It is also highly dependent on the position of Member States, while they are divided and politically volatile.

2. Economic dimension

When analysing the economic dimension of the EU's relations with the PRC, one should refer to the geoeconomic perspective. Its basic premise is the use of economic instruments for geopolitical purposes (Grosse, 2020; Luttwak, 1990; Blackwill & Harris, 2016). And when it comes to the use of geoeconomics, China is considered to be a model country. For example, they exert economic pressure on other states for political gain, as was the case with the sanctions against Australia over accusations that Beijing was responsible for causing a global pandemic. The question to be asked in this context is whether the EU is, like China, a geoeconomic actor, i.e., whether it can use economic instruments for geopolitical purposes.

For many years, the PRC was treated as an important economic partner and cooperation with it brought benefits to European exporters (especially German ones). For this reason, the largest European countries responded favourably to

Chinese economic initiatives, even when they caused the greatest concern in Washington. This was the case when EU countries joined the Asian Infrastructure Investment Bank (as founding members). However, towards the end of the second decade of the 21st century, the EU's approach to China began to change. Two factors were decisive here. First, unequal treatment of European companies on the Chinese market compared to Chinese companies on the internal market in the EU. Secondly, there was a growing imbalance in mutual relations. China was the EU's largest economic partner in 2020, but at the same time, the EU had a trade deficit as well as a significantly lower level of FDI investment in China compared to Chinese investment in Europe (Wang & Li, 2020). It was the UK that saw the highest level of Chinese investment, with over €50 billion between 2000 and 2019. It was followed by Germany (22.7), Italy (15.9), France (14.4), and Finland (12). Central Europe clearly lagged behind the level of investment seen in Western Europe. For example, in Poland, the cumulative investment in the said period was only EUR 1.4 billion (Wang & Li, 2020, p. 3).

Due to the above-mentioned circumstances, protectionist sentiments were growing among some EU countries and European institutions. It is worth noting that since 2016, the PRC has sought to obtain the status of a market economy on the internal market, which would create much more favourable opportunities for Chinese companies to do business in Europe. The view on this issue was greatly divided among Member States, but in the end the position represented taken by France, Italy, and Spain to deny such a status to Beijing prevailed (Wu & Jensen, 2017, p. 1229). In 2020, the PRC opted out of settling the issue at the World Trade Organization. In 2019, the European Commission labelled the country as *“an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance”* (European Commission, 2019, p. 1). Having strengthened supervision over Chinese investments in their countries, Germany and France found themselves in the vanguard of the protectionist stance towards Beijing as they feared, above all, for strategic technologies important for the long-term competitiveness of their home economies (Hanke & Barigazzi, 2019). Under the influence of both countries, the European Commission also took a firmer stance. In 2019, it demanded reciprocity in economic relations from the PRC, including equal treatment of European investors on the Chinese market, analogous to the treatment that Chinese companies receive there. In particular, it concerned opening this market to investments from the EU, ending the practice of forcing technology transfers to local co-ops and subsidizing Chinese exporters by the state. In 2019, the Union introduced monitoring of foreign investment in Europe. Although non-binding on the Member States level, it was aimed at

increasing the security of strategic sectors. The blade of the regulation in question (2019/452) was informally directed against Chinese investments, which would often acquire companies with unique technologies in the field of information technology, machinery, including robotics, and automotive industry. The Commission also announced that it would close access to the European public procurement market for Chinese companies unless the PRC opened its tenders on a reciprocal basis. It also proposed to initiate a series of measures to reduce protectionism on the Chinese market and the scope of subsidies for Chinese companies, including those investing or otherwise conducting business activity on the internal market (European Commission, 2020a). The EU intended to amend the WTO regulations to reduce protectionism by the PRC. Although several European countries had allowed Chinese G5 technology to enter their market, the Commission wanted a common EU position on the issue in the future.

The problem with the EU's tightening the protectionist stance was that there were still differences of opinion and interests within the Member States. Even the largest EU countries could not decide whether to assume a stricter stance towards Beijing or to seek deeper economic ties, even if this were to continue on an asymmetrically favourable basis for Beijing and thus make Europe increasingly dependent on relations with the Middle Kingdom. An example of such contradictions was the comprehensive agreement on investment that had been negotiated for many years between the two sides with little success. The problem was that Beijing was unwilling to make further systemic concessions, while Brussels was unwilling to reinforce past trends that were generally more favourable to the Chinese side. Such an investment agreement, for instance, could have easily mitigated Beijing's failure to grant China the status of a market economy. Moreover, the main purpose of the agreement was to facilitate investment, which could have undermined the efforts of France and Germany to have the European Commission monitor foreign investment on the internal market.

Nevertheless, the effects of the pandemic and the growing economic problems in Europe forced a change of approach during the German presidency of the EU in the second half of 2020. Germany wanted to have the Chinese open access to their market for the European automobile industry, especially electric cars, chemical industry, energy, telecommunications, electronic equipment as well as computer, financial and health services.

At the same time, it sought to reduce the mandatory transfer of technology to China, which had previously been a prerequisite for gaining access to this commercial market. It was important for the German presidency to try and

reduce the scale of Chinese subsidies granted to their domestic companies, or at least to make them more transparent. The European side managed to obtain some concessions from the Chinese authorities, which mainly benefited German and French corporations. The leaders of both countries were directly involved in the negotiations with China, even if they did not have – as was the case with Macron – the formal title to conduct the negotiations on behalf of the entire Union (Vela et al., 2021). However, the agreement did not fully resolve the problems in relations between the EU and the PRC, e.g., such problems as asymmetrical rules on investments or the Chinese use of state subsidies for companies and forced labour. The latter aspect was heavily criticized by the former head of the Commission Jean-Claude Juncker, who described the agreement as cheap and stated that the EU should not have made such far-reaching concessions (von der Burchard, 2021). Those who criticized the agreement believed that it would facilitate Chinese investments in Europe in strategic sectors, while it could only provide limited support for similar European investments in the PRC. Indeed, the Chinese side could use the means stipulated in the agreement to judicially force Member States to grant it access to such investments, while it was questionable whether the Chinese side itself would respect the decisions of international arbitration courts in similar cases on its own territory (Herrero, 2019, p. 421).

This is an even more dangerous deal for the EU, since the Chinese strategy consists in acquiring key Western technologies and then making its partners dependent on access to Chinese technology. In other words, from the geoeconomic perspective, it is of strategic importance for the Chinese to have the leading technological innovation at their disposal to reduce the PRC's dependence on the West in this respect, and at the same time to make the European economy dependent on the Chinese technology (Lau, 2021).

Representatives of the new U.S. administration viewed the Europeans' negotiating rush with the utmost concern (Zalan, 2020). This was because it implied that a united transatlantic front to force the PRC to adhere to the rules of reciprocity in its relations with the West was less likely to prevail. For Chinese negotiators, not only were the economic issues of great importance, but also geopolitical ones. The aim was to “drive a wedge” between the EU and the US, especially to prevent them from forming a common anti-Chinese front. Therefore, Beijing was making concessions in order to conclude the agreement with the Union before Joe Biden's administration took overpower in Washington. In this way, the Comprehensive Agreement on Investment was an example of geoeconomic action on the part of the PRC rather than Europe. The EU was quite inclined to make far-reaching strategic compromises for the sake

of relatively short-term economic benefits (Schuman, 2021). It was willing to forget the broader geopolitical aspects for the sake of immediate economic benefits.

Therefore, it is difficult to see the EU as deserving to be called a fully-fledged geo-economic actor. Firstly, the economic benefits lead to pragmatic concessions in the sphere of values (as was the case with the acceptance of forced labour in the PRC). Secondly, in the name of economic benefits, geopolitical threats had to be forgotten or at least efforts were made to ensure that geopolitical challenges did not ruin economic relations. Thus, this is an example of the primacy of economic interests over geopolitics rather than the subordination of the economy to geopolitical goals: a course of action that is a contradiction of geoeconomics.

This is hardly surprising when we look at the analysis provided by a representative of one of the leading Brussels think-tanks that advises the European Commission on a daily basis (Herrero, 2019). In his view, the EU should not get involved in the conflict between the U.S. and China, but rather stand aside and benefit from the dispute, mainly due to the substitution of Chinese exports to the U.S. market as well as to the deepening of European-Chinese economic exchanges. Economic gains are at the core of this way of thinking in addition to just the medium-term perspective. Not only does the author of this analysis fail to take into account the broader geopolitical perspective, but also that the future geopolitical order – and who decides about it – will be critical for Europe if it is to keep its economic gains.

3. Geopolitical dimension

Scholars recognize that major states and the EU itself are passive towards the PRC on the geopolitical level (Kirchner et al., 2016). The aforementioned actors did not perceive Beijing as a political rival or security threat. At the same time, the capitals of the largest countries feared economic repercussions if they supported the U.S. in disputes of the geostrategic nature. This was the case even when Beijing did not adhere to international law, which was otherwise particularly important in the official EU rhetoric.

It is worth mentioning that China refused to respect the 2016 ruling of the International Tribunal for the Law of the Sea on violations of the United Nations Convention on the Law of the Sea (Riddervold & Rosén, 2018, p. 555-570; Biscop, 2018, p. 51). Brussels would not address this problem in its official strategy documents for a long time (e.g., in the *European security*

strategy of 2003 and 2009); whereas in the *Guidelines on the EU's Foreign and Security Policy in East Asia* of 2012, it only mentioned the political tension in the South China Sea in the context of threats to EU trade and investment interests (p. 5). Therefore, the EU institutions tried to keep a low profile on the issue, and especially not to aggravate relations with Beijing. Even when the International Tribunal for the Law of the Sea ruled unfavourably for China in its dispute with the Philippines, and the Chinese authorities refused to recognize it, Brussels merely acknowledged the tribunal's ruling and called for a peaceful resolution of the territorial disputes. According to commentators, this was a very weak response to the problem and an attempt to distance itself from it (Cottey, 2019, p. 478).

Primarily, the source of this reaction was the divergence of positions among Member States. For example, France and the United Kingdom undertook missions in the South China and East China Seas under Freedom of Navigation Operations. Other Member States tried to take a pragmatic approach to these disputes, valuing above all the development of economic cooperation with the PRC. This was especially the case for countries with long-standing good relations with Beijing and a large scale of Chinese direct investment, i.e., most notably Greece, Hungary, Portugal, Croatia, and Italy. For example, Italian diplomacy tried to appease all those demands that sought to tighten EU policy towards China on the grounds of respect for values or human rights; it also encouraged the lifting of the embargo on arms sales to China on several occasions (Casarini & Sanfilippo, 2015). National governments were clearly making geopolitical concessions to China, trying to leave sensitive issues (such as the PRC's lack of observance of human rights) to EU institutions (Michalski, 2013). At the same time when the European Commission was criticizing China's policies – including its growing investments in Italy and the Western Balkans – the French government was signing EUR 40 billion worth of economic contracts with President Xi Jinping (Rettman, 2019). This example is very meaningful because it shows the inconsistency of Paris' policy towards Beijing. On the one hand, the French government undertook naval operations on disputed waters as well as military exercises with allies in Southeast Asia, while on the other hand, it promoted arms exports by French corporations to sanctioned China (after the 1989 Tiananmen Square massacre). Major EU arms exporters found ways to skirt the embargo (Bräuner, 2013). This is an example not only of the hypocrisy of some European politicians, but above all of the primacy of economic interests over geopolitics and declared values.

What appears to be a certain exception to geopolitical passivity was the reaction to increasing Chinese investment and political penetration in Central

Europe and the Balkans. Paris, Berlin, and Brussels were also concerned about infrastructure investments made within the EU as part of the New Silk Road, particularly in Greece, Portugal, Italy, and Central European countries (Matura, 2019; Markovic Khaze & Wang, 2020). Remarkably, however, it was the representatives of the European Commission who were most concerned about this expansion in Europe's "backyard." In a document prepared for the European Council summit, the officials demanded greater unity among Member States regarding the "16 + 1" cooperation format (from 2018 "17 + 1"); they also demanded respect for European norms and values in the Western Balkans. They pointed out that Beijing's ambition to build technological supremacy in its armed forces by 2050 is a challenge to European security (European Commission, 2019, p. 2-4). Nevertheless, it should be acknowledged that some European countries and the EU itself saw China primarily as an economic rival and less as a geopolitical one. At the same time, Member States were strongly divided on this issue. As I mentioned, the defenders of Chinese interests in the EU included Portugal, Greece, Hungary, and increasingly Italy.

When reflecting on the low profile of geopolitics in the EU's actions towards the PRC, one cannot help but notice that, compared to Beijing, Brussels presented a diametrically opposed approach to concepts such as sovereignty, statehood or geopolitics. China approached these issues in a traditional manner, primarily in the context of rivalry between major powers. Therefore, it sought to ensure that Western actors did not violate Chinese sovereignty or impose their own political values on China. In turn, the European rhetoric downplayed the issue of sovereignty, geopolitics, and even security for a long time. Integration caused a loss of national sovereignty and weakened traditional statehood (Grosse, 2016). Instead, primacy was given to the economy and the promotion of values, treated in a cosmopolitan and universal manner. European power was to be based on these two pillars.

4. Broader geopolitical dimension

The fundamental geoeconomic mistake on the part of the U.S. was to squander the twin projects designed to link the U.S. with European allies on the one hand and Asian allies on the other. The first project was the *Transatlantic Trade and Investment Partnership*, which posed serious negotiating difficulties during Barak Obama's presidency and was completely abandoned during Donald Trump's administration. The second was the *Trans-Pacific Partnership*, which Trump withdrew from in 2017, deeming it unfavourable to

the United States. This was of particular importance in the rivalry with the PRC, as the aforementioned project specifically excluded that country from deepened trade and investment cooperation. At the same time, during this period, the U.S. authorities set their sights on renegotiating economic relations with individual allies in bilateral agreements and escalated trade disputes with the EU. This did not produce the expected geoeconomic results, but rather damaged allied relations, which was particularly evident in transatlantic relations.

China took advantage of the situation, first leading to the signing of the *Regional Comprehensive Economic Partnership* in November 2020, which brought together several important U.S. allies (*inter alia*, Australia, New Zealand, Japan, South Korea, and Vietnam) and left out the United States. In December 2020, they negotiated the Comprehensive Agreement on Investment with the EU, which – as I wrote earlier – “drives a wedge” into the transatlantic relations. By doing so, Beijing limited the possibility of Washington's allies to gather around it and use economic cooperation to build an anti-China front by – broadly speaking – the countries of the West. The short-sightedness and excessive selfishness of U.S. policymakers led to the PRC gaining an important strategic advantage. This demonstrated the maturity of Chinese geoeconomic thought as compared to Western actors.

Not without significance were the strategic errors in reasoning made by European leaders. They, too, focused on immediate economic gains, especially regarding the competition for those gains with the U.S., and less on the bigger picture of a changing geopolitical order in the world. As one expert put it (Lau, 2021), “*Europeans are sleepwalking on the many urgent challenges posed by China and daydreaming about a strategic autonomy*” without noticing that they were becoming increasingly dependent on Beijing. At the same time, European leaders tried to stand aside in the face of the growing U.S.-China rivalry, forgetting that the economic success of post-war Europe in the second half of the 20th century was founded on the American geopolitical order. In early 2021, Chancellor Angela Merkel rejected the possibility of the EU taking either side in the conflict between Beijing and Washington (Lau & Gehrke, 2021), disregarding the fact that this dispute was not just a trade war but was about geopolitical leadership on a global scale.

That is why, in successive strategic documents dedicated to relations with China, the EU postulated a multipolar world as the preferred geopolitical model in Western Europe (Montesano, 2019). It is hardly surprising that Western Europeans were strongly encouraged to adopt such a strategic vision by both Chinese and Russian politicians. After all, the leaders of both countries were aware that straining transatlantic relations was undermining American efforts

to defend the post-war global geopolitical order that first Moscow and later Beijing intended to overthrow.

Another mistake Western European elites made was to disregard their own Central European allies. They criticized the Eastern EU states for engaging in cooperation with Beijing, but at the same time, they did much to discourage the nations of this part of Europe from their own leadership in the EU. What constituted a telling example in this respect were the alleged violations of the rule of law. They were aimed at right-wing governments, which entertained divergent preferences from those of Paris or Berlin for the development of European policies or for further integration processes and for increasing the autonomy of Central Europe through regional cooperation. In doing so, they protected the sovereignty of local democracies to make – in accordance with the European treaties – choices on, *inter alia*, matters of worldview. The defence of European values by Western European elites seemed all the more difficult to understand as everyone witnessed how, for pragmatic reasons, these same elites made concessions on the issue of values while dealing with Beijing. All this discouraged a large number of conservative voters in Central Europe from European integration. They saw drawing closer to China not only as a factor for economic development, but also as a geopolitical safeguard. It was supposed to be a way of protecting against excessive pressure from Berlin and against German domination in the integration processes, and simultaneously a potential protection against Moscow's aggressive policy in the situation when transatlantic ties were weakening.

5. Corruption of normative power

The EU's expertise on the international stage is to be the promotion of European standards. That is why the Union is referred to as a “normative power” (Manners, 2002) or a “liberal power” (Wagner, 2017). This had some pragmatic value, as EU regulations could provide benefits to European businesses. As the president of the European Commission put it, “*those that write global rules are the ones who are shaping the future of their societies*” (Rubenstein, 2020). An example of such an approach to the dissemination of European standards was, *inter alia*, the EU's climate policy.

Apart from this, European elites tried to promote political values, primarily drawn from the agendas of liberal and left-wing groups. They were disseminated as universal human rights, as exemplified by strategic documents addressed to China (European Commission, 2016, p. 15). This posed a challenge not only to the values of other political movements (primarily

conservatism), but also to other cultures and civilizations. Hence, European cosmopolitanism attracted much criticism because Europeans were perceived as ones that exalted themselves, which alluded to their colonial traditions. This is how the Chinese perceived European missionary activity. They considered it to be disrespectful to the values of their own civilization (Schuman, 2020). Moreover, they argued that it violated their sovereignty because it constituted too much interference in the PRC's political order, which was intended to weaken the power of the Communist Party and – as a consequence – the Chinese government. It also sought to undermine that government's influence in certain regions that, like Hong-Kong, fell under China's sovereign authority. Therefore, the EU's defence of the rights of religious minorities or the rights of residents of certain administrative regions in China not only failed to influence Beijing's policies, but irritated policymakers there and was met with negative reactions from the Middle Kingdom (Cottey, 2019, p. 480). China viewed Western democratic models as a dysfunctional mode of governance that not only creates conditions for foreign powers to interfere in domestic affairs, but also leads the West to neglect strategic interests and to decadence.

In March 2021, on behalf of the EU, ambassadors of Member States imposed sanctions on four Chinese officials and one organization for violating the rights of Uighurs. In response to the EU sanctions, a PRC foreign ministry spokesman said that the Europeans could not look forward to developing economic cooperation on the one hand and harming Chinese interests by imposing sanctions on the other. Therefore, the Chinese responded to them decisively. They imposed penalties on several European parliamentarians, national politicians, academics, a subcommittee of the European Parliament, and the Political and Security Committee of the EU Council as well as on selected think tanks (Ministry of Foreign Affairs, 2021). Some MEPs announced that they would therefore not allow the ratification of the EU investment agreement with China. However, there were also other voices. Representatives of the European People's Party, which is heavily influenced by the right-wing party in power in Germany, appealed for trade relations with China not to fall victim to the turmoil surrounding human rights. Iuliu Winkler, the representative of this faction on the Parliament's trade policy committee, called for the interests of European companies to be safeguarded during the pandemic (Lau et al., 2021). Thus, even within the most value-sensitive European institution, two opposing narratives emerged in the face of the situation.

The growing international power of China and the interest of European politicians in maintaining the best possible economic relations with Beijing

caused the EU Member States and institutions to increasingly deviate pragmatically from the ideals of their own normative mission. An example of this was the scaling back of the EU's human rights dialogue with China, which was initiated in the late twentieth century and which, under pressure from Member States and obstructionism from the PRC, had declining practical political relevance (Taylor, 2020). Neglecting the topic of values in relations with the PRC characterized the behaviour of smaller countries, such as Hungary, Portugal or Greece (Delamotte, 2020), which depended on access to Chinese investment but could also expect geopolitical support from Beijing. Such an attitude was increasingly prevalent in some Central European capitals. More importantly for EU politics, however, a pragmatic approach to European values was also characteristic of the largest EU Member States, including Italy, France, and Germany. According to scholars, Berlin's attitude towards relations with Beijing in particular was characterized by putting economic interests above ideals related to human rights and democracy (Heiduk, 2014).

6. Conclusions

In its external relations, the EU was primarily interested in defending European economic interests, and to a somewhat lesser extent in promoting its own norms and values. Scholars point to the limited scope of the European geopolitical strategy and weaknesses in its implementation (Riddervold & Rosén, 2018, p. 555). It was not uncommon for economic interests to take clear precedence over geopolitical ones or for policymakers to be visibly concerned lest the geopolitical activity would expose European business to risk. Even if European actors - including the EU's policy-leading Member States - had growing geopolitical ambitions, these were either closely linked to their economic interests or the EU was not prepared to pursue them more forcefully. This was the case with the objections of some EU Member States and institutions to Chinese expansion in Europe's sphere of influence, i.e., in the Balkans and Central Europe. The aforementioned objections were never formulated in a principled manner, and thus did not have much significance for the mutual relations between the EU and the PRC.

Thus, European policy was focused on the primacy of the economy, which meant that foreign policy instruments were aimed at supporting this goal, while geopolitical or normative considerations should not, by design, interfere with them. It is therefore difficult to see the EU as a geoeconomic actor in its relations with China. It was not economic instruments that served geopolitical goals, but rather geopolitics was not supposed to interfere with the pursuit of