

Promoting Sino-European Co-operation in International Change

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Abstract: Bilateral relations between China and the European Union (EU) have suffered many twists and turns, showing new features of change in stability and retreat in progress. The main reason for the new changes in China-EU relations is not the sudden deepening of internal contradictions between China and the EU or the disappearance of common interests; in fact, the Biden administration, after coming to power and needing to cope with China-U.S. competition with the power of the EU, has changed the Trump administration's emphasis on unilateralism and the U.S.-first foreign policy, returned to the position of multilateralism, and took the initiative to repair transatlantic relations, enhancing the strategic attraction to the EU; it is the important driving force for the emergence of a phased adjustment of the EU's policy towards China. Therefore, it is necessary to respond to the new changes in China-EU relations on the basis of the triangular relationship between China, the US and the EU, manage the conflicts between China and the US, make good use of the US-EU analyses, and strengthen the consensus between China and the EU, enhancing the centripetal force of China-EU relations with mutually beneficial co-operation and common interests in development, so as to promote China-EU co-operation in a stable way and bring it to a far-reaching stage.

Keywords: China-Europe relations, economic and trade cooperation, China-US-Europe triangle, strategic autonomy, transatlantic alliance

1. Introduction

At present, China and the European Union (EU) relations are in a period of continuous adjustment. On the one hand, after the trough of mutual sanctions in 2021, China-EU relations are gradually returning to the right track. But on the other hand, the outbreak of the Russia-Ukraine conflict in February 2022 has had a major impact on the European security order, intensifying Europe's security concerns while reshaping the EU's perceptions and policy direction towards China. On 30 June, the European Council published a document outlining the EU's policy towards China, still positioning China as a "partner" and a "competitor", "institutional rival", frankly need to continue to develop economic and trade relations with China and co-operation on international governance issues, but stressed that the China "de-risking" and interfering on topics such as the East China Sea, the South China Sea, the Taiwan Strait and border-related issues.

Although the changes in international environment have accelerated the changes in China-EU relations at different levels, such as political, economic, cultural and security, and the bilateral relations have seen obvious phase adjustments, the basis for continued cooperation between the two sides still exists. On 6 April 2023, President Xi Jinping said at a meeting with European Commission President Von der Leyen that China and Europe should strengthen communication, establish correct mutual perceptions and avoid misunderstanding and miscalculation. China and the EU should focus on cooperation for mutual benefit and win-win results, support economic globalization and trade liberalization, engage in in-depth dialogue and communication on issues in economic and trade cooperation, and reach mutually acceptable arrangements through consultations. Von der Leyen said that “decoupling” from China is not in the interests of the European Union and is not a strategic choice for the EU, which decides its policy towards China independently and autonomously. Therefore, we should correctly understand the differences between China and the EU, grasp the main tone of the relationship, and steadily promote China-EU cooperation.

2. Analysis

2.1. Changes in the International Political and Economic Situation and Obstacles to the Process of Cooperation Between China and Europe

Since March 2021, the EU has adopted a series of hard-line policies towards China, with economic and trade cooperation intertwined with ideological disputes between the two sides. Despite the contradictions between China and Europe in terms of political systems and strategic choices, this does not mean that there is a fundamental shift in the EU’s policy towards China. In fact, since March 2019, when the European Commission released the “Europe-China Strategic Outlook”, a policy paper on China, positioning China for the first time as “a negotiating partner, an economic competitor and a systemic rival”, China-EU relations have moved from a period of rapid development into a period of deep adjustment, showing different policies in different areas and frequent changes. It has been characterized by different policies in different areas and frequent changes. The EU wants to form a multilateralist partnership with China in economic and trade cooperation and global governance, while insisting on its own value interests in terms of political system and ideology, which has led to the bilateral relationship being in a complex state of co-existence of cooperation and disagreement [1]. Nowadays, the negative side of China-EU relations is frequently revealed, mainly due to three reasons.

First, the adjustment of U.S. foreign policy after the Biden administration took office is the main variable hindering China-EU cooperation. Due to the return to the position of multilateralism and the repair of transatlantic relations, the Biden administration will return to the traditional path of international cooperation on international issues such as climate change and nuclear weapons, focusing on policy coordination with allies; in the field of economy and trade, the Biden administration will also try to promote the return of international economic and trade relations to the rule-based international economic order and economic cooperation mechanism, and lead the shaping of the international system and the construction of international order again. The construction of the international order. This is consistent with the European values of “internationalism” and “globalization”, narrowing the differences between the US and Europe in the practice of international norms in the Trump era, enhancing the centripetal force of the transatlantic relationship, and providing an opportunity for the US to draw the EU into its fold on the “human rights issue” and “globalization”. This will provide an opportunity for the US to bring in the EU to impose sanctions on China on the grounds of “human rights issues” and “security threats”, and to create ups and downs in China-EU relations.

Although China and the EU share common economic interests in some areas, the US and EU are both developed Western economies, and in response to changes in the power structure and international economic competition triggered by China's rise, they have adopted a common stance of confronting China to maintain the West's dominant position and to impede China's upward shift in the international supply and value chains. Therefore, although the EU promotes bilateral trade and investment with China in some areas, the overall enthusiasm is limited, and it will seek to rebalance between China's vast market and the U.S. capital and technological advantages, and between China's emerging industries and the West's traditional institutional power, which will impede Sino-European cooperation.

Secondly, the growing interconnectedness and pragmatic cooperation between China and the EU in the economic and trade fields have provided positive structural factors for bilateral relations. As a result of the outbreak of the New Crown disease and the global economic downturn, China and the EU have continued to promote a series of mutually beneficial bilateral co-operation in economic and trade areas such as green development and the digital economy, and on 30 December 2021 signed a comprehensive investment agreement between China and the EU on the basis of the significant contributions made by both sides to the governance of global public health and the preservation of the international order of multilateralism. Anti-epidemic cooperation has enhanced mutual political and economic trust between the two sides and deepened bilateral economic and trade relations between China and the EU [3]. In 2020, in the midst of the epidemic outbreak, China's exports to the EU amounted to nearly 2.7 trillion yuan, up 7.2 per cent year-on-year, while its imports from the EU amounted to nearly 1.8 trillion yuan, up 2.6 per cent year-on-year; as of July 2021, China's bilateral trade with the EU amounted to 2.96 trillion yuan, up 23.4 per cent year-on-year, contributing to the maintenance of the epidemic. 23.4 per cent, playing a major role in maintaining social stability and promoting economic recovery during the epidemic.

The deepening of relations between the two sides in the economic and trade fields means that the EU's attitude towards China's economic development, as well as the means it adopts in the face of Sino-European differences, will not be entirely consistent with that of the United States. The EU essentially wants to absorb China into the rules-based international economic order, rather than joining the U.S. anti-China coalition and excluding China from the international supply and value chains. German and French leaders have also emphasized their adherence to an independent policy towards China on several occasions. Therefore, although the EU is stirring up strife in areas where there are long-standing differences with China, such as the political system and ideology, the meaning of its political stance is greater than the effectiveness of economic sanctions, and Sino-European relations will not turn sour quickly [3]. The common interests of China and the EU in the economic and trade fields remain a favorable factor for both sides to maintain mutual respect and promote bilateral cooperation.

In addition, the recurrence of epidemics has given rise to many new areas that have become priorities affecting national development and the focus of great power games, which will also pose challenges to China-EU cooperation. Key topics such as vaccine distribution and the digital economy have become the focus of great power competition. On the one hand, as the epidemic has spawned demand for the online economy, the resourcefulness and value of data has been further highlighted, and Europe has adopted stricter norms and protectionist regulations on the local digital market and data resources, which has hindered Sino-European co-operation in cross-border data flows, digital trade, and the construction of new infrastructures. On the other hand, as China's vaccine research and development has provided powerful assistance to several countries in fighting the epidemic, it has challenged the position of the West, represented by the United States, as the provider of international products and the leader of the international order. In order to maintain the West's dominance in international discourse, the U.S. sees China's vaccine assistance as a

geopolitical weapon and politically stigmatizes it in public opinion, which is not conducive to the anti-epidemic cooperation between China and Europe.

2.2. Grasping the New Triangular Relationship and Creating a Favorable External Environment for China-EU Cooperation

The reason why China-EU relation shows the complex characteristics of different postures in different fields and frequent policy fluctuations lies in the fact that the United States is an important factor affecting China-EU relations. Promoting the progress of China-EU bilateral cooperation requires grasping the current new triangular relationship between China, the U.S. and the EU. After Trump came into office in 2016, his unilateralism and America-first strategic stance led to a major shift in the U.S. way of treating its allies, making U.S.-EU relationship take a sharp turn for the worse. As a result, the EU has enhanced its co-operation with China in a number of areas, including trade and commerce, security, and global governance.

At the moment, the uncertainty of China-EU relation has its origin the fact that Sino-US relationship is experiencing challenges and there are many shifts in US foreign policy [4]. With the Biden administration in the White House, the U.S. will increase pressure on China over traditional issues such as human rights and the South China Sea, and the challenges to Sino-U.S. relation will unfold in areas different from those of the Trump era. The U.S. intends to enhance the coordination of its China policy with the EU by repairing the Atlantic relationship, forming a synergy to suppress China [5]. But on the other hand, as China and the EU still share common interests in many areas such as green energy and digital development, and the EU, which is facing the double pressure of economic development and social governance, will maintain a certain degree of strategic independence, the new triangular relationship between China, the United States and the European Union will show a certain degree of uncertainty.

Fundamentally speaking, the U.S.-EU relation based on Atlanticism remains solid and will not disintegrate simply because of economic interests brought by the outside. The deep interdependence between the US and the EU in the security field and the high degree of consistency in ideological values require the two sides to collaborate to maintain the West's capital-technology superiority in the international value and industrial chains, as well as the dominant position of liberal ideological discourse in the international value system. Therefore, when China's rapid response to the epidemic and its assistance to the international community in coordinating the fight against the epidemic demonstrated its strong national governance capacity and social mobilization, it posed a challenge to the so-called "universality" and "superiority" of the Western ideology and liberal system. Therefore, whether the EU takes the initiative to suppress China to safeguard its own power and maintain its international status, or does so passively due to the strategic pressure from the US on security and defense issues, the EU will, to a certain extent, cooperate with the US in its suppression of China, exerting a reverse influence on the China-EU partnership.

However, the Biden administration's rise to power and the adjustment of foreign policy may not heal the substantial damage to the U.S.-EU bilateral relation and strategic trust caused by Trump office's policies such as "unilateralism" and "America First".

On one hand, in the past few years, the Trump administration's successive actions have shown that in order to maximize local interests, the United States will not hesitate to use its neighbors as a beggar-thy-neighbor to harm the interests of its allies and shift the crisis of domestic governance. The transatlantic relation has its weakness that faced with U.S, it is prone to change and lacks continuity of cooperation, which damages the foundation of the political and economic mutual trust. While repairing US-EU relations after Biden's rise to power, the US is also using the EU as the tactical vanguard of its anti-China strategy, depleting the EU's strength, which is not in line with Europe's pursuit of "strategic autonomy" and "European sovereignty" and other goals.

On the other hand, the competition between the United States and Europe in the economic field is also difficult to dissolve. The EU hopes to enhance its core strength to participate in international economic competition and enhance its international influence through the development of the digital economy; therefore, it has continued to promote its digital and technological sovereignty policy, and has released a number of important documents such as the European Data Sovereignty and Artificial Intelligence White Paper in an attempt to enhance its control over the local digital market, and to promote the development of the EU's digital enterprises, the innovation of digital technology and the growth of the digital economy [6]. This is in conflict with the US strategy of frequently acquiring local EU start-ups in recent years in order to maintain the monopoly and digital hegemony that large tech companies from the US, such as Google, Apple, Amazon, etc., have developed using the digital market in the EU.

The digital economy is also an opportunity for China and Europe to enhance bilateral cooperation. Against the backdrop of recurring epidemics, shifts in consumption habits and lifestyles will drive the digital transformation of national economies, and place higher demands on network infrastructure and digital technology capabilities. As major digital economies, cooperation between China and the EU on cross-border data flows, digital trade, and digital technology standards will not only enhance the competitiveness of both sides' digital economies, but will also help to form a fairer and more open framework of global economic governance systems and rules in the digital era that meets the development interests of both sides.

Therefore, the China-US-EU grand triangle in the new era will show the uncertainty of frequent switching between competition and cooperation, and will not quickly lead to strategic confrontation. Despite the major institutional differences between China and Europe, China has an internal political environment that enables it to implement its foreign policy in a sustainable manner, while enjoying common development interests in data sovereignty, Internet governance, green cooperation, etc., and broad prospects for deepening economic and trade cooperation. While the fundamental positions of the US and Europe are the same, the hawkish bloc members left behind in Washington and Trump's 70 million supporters across the US will be important constraints on Biden's implementation of the traditional establishment elites' line of "exchanging interests for status". While the first four years of the Biden administration will be a constant search for a balance between regionalism and nativism, between restoring great power diplomacy and maintaining a solid governing position, and while it is doubtful that his multilateralist stance and policy of repairing the Atlantic alliance will remain stable, Europe will learn from the lessons of the Trump era and will not be caught up in the dilemmas of political change in the United States again.

Under the changing circumstances, to grasp the new triangle between China, the United States and the European Union, and to promote Sino-European co-operation, we should focus on dealing with the conflicts between China and the United States, and look at the ups and downs of Sino-European relations with equanimity. The EU has followed the US policy of exerting pressure on China, and the "significance of the statement" is basically greater than the actual political significance or the effectiveness of the declared economic sanctions. China should maintain sufficient strategic patience and give the EU a certain amount of room for adjustment, so as to deal with the contradictions in the progress of China-EU relations in an accommodating manner.

At the same time, the control of Sino-US conflicts should make good use of the differences between Europe and the United States to maintain the strategic competitiveness and external attractiveness of the Chinese economy. As the center of gravity of the world economy shifts eastward, as the future of the world's largest market and an important blue ocean of investment, China will inevitably also be in the regulation of Sino-European and Sino-US relations to grasp a certain degree of initiative. 2020 in the case of continued tension in the relationship between China and the United States, the so-called "economic decoupling" "financial decoupling" is still a

thunderbolt. "The United States continues to sign economic and trade agreements with China to safeguard the interests of U.S. companies in the Chinese market, and continues to compete with the European Union for the Chinese market, while the Transatlantic Trade and Investment Partnership Agreement between the United States and Europe has not yet been signed. Therefore, it is necessary to ensure that China's own economic development is good, firmly implement the "double-cycle strategy", and make a significant contribution to the stable operation and transformation and upgrading of the international value chain and industrial chain, in order to take the initiative in regulating the triangular relationship between China, the United States and the European Union, and to form a favorable external environment for the promotion of cooperation between China and the European Union.

2.3. Maintaining Strategic Focus and Promoting a Stable and Far-reaching China-EU Relation

Faced with frequent turmoil, to promote the sound development of China-EU relation, we should take it into serious consideration that how to seek newness amidst change as well as uncertainty, to seek progress amidst stability and what the characteristic of the new triangular relationship between China, the United States and Europe is.

First of all, the promotion China-EU cooperation is based on the fact that China and the EU are important strategic markets for each other with great common interest and cooperation consensus. With the changes in global landscape, hoping to strengthen its power in the international community and to pursue "strategic autonomy" and "economic sovereignty", the EU has put forward a series of strategic plans to enhance the competitiveness of its own economy. China should take its own initiative and respond positively to the EU's expectations for China's economic reform. It should deepen bilateral cooperation in green and digital areas, promote trade and investment liberalization and facilitation, consolidate the foundation of bilateral economic and trade cooperation with higher and deeper institutional openness, and highlight the economic dividends that China's vast consumer market and complete production system will bring to Europe's development [7]. This will enhance the coherence and consistency of the EU's stance towards China.

At the same time, facing EU's increasingly tough attitude on ideological issues such as human rights, China should be polite and courteous, grasping the main tone of the relationship between the two sides. Although the EU has adopted the strategy of "separation of politics and economics", which means increasingly hardening on ideology and softening on economic issues in order to maximize local interests in the context of the intensifying Sino-US games and US overtures to the EU, this does not mean that there is a fundamental change in the EU's policy towards China. The main tone of China-EU relations remains that cooperation outweighs divergences. Considering that China-EU relation is multi-layered and complex, with different trends in different fields, it is necessary to avoid the long-standing institutional differences in ideology becoming a stumbling block to China-EU cooperation. China should implement precise counter-sanctions measures when core interests are touched, but emphasize the common position of China and the EU in promoting global governance, safeguarding international security and promoting multilateralism under normal circumstances. Having deep consensus on specific issues such as free trade, green development and climate governance, China and EU should work together to contribute to promoting global governance, advancing the world's multi-polar development and defending the global order of multilateralism [8].

The EU has always played an important role in global affairs, maintaining independent and autonomous. Therefore, promoting China-EU cooperation requires neither a fundamental transformation of this bilateral relation from partners to allies, nor EU's taking sides with China or

the United States. It is important to avoid the simple linear logic of “friend or foe”, which may lead to deny the possibility of enhancing cooperation between China and EU just because of the current ups and downs in some areas. China should strengthen economic and trade interests as the basis for cohesion and consensus, and promote pragmatic cooperation. China should enhance its bargaining power by enlarging the economic pie and strengthening its own economic strength. Focusing on actively promoting practical cooperation and supplemented by carrying out principled struggle, China should take its position to guide the EU to “stand tall and see far” when examining Sino-European relation, and enhance the orientation of the relation through reciprocal co-operation and common development interests.

3. Conclusions

The main reason for the new changes in China-EU relations is not the sudden deepening of internal contradictions between China and the EU or the disappearance of common interests; in fact, the Biden administration, after coming to power and needing to cope with China-U.S. competition with the power of the EU, has changed the Trump administration’s emphasis on unilateralism and the U.S.-first foreign policy, returned to the position of multilateralism, and took the initiative to repair transatlantic relations, enhancing the strategic attraction to the EU; it is the important driving force for the emergence of a phased adjustment of the EU’s policy towards China. But at the same time, we should also see that the differences between the United States and the EU in strategic goals, global governance and other aspects, as well as competition in the economic field can not be completely dissolved in a short period of time; while China and the EU still share common interests in many areas such as green energy, digital development and other areas. Therefore, it is necessary to respond to the new changes in China-EU relations on the basis of the triangular relationship between China, the US and the EU, manage the conflicts between China and the US, make good use of the US-EU analyses, and strengthen the consensus between China and the EU, enhancing the centripetal force of China-EU relations with mutually beneficial co-operation and common interests in development, so as to promote China-EU co-operation in a stable way and bring it to a far-reaching stage.

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