

The EU-China's Strategic Partnership: A Case Study of the EU's Arms Embargo against China

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Abstract: In 2003, the EU and China established a strategic partnership intended to deepen their bilateral relationship not only economically, but also strategically. However, the EU-China relations are still challenged by several ideological and strategic issues. This paper will evaluate the EU-China's strategic partnership by presenting a case study of the EU's arms embargo against China since the 1989 Tiananmen Incident. This paper will argue that although the EU-China's strategic partnership has a strong foundation of bilateral economic and strategic cooperation, the relationship between the EU and China is still very weak: (1) ideologically, the EU is still unsatisfied with China's human rights record and political reform process; and (2) strategically, the United States (U.S.) still plays an influential role in the EU's external decision-making process.

Introduction

European integration began in the 1950s after World War II. Postwar Europe needed to establish a framework for regional cooperation and peace. The European Community (EC) was established to defend European countries during the Cold War. In 1992, the Maastricht Treaty (Treaty on European Union) was signed, which symbolized the founding of the European Union (EU). The Common Foreign and Security Policy (CFSP) required the EU member states to have a "common position" and to take "joint action" on international affairs¹ in order to increase the EU's influence worldwide. In the meantime, China's rapid rise as a major player in global politics after its economic reform and opening-up provided an opportunity for the EU to expand its markets and to strengthen its influence.

In 2003, the EU and China established a strategic partnership intended to deepen their bilateral relationship not only economically, but also strategically. Although David Shambaugh describes the EU-China partnership as "one of the most important yet least appreciated developments in world affairs in recent years",² the EU-China relations are still challenged by several ideological and strategic issues. This paper will evaluate the EU-China's strategic partnership by presenting a case study of the EU's arms embargo against China since the 1989 Tiananmen Incident. Moreover, this paper will consider to what extent the EU-China relationship can be understood strategically. This paper will argue that although the EU-China's strategic partnership has a strong foundation of bilateral economic and strategic cooperation, the relationship between the EU and China is still weak for two

¹ Carol M. Glen and Richard Murgu, *EU-China Relations: Balancing Political Challenges with Economic Opportunities*, 333.

² David Scott, *China and the EU: A Strategic Axis for the Twenty-First Century?*, 23.

primary reasons: (1) ideologically, the EU is still unsatisfied with China's human rights record and political reform process; and (2) strategically, the United States (U.S.) still plays an influential role the EU's external decision-making process.

The EU's Arms Embargo against China and the EU-China Strategic Partnership

The EU and China established a diplomatic relationship in 1975. Following China's economic opening-up in 1978, the economic cooperation between the two sides increased dramatically, especially after the EU-China Trade and Economic Co-operation Agreement was signed in 1985. However, the Chinese government's response to the Tiananmen protests aroused widespread condemnation from the international community, including the EU. At the Council's conclusion of its meeting in Madrid 1989, the European Council decided to implement "interruption by the Member States of the Community of military cooperation and an embargo on trade in arms with China."³ The arms embargo would not be lifted until China's treatment of human rights reached an accepted standard. At the same time, the EU also stopped giving loans and credit insurance to China through the World Bank.⁴ However, two years later, the European countries, one after another, lifted their economic sanctions against China because of its potential as a trading partner, even though

China's treatment of human rights had not improved.

The strategic partnership was first proposed by then French President Jacques Chirac when he met with then Chinese President Jiang Zemin in 2003. In the following year, the seventh EU-China summit concluded that "[the EU and China needed to] further expand and deepen EU-China relations, towards a rapidly maturing comprehensive strategic partnership between the EU and China."⁵

The EU-China's strategic partnership was based on two common interests. First, after the collapse of the Soviet Union, the EU and China both wanted to establish a multilateral and multi-polar world order. In the post-Cold War international relations, the U.S. was the only superpower dominating global affairs. However, the European Union wanted to play a bigger role in global politics. For example, Javier Solana suggested that "Europe should be ready to share in the responsibility for global security and in building a better world because no single country is able to tackle today's complex problems on its own."⁶ He continued that "[his aim] was to promote the Union as a global political player, capable of mobilizing all the resources available – economic, commercial, humanitarian, diplomatic, and of course military – to act in a coherent

³ The Council of Ministers, Madrid 26-27 June 1989, http://aei.pitt.edu/1453/1/Madrid_june_1989.pdf, 14 (27 May 2011).

⁴ Ibid. 15.

⁵ The Council of Ministers, 7th EU-China Summit Joint Statement, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/82998.pdf, 9 (26 May 2011).

⁶ Jing Men, EU-China Relations: Problems and Promises, 4.

and above all effective manner over the whole of its international environment.”⁷

Moreover, since the founding of the People’s Republic of China, China firmly believed in the benefits of having equal status among the nation states and opposed hegemonism. Scott explains that China always emphasized the need to “respect diversity in the world and promote democracy in international relations.”⁸ Furthermore, both the EU and China want to expand their influence globally. The decision to cooperate was a reasonable choice for both of them.

The second common interest between the EU and China is their deepening economic and trade relations. China, with its annual 10% GDP growth in the past 30 years, has become one of the EU’s most important trading partners. China’s economic opening-up policy, which included reducing its tariffs from 43% in 1992 to 17% in 2001 for the EU member states,⁹ provided a great potential for foreign investment in China, which the EU could benefit from. Statistics from the International Monetary Fund (IMF) show that the EU accounted for only 0.7% of China’s market in 1980, and that this amount increased to 7.5% in 2002.¹⁰ In order to benefit from China’s growth, the EU member states want a more open China with reliable business rules. Since 2004, the EU has been the biggest trading partner with

China, and China has been the second-largest trading partner with the EU.¹¹

Combining their political and economic interests, the EU and China have realized that in the changing global atmosphere, through cooperation, collaboration, and strategic partnership, they can both gain more influence in international affairs, achieve win-win economic relations, and, ultimately promote global peace.

Lifting the EU’s Arms Embargo against China

However, for the EU, its arms embargo against China became a stumbling block in the development of an EU-China strategic partnership, and negatively influenced future economic, political, and military cooperation, as well as increased the distrust between the potential partners. China believes that the EU-China relationship will remain a Cold War relationship until the arms embargo is lifted. Consequently, the EU’s arms embargo against China has become the primary obstacle in the development of an EU-China strategic partnership.

Following the deepening of the relationship between the EU and China, some major EU countries, such as France and Germany wanted to lift the arms embargo in order to eliminate the obstacle to development of EU-China relations. The EU’s arms embargo on China has only a symbolic rather than a practical value, because this embargo is

⁷ Scott, *China and the EU: A Strategic Axis for the Twenty-First Century?*, 24.

⁸ *Ibid.*, 25.

⁹ Katinka Barysch, Charles Grant, and Mark Lenard, *Embracing the Dragon*, 32.

¹⁰ *Ibid.*, 43.

¹¹ Euractiv, *EU is China’s Biggest Trading Partner*, <http://www.euractiv.com/en/trade/eu-china-biggest-trading-partner/article-133972> (28 May 2011).

not legally binding. Thus, the EU's arms embargo against China is a gesture, which not only frustrates China's efforts to promote a closer relationship with the EU, but also limits the potential for economic and military cooperation between the EU and China.

Since the 1989 Madrid Declaration is not legally binding, each member state of the EU can interpret it differently. Article 223 of the Treaty of Rome grants the jurisdiction of the arms trade and embargo to the member states.¹² Even the 1993 Maastricht Treaty still provides member states "the option to impose and revoke an embargo unilaterally."¹³ Moreover, Vennesson explains that "[The EU's arms embargo] is even less legally binding for the states that joined the EU after 1989."¹⁴ Thus, the EU arms embargo on China does not exist in reality; instead, there is only a theoretical restriction on arms sales to China by the EU member states.

Moreover, the arms trade between China and the EU member states has still continued under the 1989 Madrid Declaration. For example, the EU member states' arms sale to China increased from 210 million Euro in 2002 to 416 million Euro in 2003, and involved at least six EU member states including

France, Italy, and the United Kingdom.¹⁵ Tang concluded that two factors make the 1989 Madrid Declaration useless: (1) the Declaration does not explain the meaning of "military cooperation"; and (2) the Declaration does not "provide a list of weapon that conforms to 'trade in arms'."¹⁶ Thus, the EU member states do not have any regulations for managing their arms sales to China.

In 2003, the EU started to consider lifting its arms embargo against China. Some member states preferred to implement a more practical and restrictive mechanism to monitor and manage the arms trade with China. These states suggest that the new enforced Code of Conduct (CoC) should become the main mechanism for managing the arms trade with China. The CoC, which the EU adopted in 1998, regulates the member states' arms sales. For arms sales to China, the "revised code of conduct would provide a much stronger control regime than the existing embargo, which each government free to apply as it sees fit" (Barysch, Grant and Leonard 2005, 62). Although CoC is not legally binding, it has two advantages compared to the arms embargo. First, the CoC is more practical and operational. Second, unlike the 1989 Madrid Declaration, the CoC would not create a political problem for both China and the EU, because the CoC applies to all nation states around the world.

All other EU sanctions against China were lifted in the early 1990s, so that the arms embargo is the only sanction left. Thus, some EU member states

¹² The Treaty of Rome, <http://www.eurotreaties.com/rometreaty.pdf>, 75 (27 May 2011).

¹³ Joakim Kreutz, *Reviewing the EU Arms Embargo on China: The Clash between Value and Rationale in the European Security Strategy*, 46.

¹⁴ Pascal Vennesson, *Lifting the EU Arms Embargo on China: Symbols and Strategy*, 419.

¹⁵ Shao Cheng Tang, *The EU's Policy towards China and the Arms Embargo*, 318.

¹⁶ *Ibid.*

argue that it is not necessary to continue implementing a meaningless declaration. For some European policymakers, the arms embargo against China is an “outdated symbol of the past.” Chirac explained that “[he was] favorable to the lifting of an embargo which is, by now, more than 15 years old, and which does not correspond at all to the political reality of the contemporary world.”¹⁷ Moreover, the countries who advocate lifting the arms embargo, such as France, Germany, and the United Kingdom, all have a strong economic relationship with China. Glen and Murgo argue that “In terms of economics, it is clear that the EU must build stronger relations with China if it is to accrue the benefits of access to an expanding market with over one billion people.”¹⁸ Narramore explains, “The campaign to lift the embargo was seen by its supporters as a concession to China that would, it was hoped, be reciprocated with efforts to expand [China’s] relations with the EU on all levels, offering European business favorable treatment when investing and doing business in and with China.”¹⁹ Thus, both economic and political factors motivated some EU member states to suggest that the arms embargo should be lifted.

For Chinese officials, the implementation of military sanctions against a strategic partner is unacceptable. Casarini explains that “For Chinese policymakers the lifting [of the arms embargo] was instrumental for moving beyond Cold War thinking and for laying

¹⁷ Vennesson, *Lifting the EU Arms Embargo on China: Symbols and Strategy*, 427.

¹⁸ Glen and Murgo, *EU-China Relations: Balancing Political Challenges with Economic Opportunities*, 331.

¹⁹ Terry Narramore, *China and Europe: Engagement, Multipolarity and Strategy*, 89.

Cold War thinking and for laying the ground for closer Sino-European cooperation and exchanges on political and security matters in a situation of buoyant commercial relations.”²⁰ The Chinese government believes that the arms embargo against China will only increase the distrust between China and the EU. Chinese premier Wen Jiabao has stated that “the embargo is a product of the Cold War era and is totally outdated.”²¹ Moreover, China feels that the EU’s arms embargo is discriminatory, because only Zimbabwe, Sudan and Burma have also been sanctioned by the EU.²² Vennesson indicated, “The fact that the authority that would lift the ban is the EU, a part of the West, provides additional credence to the signal that China is worthy of equal treatment and not of discrimination.”²³ In sum, the Chinese government is hoping the EU will abolish its arms embargo against China because then the great potential for economic, military, and political cooperation can be possibly achieved by the two sides.

Obstacles to Lifting the Arms Embargo

Lifting the arms embargo against China has been a hotly-debated topic in the EU since 2003. With hard lobbying from China, compound by France’s and Germany’s efforts to promote the lifting of the embargo, the EU member states almost reached a consensus to lift it. However, after receiving criticism and

²⁰ Nicola Casarini, *The International Politics of the Chinese Arms Embargo Issue*, 372.

²¹ Vennesson, *Lifting the EU Arms Embargo on China: Symbols and Strategy*, 426.

²² *Ibid.*, 427.

²³ *Ibid.*

threats from both the European Parliament (EP) and the U.S., the motion was aborted. Two main arguments have been used against lifting the arms embargo: (1) the EP insists that China's treatment of human rights has not improved enough since the 1989 Tiananmen Incident, and (2) the U.S. argues that lifting of the arms embargo will increase the EU's arms sales to China and finally result in China's military expansion and in instability in East Asia.

Although any decision about lifting the arms embargo against China should be made by the Council, the EP has attacked this motion since the beginning. Cameron explains that the EP is traditionally much more critical of China than the Commission and the Council.²⁴ Thus, when the Council first suggested a debate about lifting the arms embargo, the EP passed a resolution against lifting it until China's human rights record significantly improved.²⁵ Two years later, when the EU and China had established a strategic partnership, the EP adopted a resolution to regulate the EU's external relations. It emphasized that "strategic partnerships with third countries must be based on the sharing and promotion of common values."²⁶ In the following years, the EP adopted resolutions critical of China's human rights record and relationships

²⁴ Fraser Cameron, *The Development of EU-China Relations*, 57.

²⁵ The European Parliament, P5_TA-PROV (2003) 0599: Removal of the EU Embargo on Arms Sales to China_European Parliament Resolution on Arms Sales to China, http://www.europarl.europa.eu/meetdocs/2004_2009/documents/fd/d-ch2004092805/d-ch2004092805en.pdf (26 May 2011).

²⁶ Cameron, *The Development of EU-China Relations*, 57.

with Tibet and Taiwan, and also of EU-China's economic and trade cooperation. Moreover, the EP, is the only EU institution that has been directly elected by the citizens of Europe, this suggests that the EP's decision against lifting the arms embargo reflect the public opinion in the European societies.

Although the U.S. has also used China's human rights record as a reason to reject lifting the arms embargo, the U.S. is concerned mainly about geopolitical issues. Since the EU is not a major player in East Asia, the EU has less concern than the U.S. about regional peace and security. The U.S. is not only the most influential outside player in East Asia, but also is the guarantor of the security of Japan, Taiwan, and South Korea. Thus, the U.S. has many concerns that China's growing military power will threaten American interests. First, the U.S. shares military technologies and information with Europe, so the U.S. is afraid that some American technologies including those intended for military use, will be transferred to China. Second, the U.S. views the EU-China strategic partnership as a challenge to American world hegemony. Holslag indicated that "[the EU-China strategic partnership] also could contribute to an increasingly competitive, confrontational, and ultimately detrimental deterioration in traditionally strong transatlantic relations, while also further exacerbating persistent mistrust in China-US ties."²⁷

After the EU's motion to lift the arms embargo against China, the U.S. used diplomatic pressure, threats, and

²⁷ Jonathan Holslag, *The Elusive Axis: Accessing the EU-China Strategic Partnership*, 294.

protests to try to keep the embargo in place. The U.S., through its allies in NATO, lobbied heavily in the EU against lifting the arms embargo. Moreover, the U.S. House of Representatives passed a bill that “would restrict military exports and technology-sharing with those European countries that sell arms to China.”²⁸ Barysch, Grant and Leonard conclude that “Many Americans have reacted emotionally to the question of the EU embargo, preferring bluster and intemperate threats to a rational analysis of the issues.”²⁹ Ultimately, the U.S. turned the question of lifting the arms embargo into a loyalty test of the EU. In response to the U.S.’s involvement in this matter, Liu Jianchao, a spokesperson for the Chinese Foreign Affairs Ministry, indicated, “The arrangement between the EU and China to lift the embargo is not directed against any third country, or aimed at undermining the interests of any third party. Therefore, to stand in the way is totally unnecessary and unreasonable.”³⁰ However, in 2005, under the pressure from the EP and, particularly, the U.S., the Council decided to suspend the debate and to choose time for a future debate only after China’s human rights record has improved significantly.

Conclusion

Although the EU and China have had a strategic partnership since 2003,

²⁸ Kreutz, Reviewing the EU Arms Embargo on China: the Clash between Value and Rationale in the European Security Strategy, 53.

²⁹ Barysch, Grant, and Leonard, Embracing the Dragon, 60.

³⁰ Vennesson, Lifting the EU Arms Embargo on China: Symbols and Strategy, 436.

it has encountered serious challenge from both inside the EU and on outside third party. The EU-China’s strategic partnership was based on the concepts of multi-polarity and multilateralism, and the potential for economic and trade cooperation. The refusal to lift the arms embargo clearly shows that while China continues to be a communist or undemocratic country, complete trust between the West (the U.S. and the EU) and China cannot be achieved. Ideologically, the current liberal order in international relations requires China to reform itself in order to gain the trust of Western countries. Realistically, power politics is still the main theme of global politics.

From this case study, one can conclude that the EU-China strategic partnership is weak and can be easily challenged from both inside the EU and outside the EU-China relations. However, there is a great potential for developing the bilateral relations between China and the West when China’s internal political situation improves. The EU should be aware that the U.S. still plays an important role in the EU’s external relations, and that this role will definitely challenge the EU’s diplomatic mobility and independence in global politics. The EU should always understand that its decisions should serve its own interests. Emphasizing the importance of EU-China relations, Leon Brittan stated that “by engaging with China, we are not only in a position to point China towards a path of sustainable growth but we will also protect the welfare of Europe.”³¹

³¹ Casarini, The International Politics of the Chinese Arms Embargo Issue, 372.

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