



The EU and China: talk to each other or talk across each other

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Abstract

The EU and China are both partners and competitors. They share certain common interests but have disagreements on some other issues. Both sides have published a number of policy papers in the past three decades: six by the EU and three by China. This paper will first examine the EU's policy papers one by one to find how the EU's China policy evolves and then look at China's EU policy papers to understand its objectives in relationship with the EU and compare the convergences and divergences between the EU and China revealed by these policy papers. In doing so, some keywords are selected from these documents. Some of them demonstrate how the relationship evolves and some others reveal the rising differences between the two. As the policy papers are important official documents to understand the objectives and actions of both the EU and China, a study of these policy papers would help highlight from where the relationship came and to where it is going.

The EU and China have established diplomatic relationship for four and half decades. After the two sides reached a trade agreement in 1978, bilateral trade grew significantly — the EU has been China's largest trading partner since 2004; China stayed as the second-largest trading partner for the EU for many years but became the top trading partner in goods for the EU in 2020. Along with the development of trade and economic cooperation between Brussels and Beijing, the EU and China have established a three-pillar institutional framework for bilateral exchanges, supported by more than 60 dialogue across different sectors. During the 45 years, on the one hand, EU-China cooperation has been increased into a large number of fields and at different levels, making it a very comprehensive network of cooperation and collaboration. On the other hand, EU-China relations are getting more complicated that competition and rivalry are on the rise.

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Both the EU and China have published a series of policy papers respectively. These policy papers recorded how each other understood the nature of bilateral relationship and listed the top policy areas that served as the focus of bilateral relationship in the past decades. Up till now, the EU published in total six such documents (in 1995, 1998, 2003, 2006, 2016 and 2019) and China three (in 2003, 2014 and 2018).¹ The most recent EU's policy paper, published in March 2019, updated its understanding of the relationship with China: "China is, simultaneously, in different policy areas, a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance" (European Commission 2019). Compared with the previous papers, this latest one marked a noticeable change in how the EU perceives China. In contrast, in the three papers published by China, one cannot find similar changes in the same direction. In other words, China either did not agree with the EU's perception and definition of bilateral relations or failed to notice the changes in the EU.

This paper will first examine the EU's policy papers one by one to find how the EU's China policy evolves and then look at China's EU policy papers to understand its objectives in relationship with the EU and to compare the convergences and divergences between the EU and China revealed by these policy papers. Some keywords are selected by processing all the documents mentioned above with Word Cloud Generator. Due to space limitation, this paper will not show all the results presented by Word Cloud Generator, but only those words appeared with the most frequency. Some other keywords are selected, including "rule of law," "human rights," "level playing field," and "transparency," because they are the EU's major concern in its relationship with China. While reading these documents, we encounter the same words such as cooperation, dialogue which appear but with different frequencies in all the documents presented by both sides; we also find that those keywords which are used by the EU to address their major concerns are not echoed by China. As the policy papers are important official documents to understand the objectives and actions of both the EU and China, a study of these policy papers would help highlight from where the relationship came and to where it is going. When comparing all the European and Chinese documents together, we find out that rather than talking to each other, the EU and China seem to talk across each other.

¹ The EU published a policy review in 2000 (Implementation of the Communication "Building a Comprehensive Partnership with China") and another one in 2001 (EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a More Effective EU Policy). As both are reviews of the policy paper of 1998, they are not included in the list. In 2006, the EU published two policy papers at the same time, one focuses on the comprehensive relationship and the other on trade and investment relations. In this article, both of them are reviewed but they are regarded as one policy document.

The EU's China policy papers

The first EU's China policy paper was published in 1995, 20 years after the establishment of bilateral relationship and 10 years after the signing of the 1985 agreement on trade and economic cooperation with China. This document provides a strategic outlook of EU-China relationship:

The rise of China is unmatched amongst national experiences since the Second World War. Japan has made its mark as an economic power, the Soviet Union survived essentially as a military power. China is increasingly strong in both the military-political and the economic spheres. China is in the midst of sustained and dramatic economic and social change at home. Abroad, China is becoming part of the world security and economic system at a time of greater economic interdependence and when global problems, from protection of the environment to nuclear non-proliferation, require coordinated commitment from governments worldwide. (European Commission 1995)

This period witnessed rapid economic growth in China and the EU's rising interest in exploring Chinese market, in supporting China's reform, and in turning China into a like-minded partner. The EU was eager to facilitate political transformation in China — China's rising political and economic influence would only serve the EU's interests if China is developed into a civil society based on the rule of law with respect to democracy and human rights. To develop workable relationship with China, norms and values are, no doubt, crucial. In particular, human rights, democracy and rule of law are the enduring criteria for the EU to evaluate China's progress. This policy paper "seeks to chart a long-run course for EU-China relations into the twenty-first century" (European Commission 1995) and outlines the importance and the necessity to cooperate with China in international affairs. It provides a positive evaluation of China's growing economic power — EU-China trade increased over 14-fold since the late 1970s.

A review of this policy paper thus demonstrates the EU's reasonably optimistic, forward-looking approach, highlighting the EU's constructive engagement with China. The word "cooperation" was the most frequently mentioned throughout the text, reaching 70 times. The EU was glad to see that Chinese market was opening to European goods and EU-China trade was growing in an astonishing speed — the word "trade" was mentioned 54 times, the word "market" appeared 25 times and the word "reform" 24 times. In 1995, the institutional framework of bilateral exchanges was at its initial stage and most of the major dialogue mechanisms were not yet established. But the need to dialogue was strong — the word "dialogue" appeared 36 times — the EU proposed a number of multi-level and multi-sectoral dialogue to be developed with China. Needless to say, political concerns stay high on the EU's agenda — "human rights" appeared 24 times and "rule of law" appeared 7 times (European Commission 1995).

The second EU's China policy paper was published in 1998. Although only 3 years were passed, EU-China relations developed further in a more

comprehensive way. The EU kept its enthusiasm in watching China's changes and considered such changes very positively despite some existing problem:

China's development since embracing economic reform under Deng Xiaoping twenty years ago has been remarkable. The country is undergoing a dramatic internal transformation from a centrally-planned economy, largely closed off to the world, towards an increasingly market-driven one engaged in global commerce. This has been accompanied by a significant evolution in China's civil society, even if the full respect for universal standards in the field of human rights remains incomplete. (European Commission 1998)

Politically, the EU continued its constructive engagement with China, making it a key policy priority. China was praised for its "more responsible" foreign policy. The smooth and successful handover of Hong Kong to China was supported by the EU. The establishment of EU-China annual summit meeting mechanism was applauded as giving the EU an opportunity to display its commitment to China. Economically, China had become one of EU's major trading partners. The EU actively supported China's application for the membership of the World Trade Organisation (WTO) in order to restrain China's behaviour with internationally recognised rules (Kim 2000; European Commission 2001).

When the 1998 document was prepared, East Asian Financial Crisis just started. How China would deal with the crisis was still not yet clear, but the EU was concerned about China's further reform and the stability of Chinese market. The EU pointed out that "China's unprecedented economic development has required a delicate balance between rapid economic growth, far-reaching reforms and the need to preserve social cohesion" (European Commission 1998). It is in the interests of the EU that a strategic approach — a combination of trade discussions and targeted cooperation initiatives with China — should be adopted to support China's reform and to integrate China into the world trading system, and to make China into "a strong, stable and open partner" (European Commission 1998).

Throughout this document, cooperation remained to be the main theme — the word itself appeared 71 times, the highest record when taking into consideration of all the EU's China policy papers. Compared to the previous document, the word "dialogue" appeared 54 times, "reform" 44 times, "trade" 35 times and "market" 32 times, indicating that the EU believes that dialogue is an important approach to facilitate bilateral cooperation and to serve the EU's political and economic objectives. Moreover, the EU was committed to China's political transition: "human rights" appeared 25 times and "rule of law" 10 times.

The third EU's China policy paper to be analysed was published in 2003, the year marked the establishment of comprehensive strategic partnership between the EU and China. China's global influence was further growing, and Chinese government was committed to maintaining global peace and development via multilateral framework. Against the background of the US's unilateral action in Iraq, the EU and China were getting closer to each other. The EU was busy preparing for the fifth enlargement, which China expressed unreserved support. A new generation of leaders took the reins in Beijing and committed to strengthening cooperation with the EU. The EU was glad to see China's integration into the international political and

economic system and felt that the two sides “have an ever-greater interest to work together as strategic partners to safeguard and promote sustainable development, peace and stability. Interests converge on many international governance issues, notably the importance both attach to the role of the UN in physical and environmental security and to that of the WTO, where both have much to gain from further trade liberalisation” (European Commission 2003).

A look at the historical development of EU-China relations reveals that the year 2003 seemed to be a watershed year. Before that year, EU-China cooperation was developing in full speed and the EU was enthusiastic to see China’s rise and its commitment to reform and opening up. Such positive observation reached its height in 2003, leading to the best period in EU-China relations. The EU believed that it shared with China responsibilities in promoting global governance, sustainable development, peace and stability. The EU also believed that interests converged between the two sides on the key role of multilateral governmental organisations such as the UN and the WTO. Throughout the policy papers, China was regarded as “one of the EU’s major strategic partners.” “Through a further reinforcement of their co-operation, the EU and China will be better able to promote these shared visions and interests” (European Commission 2003).

The EU observed these new developments with positive remarks. An increasing number of dialogue was established between Brussels and Beijing, which further enhanced cooperation — the word “dialogue” appeared 95 times throughout the text, and the word “cooperation” appeared as frequently as in the past policy papers, totalling 70 times. EU-China trade continued to grow — China became the third-largest trading partner to the EU — the word “trade” appeared 43 times, “reform” 34 times and “market” 11 times. As always, the EU keeps a close eye on the normative issues — “human rights” appeared 32 times, and “rule of law” appeared 14 times.

However, in the years after 2003, along with the rising deficit in its trade with China and the growing impatience to China’s reform, the EU was getting more agitated by China’s rise. Although the EU and China declared to be strategic partners in 2003, their convergence in political and economic issues was not increased. On the contrary, the textile dispute, lasted almost in the entire year of 2005, obliged the EU to reflect upon the nature of the relationship and adjust its China policies. Although the EU stated that its approach to China should remain to be “engagement and partnership,” it nevertheless got disappointed that the EU’s expectations were not met. The EU reminded its Chinese counterpart that it had responsibilities in working together with the EU to support and contribute to an effective multilateral system. The EU complained about China’s half-heartedness in economic openness and market reform and regarded China as “the single most important challenge for EU trade policy” (European Commission 2006b) and pledged that the EU should adjust to such competitive challenge, to support China’s reform and to drive a fair bargain with China. In this 2006 document, it is for the first time that the EU addressed the problem of unfair competition in Chinese market and pointed out the necessity of levelling the playing field with adequate legal protection and fair market conditions (European Commission 2006a).

Different from the previous policy papers, the EU published in 2006 two papers at the same time, one covering the overall partnership, the other focusing on the

economic and investment relationship with China. The word “trade” appeared much more frequently than before, 21 times in the first document and 53 times in the second; market access became a serious concern, the word “market” itself appeared 15 times in the first document and 46 times in the second. The EU continued to commit to Chinese reform and believed that such reform would serve its own interests. The word “reform” appeared 11 times in the first document and 9 times in the second. In comparison, the frequency of the word “cooperation” appeared a bit less than before, 44 times in the first document and 11 times in the second. Dialogue still remained to be an important approach — the word itself appeared 25 times in the first document and 10 times in the second. While the EU continued to promote its value systems, the word “human rights” was only mentioned five times and “rule of law” two times in the documents.

It took another decade for the EU to publish a new China policy paper. In this decade, both the EU and China underwent big changes. For the EU, opportunities and challenges coexist. The EU suffered from debt crisis during those years. Signs of moderate recovery only started to show in 2014, at the time when the Juncker Commission came into power. Under Juncker’s leadership, a number of documents were published, including the trade and investment policy in 2015 and the EU global strategy for foreign and security policy in 2016, sketching strategic objectives to strengthen the EU’s global economic and political influence. In contrast, China continued to rise, maintaining an impressive GDP growth rate. China was more confident in its foreign policy and actively developed cooperation and partnership not only with the EU and the United States, but also with Asia, Africa and Latin America. China also launched the initiative of Cooperation between China and Central and Eastern European Countries (China-CEEC) in 2012. Since Xi Jinping came to power, China has introduced the Belt and Road Initiative (BRI) into its foreign policy and pushed for connectivity with the EU.

The 2016 China policy was published 1 year and a half after the Juncker Commission was in power. This document yielded a sense of continuity with the previous policy papers, which adhered to the strategy of engagement and partnership and committed to the transition of Chinese society towards openness, rule of law and respect for human rights. Despite the rising concerns, the EU still kept its policy of engagement with China: “The EU’s engagement with China should be principled, practical and pragmatic, staying true to its interests and values. It will continue to be based on a positive agenda of partnership coupled with the constructive management of differences” (European Commission 2016). Thus, compared to the previous policies, the basic guideline was unchanged. Throughout the text, “cooperation” 49 appeared times, “market” 39 times, “trade” 29 times, “dialogue” 26 times and “reform” 23 times. Besides that, “human rights” was mentioned 17 times, and “rule of law” 11 times.

Yet, the two sides were apart further and the EU was getting more frustrated in its relationship with China due to a number of issues: politically, the anticipated social-political transformation in China was not realised; economically, the EU was irritated by lack of progress in Chinese market reform and thus initiated more anti-dumping investigations against Chinese imports. Against such background, this policy paper defined a new strategy to deal with the rising influence of China.

Compared to the previous policy papers, this one emphasised reciprocal benefits in both political and economic terms and rules-based international order when developing cooperation with China. Although the EU talked about coordinating member states' policies towards China and ensuring synergies between the member states as early as in its first policy paper in 1995, this document signalled most strongly the need to “project a strong, clear and unified voice in its approach to China” (European Commission 2016).

In the years after 2016, the EU continued to reflect on the changing nature of EU-China relations and concluded in 2019 that China is no longer a strategic partner, but a “systemic rival.” Although the 2016 document stated that it would “set out a policy framework for EU engagement with China for the next five years,” the Juncker Commission published its second policy paper on China in less than 3 years' time. Several reasons may play a role in bringing this document to the fore. First of all, EU-China relationship is getting more complicated than the EU originally expected. China's ever-growing assertiveness in foreign policy, including its constitutional changes of the Chinese Communist Party, its territorial dispute with the Philippines and land reclamation in the South China Sea, its promotion of China-CEEC cooperation framework, its strategy of *Made in China 2025* and high-tech merge and acquisitions in the EU member states, makes the EU increasingly suspicious of China's political motivation (see, for example, Zenglein & Holzmann 2019; Hanemann et al. 2019). A number of European leaders in their speeches openly criticised Chinese policies to “divide and rule” the EU and addressed China as a “threat.” For example, the European Council President Tusk addressed China as “threat” when he wrote a letter to the member states before the Malta summit (European Council 2017). French President Macron supported the EU's policy of united together to address the China threat (France 24 2019). Secondly, when differences between the EU and China are not so easy to be managed as the EU used to think, the EU has become more defensive of its values. Trade and economic issues are evaluated with norms and rules, and the EU becomes more vocal in maintaining level playing field and transparency in its relationship with China (for example, Katainen 2019). Thirdly, the EU has also become more assertive in its external relations. A number of laws were made, including Regulation 2017/2321 amending EU anti-dumping and subsidy rules which targets at the dumped imports if state interference significantly distorts the economy of the exporting country (entered into force in December 2017), and the regulation establishing a framework for screening foreign direct investment (entered into force in April 2019). China is one of the major targets of the two regulations. Fourthly, the Juncker Commission intended to provide some political heritage to their successors to make sure that the EU-China relationship would be guided by the strategic outlook outlined by Mr Juncker and his team. The new Commission would need to take actions based on this policy document and to make sure of political continuity and policy consistency.

The changing perception on China is demonstrated in the wording of the document. The EU was no longer as enthusiastic as in the past in cooperation with China, although trade and access to Chinese market remain important to the EU. The word “cooperation” appeared only 23 times, “trade” 11 times, “market” 30 times, while “reform” appeared only six times, and “dialogue” only one time. Instead, the EU

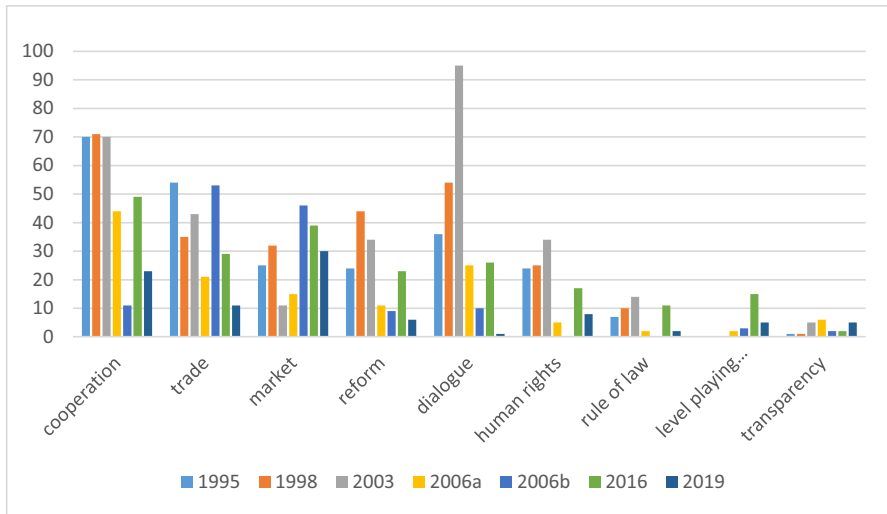


Fig. 1 Keywords selected from the EU's policy papers

felt increasingly insecure in its relations with China which is regarded as a strategic competitor. Consequently, “security” appeared 36 times, “threat(s)” appeared three times, and “rival” appeared one time. Noticeably, the EU seemed to be disillusioned and gave up the expectation that it could transform China: “human rights” appeared eight times and “rule of law” appeared two times throughout the text (European Commission 2019). The review of the EU policy papers presents a rather complicated picture of EU-China relationship. The EU used to perceive China positively and be in favour of developing cooperation with China. Yet, the past 25 years witnessed that the EU gradually lost its patience to China’s slow pace market reform. The EU sharpens its political stance against China and pushes for a harder line on China. The EU’s approach is changed to be “more realistic, assertive, and multi-faceted” (European Commission 2019).

The comparison of all the keywords mentioned above in the EU’s policy papers (see Fig. 1) shows a variation of frequency, and the general tendency is that the EU is disappointed at its relationship with China. While the enthusiasm on cooperation with China and the expectation on market openness in China are declining, the irritation that China does not practise with rule of law is rising together with the assertiveness that transparency, level playing field and reciprocity must be ensured.

China’s EU policy papers and the convergences/divergences between the two sides in their policies

As mentioned earlier, Chinese government issued in total three EU policy papers. The first one was published when the two sides declared to establish a comprehensive strategic partnership in 2003. The second one was published on the occasion

of Chinese President Xi's visit to Brussels in 2014. The third one was published in 2018 on the 20th anniversary of EU-China summit meeting mechanism and the 15th anniversary of EU-China comprehensive strategic partnership.

A comparison of these three policy papers shows that China's EU policy remains unchanged to a large degree. One general principle that dominates China's understanding of the bilateral relationship is that "[t]here is no fundamental conflict of interest between China and the EU and neither side poses a threat to the other." Due to "their differences in historical background, cultural heritage, political system and economic development level, it is natural that the two sides have different views or even disagree on some issues. Nevertheless China-EU relations of mutual trust and mutual benefit cannot and will not be affected if the two sides address their disagreements in a spirit of equality and mutual respect" (Chinese Government 2003). The EU is regarded as one of the most important partners in China's external relations. The EU and China both support international peace and sustainable development. The EU remains to be the largest trading partner for China for more than 15 years: daily trade in goods now is over €1.5 billion. For decades, the EU stays to be an important source of technology and investment. Cooperation is emphasised as the most important part of the relationship. The word itself appeared 75 times in the 2003 document (Chinese Government 2003), 119 times in the 2014 document (Chinese Government 2014) and 102 times in the 2018 document (Chinese Government 2018).

Second on the rank are "exchange(s)" and "dialogue(s)." In Chinese documents, exchanges are used more frequently than dialogue. In certain cases, the two words appear together, which tend to emphasise that *via-a-vis* the official mechanism of dialogue (track one) at different levels, people-to-people exchanges (track two) on all the relevant issues are of the same importance. As a matter of fact, although the EU-China people-to-people dialogue was established in 2012, this initiative was already mentioned in China's 2003 policy paper. The selection of the words also indicates cultural differences between the EU and China: while the Europeans intend to facilitate formal dialogue which can lead to legally binding rules and regulations, the Chinese prefer to establish informal mechanisms and networks to address differences. Throughout the text in 2003, the word "exchange(s)" appeared 42 times and the word "dialogue(s)" 12 times; in the document of 2014, "exchange(s)" appeared 52 times and "dialogue(s)" 40 times; and in the document of 2018, "exchange(s)" appeared 47 times and "dialogue(s)" 40 times. Between the EU and China, while bilateral people-to-people exchanges at all levels are increasing rapidly, the official mechanism of dialogue has also been established in a wide range of sectors and on a broad range of topics. The high frequency of "cooperation," "exchange(s)" and "dialogue(s)" in all the three official documents shows that China converges with the EU in terms of cooperation and dialogue, although the Chinese side maybe more eager to develop cooperation and establish official dialogue and informal people-to-people exchanges with the European side as well.

In contrast to the EU's increasing criticism on the problem of level playing field and the rule of law, the lack of transparency and reciprocity in Chinese market, China did not provide any response in its official documents. All these words were not mentioned at all except "reciprocity." Yet, the word itself rather refers, in a more

positive indication, to mutual benefit, which is totally different from the meaning in the context of the European documents.

It is worth noting that although the EU and China sometimes use the same word in their documents, it refers to different concerns. One of the reasons that the EU is getting more defensive and assertive is that the EU's demand and requests mentioned in its policy objectives somehow fail to be considered by its Chinese counterpart. Dissatisfaction at China's openness has become more vocal since its 2006 policy paper was published. The documents prepared by the Commission in 2006, 2016 and 2019 pointed out repetitively that China needs to be more open, to carry out rules-based and market-oriented reform. "Better protection of intellectual property rights in China and ending forced technology transfers are EU priorities....The EU will press China to stop granting prohibited subsidies and reform its banking system, and encourage China to allow market forces to operate in its trade in raw materials" (European Commission 2006a). China's increasing presence in the world as well as in the EU "should be accompanied by greater responsibilities for upholding the rules-based international order" (European Commission 2016). But "[t]here has been a lack of progress in giving the market a more decisive role in the economy in the key areas of concern to the EU" (European Commission 2019). In the official documents published by Chinese government, openness is indeed addressed, but it is not addressed in the same way as the EU requests. For example, the policy paper of 2014 mentioned on several occasions the word "open," but it either refers to the objective of developing an open international economy or to request the EU member states to open their markets to Chinese imports (Chinese Government 2014). The policy paper of 2018 mentioned in total 15 times the word "open/openness," but not a single time addresses how the Chinese market should be further open and how progress should be made. Instead, the document addresses open international economy, globalisation, multilateral trading regime, as well as open EU investment market and two-way openness of the financial sector. The European side criticised that when "opening up" is mentioned by China, it focuses "more on helping Chinese companies go abroad than improving access to China's market" (European Commission 2016).

China has become a member of WTO since 2001. The EU actively supported China's access to the WTO and expected to see China's performance according to the international rules. In both the EU's and China's policy papers, "WTO" is mentioned on several occasions but the context where WTO is mentioned is totally different. From the European side, the 2006 document stated that "in Europe there is a growing perception that China's as yet incomplete implementation of WTO obligations and new barriers to market access are preventing a genuinely reciprocal trading relationship" (European Commission 2006b, a). The 2016 document continued to show that the EU was unsatisfied at China's behaviour after joining the WTO: China should "play a more engaged and active part at the World Trade Organisation (WTO) and in multilateral and plurilateral trade and investment initiatives, assuming responsibilities in line with the benefits it draws from an open trading system and strengthening the ambition of these initiatives. The EU expects China to submit a GPA accession offer which matches the importance of the Chinese market" (European Commission 2016). From the Chinese side, the 2003 official document stated,

among other requests, that the EU should “ease restrictions on high-tech exports and tap the enormous potential of technological cooperation and trade in line with the WTO rules; grant China a full market economy status at an early date, reduce and abolish anti-dumping and other discriminatory policies and practices against China” (Chinese Government 2003). The 2018 document repeated that “[t]he EU should ease its high-tech export control on China, strictly fulfil its WTO obligations, ensure that its trade remedy legislation and practices are in line with WTO rules, apply trade remedy measures reasonably, and prevent discrimination, de jure or de facto, against some WTO members” (Chinese Government 2018). In comparison, the EU in its documents stresses strongly “rules-based” international order, whereas China states that international order should be “just and equitable.” The divergence between the EU and China from the understanding of global order to bilateral concerns and interests are plainly illustrated by these policy lines — the EU and China have been talking across each other for years.

The EU is interested in access to Chinese market, in developing trade with China, and in supporting Chinese reform. Yet, when addressing trade relations, the EU states frankly its discontent at China’s performance in recent years: “a more globally integrated Chinese economy should also mean that China acknowledges interdependence and adheres to domestic economic policies that do not distort international markets and trade relations.... Further strengthening the effectiveness of the EU’s Trade Defence Instruments notably through the swift adoption of the Commission’s Trade Defence Instruments modernisation proposal of April 2013 is key” (European Commission 2016). In the 2019 document, in order to achieve a more balanced and reciprocal trade and investment relationship, the EU repeated again that rules-based international fora are important. At the same time, the EU should also make use of “the recently modernised and strengthened trade defence instruments” (European Commission 2019). The Chinese side is concerned about the development of bilateral trade relations but understands the issue in a different way. The Chinese government admits that “the two sides have disagreements and frictions on issues of value such as human rights as well as economic and trade issues,” but believes that “these issues should be properly handled through dialogue in the spirit of equality and mutual respect” (Chinese Government 2014). In the 2018 document, China further stresses that the EU should “avoid politicizing economic and trade issues, and ensure the sustained, steady and win–win progress of China-EU economic and trade relations” (Chinese Government 2018). In terms of investment, the EU aims to ensure reciprocity and a level playing field in China and takes the conclusion of the Comprehensive Agreement on Investment as its immediate priority which will not only help secure fair and equal treatment for EU companies operating in China but also help deepen and rebalance the EU’s economic relationship with China. The EU conditions that Chinese investment in Europe is only welcome if it is “in line with EU law and regulations” and demands that “the EU expects improved market access for foreign companies in China and a level playing field for business and investment. China should reduce the number of protected sectors and minimise national security reviews” (European Commission 2016). In the 2019 document, the EU further criticised that China failed to reciprocate market access and maintain a level playing field and China has become a strategic competitor for the

EU. “China’s growing economic weight increases the risk for the global economy of negative spill-overs from distortions in China’s economic system and from possible sudden economic downturn” (European Commission 2019). While the Chinese side addresses the investment issue in its policy papers, the Chinese concern is different from the Europeans. First, although China agrees that the conclusion of investment agreement would help facilitate two-way win–win investment, it seems that China is more interested in launching “a joint feasibility study on China-EU Free Trade Area at an early date” (Chinese Government 2018). Second, while the Europeans are concerned about market reciprocity in China, the Chinese are more concerned about the openness of European investment market: “The EU should reduce and eliminate investment hurdles and discriminatory barriers, and provide Chinese companies investing in Europe a fair, transparent and predictable policy environment and protect their legitimate rights and interests” (Chinese Government 2018). The comparison of their respective positions in terms of trade and investment demonstrates again the noticeable divergence between the two sides.

All the three Chinese policy papers mention frequently those words including “mutual benefit,” “mutual interest,” “mutual understanding,” “mutual trust,” “mutual respect,” “mutual learning,” “mutual support” and the word “mutual” appeared 25 times in both of the documents of 2003 and 2014, and 22 times in the document of 2018. This has a strong contrast when they are compared with the documents from the European side. While the EU stresses European interest and how to facilitate its own benefits in partnership with China, the Chinese side attaches great importance to bilateral interdependence and synergy. Interestingly enough, the EU-China relationship is neither equal nor balanced. The EU used to enjoy an advantage in its development model, its technology and its capital and thus used to be in a position to teach its Chinese partner what needs to be done in reform and opening up, how to facilitate social transformation and how to improve human rights and the rule of law. Furthermore, it used to believe that along with China’s transformation, the EU’s profile would be raised and EU-China cooperation would help the EU to maximise its interest. The emphasis of mutuality in China’s EU policy papers demonstrates that China intends to get equal treatment in the relationship. As a matter of fact, such changes do occur. Along with China’s rising political and economic influence, the EU feels increasingly strongly the unfair treatment to European companies in Chinese market — its dissatisfaction in the relationship with China is exemplified that words including “level playing field” and “reciprocity” more frequently appear in its recent policy documents.

The most obvious divergence comes from the normative issues. In all the EU policy papers, human rights and rule of law remain to be a major concern. However, all the three China policy papers neglect the issue of “rule of law.” When responding to the EU’s request on the improvement of human rights, these documents maintain that human rights is an internal affair that should not be interfered with by the EU. The issue of human rights is understood as part of “disagreements and frictions” between the two sides that should be managed with equality and mutual respect. On the other hand, in all the Chinese official documents, China’s position on Taiwan is clearly highlighted and Chinese government states repetitively that the issue of Taiwan is related to China’s sovereignty and territorial integrity. The EU should

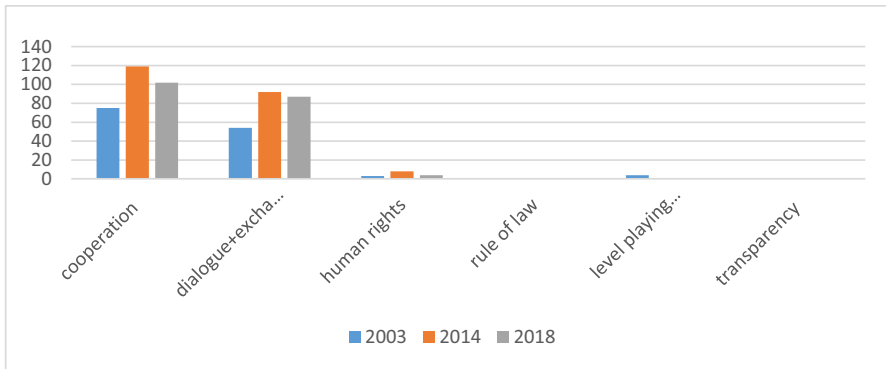


Fig. 2 Keywords selected from China's policy papers

respect China's "core interests and major concerns" and "explicitly oppose 'Taiwan independence' in any form, support China's peaceful reunification, and handle Taiwan-related issues with prudence" (Chinese Government 2018). The EU should also make sure that any exchanges with Taiwan "should be strictly limited to nonofficial and people-to-people activities, and there should be no official contact or exchanges in any form" (Chinese Government 2018). Yet, in the EU's documents, although the Taiwan issue is addressed, the documents always mention vaguely, for example, that "[t]he EU confirms its commitment to continuing to develop its relations with Taiwan and to supporting the shared values underpinning its system of governance" (European Commission 2016). While the EU pledges that it would commit to the "One China" policy, it never clarifies that its actions remain strictly nonofficial and people-to-people.

As explained above, China's policy papers rarely answer the concerns from the European side. While China attaches high importance to cooperation and exchanges/dialogue with its European counterpart, China does not share common ground with the EU on its value and norms (see Fig. 2).

Concluding remarks

This paper has a close examination of six EU policy papers and three China policy papers on bilateral relations. By looking at the priority/key concerns of each document and compare the convergence/divergence of these documents, the paper not only demonstrates a progressing European strategic outlook and its multifaceted approach on China but also illustrates carefully the historical evolution and formation of European perspectives on its relationship with China. A review of the European documents from 1995 to 2019 demonstrates the disappointment, lack of patience, annoyance and suspicion that the EU developed during these years in its relationship with China. Criticism and complaints are filled in the papers, particularly in recent years. Although the EU still works for cooperation and dialogue, it

has readjusted its relationship with China and regards China as one of the most serious threat to its political values and its development model.

The paper also shows that China's EU policies remain more or less stable despite dramatic changes in international relations and in its external relations with the EU. Beijing's rather static understanding on the EU is in sharp contrast to the EU's ever-evolving and worsening understanding on its relationship with China. Compared to the EU's increasing scepticism on China's rising political influence and growing economic and technological power, Chinese government maintains that "China and the EU share extensive common interests" and the EU is an "indispensable" partner. "Developing a sound relationship with the EU has long been a foreign policy priority for China" (Chinese Government 2018). Such policy consistency and continuity somehow show that China is more content than the EU in bilateral partnership. During the 15 years from 2003 to 2018, cooperation and dialogue with the EU remain to be China's top priority despite the EU's increasing complaints about the issues persistent in bilateral political and economic relations. Even when the EU takes the initiative to distance itself from China, Chinese policies stay the same. The EU launched the textile disputes in 2005 (see, for example, Comino 2007) and the solar panel disputes in 2013 (see, for example, Hooijmaaijers 2021: 51–88) and updated anti-dumping and anti-subsidy regulations in 2017 (see, for example, Shadikhodjaev 2018); the EU accused surging Chinese investments in its member states and entered into force the foreign direct investment screening framework (see, for example, Kao 2019); the EU criticised China's Belt and Road Initiative and launched its own Eurasia connectivity strategy to counterbalance China's influence on the Eurasia continent (see, for example, Zhao 2016); the EU gets disappointed at China's slow pace of reform and disenchanted with its ever strong adherence to socialism with "Chinese characteristics." In contrast, the Chinese side stays at ease with the EU's suspicion. Chinese President Xi, at his visit to Paris in 2019, stated that "Of course there are differences and competition, but it's positive competition." He also stressed that "We are advancing together. We shouldn't let suspicions lead us to be constantly looking backwards" (Quoted in Samuel 2019).

That China adheres to cooperation and dialogue with the EU during all these years may mainly due to the following reasons. First of all, China benefits tremendously from reform and opening-up policy. The successful economic reform increases China's national power and international influence. China is pleased to see such result and therefore eager to continue cooperation and dialogue with the EU. Secondly, the EU, as China's largest trading partner, has played a positive role in stimulating Chinese economic growth by providing FDI investment to Chinese market and sharing successful experience and certain technology with its Chinese counterparts. The large volume of bilateral trade provides millions of jobs which helps stabilise Chinese society. A good and constructive relationship with the EU conforms to China's economic interest. Thirdly, while China does not agree with the EU in terms of human rights issues and political ideology, it does not challenge the EU's norms and values as vocally as how the EU criticises China in its policy papers. Rather, China emphasises seeking common ground while reserving differences in its political relationship with the EU. Fourthly, although the EU's perception on China has been changed more negatively during these years, China is very slow in noticing

such trend in the EU and equally slow in adjusting its EU policy. The EU has been very loud about its political and economic concerns with China, but somehow, the Chinese government failed to understand how serious these concerns are and how badly they will affect EU-China partnership (Men 2018: 37).

There is no doubt that the EU and China share common interests in maintaining peace and promoting development. This is why even if the EU treats China as a systemic rival, it does not give up the possibility of working with China whenever it is possible. However, the bilateral partnership, perceived by the EU, has become much more complicated than before. The EU is more realistic and goals oriented in dealing with China. Yet, the problem is that if the two sides only focus on their own interests and perceive the other side simply based on their own understanding, they will not be able to send the right message to the other side. The review and evaluation of the policy papers for the past 25 years only demonstrate that they talk across each other instead of talking to each other. Therefore, if the two sides would continue to ignore the other's concerns, it is foreseeable that EU-China relationship will face more challenges in the coming years.

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