

China and Europe in 21st Century Global Politics

China and Europe
in 21st Century Global Politics:
Partnership, Competition or Co-Evolution

Edited by

Frauke Austermann, Anastas Vangeli
and Xiaoguang Wang

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P U B L I S H I N G

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To all young Chinese and Europeans

献给所有中欧青年

TABLE OF CONTENTS

List of Tables	ix
Acknowledgements	x
Foreword	xi
Klaus Segbers	
Introduction	1
Frauke Austermann and Wang Xiaoguang	
Theme I: High Politics and Security Relations	
Chapter One	20
On the Obstacles to Greater Commitment in Sino-European Relations: A European View Anastas Vangeli	
Chapter Two	43
China-EU Cooperation on UN Peacekeeping: Opportunities and Challenges: A Chinese View He Yin	
Theme II: The European Sovereign Debt Crisis	
Chapter Three	62
The Interaction Between the European Debt Crisis and EU Integration: A Chinese View Wang Liang and Shi Wentao	
Chapter Four	76
Chinese Responses to the European Debt Crisis: Saving Europe, Saving China, or Both? A European View Antonia Hmaidi	

Theme III: Energy and Environmental Issues

Chapter Five	104
Environmental Policy in a Changing Environment: A European View	
Maximilian Rech	
Chapter Six	131
Renewable Energy Policy Evolution in China and its Implications	
for EU-China Climate Change and Energy Cooperation: A Chinese View	
Li Xinlei	

Theme IV: Soft Power and Public Diplomacy

Chapter Seven.....	160
Mutual Perception and Soft Power in EU China Relations:	
A European View	
Julia Soeffner	
Chapter Eight.....	183
Public Diplomacy and the Co-Evolution of China and Europe:	
A Chinese View	
Wang Haiping and He Zhigao	
Conclusion.....	201
Contemporary China-Europe Relations:	
Simultaneous Partnership and Competition Equals Co-Evolution	
Anastas Vangeli and Frauke Austermann	
List of Acronyms and Abbreviations.....	212
Contributors.....	215

LIST OF TABLES

Table 1.1 Proposed Model for Analyzing Sino-European Relations.....	21
Table 1.2 Attitudes towards Oneself and Each Other with Regards to Issues Concerning Core Norms and Values.....	26
Table 1.3 Attitudes Towards Each Other's Role in Global Politics.....	32
Table 1.4 Attitudes in the Case of China's Emergence as an Actor within Europe.....	35
Table 6.1 Top Five Countries: Total RE Capacity (2011).....	132
Table 6.2 Institutional Mechanisms of the EU-China Environmental and Energy Cooperation	147
Table 8.1 European Public Opinion on China	187
Table 8.2 Chinese Public and Elite Opinion on the European Union.....	187
Table 8.3 Numbers of Confucius Institutes and Classrooms in European Countries (2010)	192

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Frauke Austermann, Anastas Vangeli and Wang Xiaoguang
in October 2013

FOREWORD

KLAUS SEGBERS

In a globalising world, which is increasingly driven by markets and commoditisation, previous patterns of (dis)order are losing their relevance. This is particularly the case for a state-based mapping of the world. Flows take over from a border-fixated diplomatic bargaining, and scapes replace national and related collective identities.

However, we are still in a period of transition. States still do play a role. Governments still do act—though with decreasingly efficient performances. And to some extent, governments try to find solutions to block their emerging irrelevance.

In this context, the European project deserves special attention. While it all started as an attempt to prevent further disastrous violent conflicts on the continent, over time, this project has turned into something else: into a trial-and-error based attempt not to block, but to regulate globalisation.

Over the same time period, in the 60 years following the end of the Second World War, another project was also gradually taking form: China. Liberated from traumatising experiences like fragmentation and colonisation, at first it tried to catch up outside the logic of the bipolar Cold War. This produced little progress, and led to dramatic failures such as the Great Leap Forward and the Cultural Revolution.

An equally historic rapprochement was enabled by a weakened United States, toward the end of the Vietnam War, and by a daring *volte* toward liberating the domestic economy, after Deng Xiaoping's initiatives in 1986/92. These changes coincided with the collapse of the USSR and the end of the East-West Conflict.

From that point on, the global configuration underwent significant changes: the Soviet Union and its system of extensive development, coupled with weak budget constraints, disappeared. The USA, while still the dominant power in relative terms, entered a declining trajectory. The EU took the path of integrating ever more policy fields, (too) often shaped by short-term and domestic considerations; and China undertook an authoritarian modernisation, with a comparatively limited interest in global matters.

Obviously, both the European and the Chinese ways demand particular attention. And it is good news that we have a new generation of scholars devoting attention to these two paths of development, and, especially, their interaction. This volume certifies that we are witnessing a growing number of young scholars, well-educated in both comparative approaches and methods, and equipped with profound area-grounded knowledge.

This is precisely what we need: scholars knowing the old cartography of the world, but who are open to participating in the re-mapping so urgently needed to understand what is going on in global affairs now; scholars who are aware of their own value-based road-signs, yet also interested in interaction with peers in other societies with partly different judgments; and scholars who are entrepreneurial enough to foster their research, and to distribute their results, through established academic organisations where possible—and by-passing them when necessary.

Some of the authors you find in this book were, or are, members of the German-Chinese Graduate School of Global Politics, based in Berlin, as part of the Center for Global Politics of Freie Universität Berlin. I am proud that we have been able to attract these young folks, and also curious to find out where their future way will lead them.

I wish them luck and success. And you, the reader, will find plenty of interesting and surprising insights on the current changes and interaction of the two biggest political projects we are facing right now—the European, and the Chinese one.

Klaus Segbers
Professor for Political Science
Director, Center for Global Politics
Freie Universität Berlin

INTRODUCTION

FRAUKE AUSTERMANN
AND WANG XIAOGUANG

China and Europe: Key Actors in Global Politics, Domestically Challenged

When thinking of its place in global affairs, China can look back on a long history. Notwithstanding periods of disintegration, China has belonged to the most advanced civilisations worldwide during the past millennia. The geopolitical balance, however, shifted with the rise of Europe about 500 years ago. With the Scientific Revolution, Enlightenment and Secularisation and eventual Industrialisation, Europe came to dominate the world, not least through violent means such as colonisation, including parts of China. Despite enormous set-backs due to two World Wars, Europe re-built and re-invented itself after 1945. The key project has been European integration. As a result, today's European Union has become the largest economic block worldwide, with its own currency and a diplomatic service in the making. It also recently welcomed its twenty-eighth member state, Croatia, on 1 July 2013 (De Launey 2013). In contrast to traditional military powers such as the US, the EU has innovatively explored new ways of civilian and normative power to realise its global ambition and influence (Manners 2002).

Meanwhile, after the fall of Imperial China at the beginning of the twentieth century, following revolutions, resistance to foreign invasions, and civil wars, the People's Republic of China (PRC) was founded in 1949. After three turbulent decades which included the Great Leap Forward and the Cultural Revolution, ever since the end of the 1970s, China has performed an unprecedented comeback – from one of the economically poorest and politically most isolated countries worldwide towards the most important of contemporary emerging states. The People's Republic of China (PRC) has become the second largest economy in GDP terms after the US, and is projected to soon overtake it (Economist 2010; Fogel 2010). It has also displaced Germany as the leading exporting nation (WTO 2010). This renewed influence has brought

about fresh self-confidence. This has for instance translated in China demanding more of a say in global politics such as in the framework of international organisations which have thus far been dominated by representatives of European or Northern American countries (IMF 2013). In comparison to Europe, however, China is still more focused on its own domestic development, notably its economic growth and industrialisation. Although China has been increasingly active in global affairs, it is still at best a “partial power” in many respects (Shambaugh 2013).

Overall, both China and Europe are now key actors in contemporary global politics. Nevertheless, their recent respective developments have not come about without problems. For almost a decade, European integration has faced considerable difficulties. Fundamental issues such as the democratic deficit and the Union’s *finalité* in terms of widening and deepening have slowed enthusiasm for “one Europe” (Fischer 2000). As a result, the Constitutional Treaty was rejected by citizens of founding members of the Union (Taggart 2006). The financial crisis which broke out in 2008 has had disastrous consequences in a number of EU member states. It has even put Europe’s common currency and the European integration project as a whole into question (see for example Keutel 2012). Despite a multitude of summits, crisis meetings, emergency measures, and proposals for mid- to long-term solutions, a genuine way out of the crisis is still not in sight at the time of the writing of this chapter.¹ At the same time, China has been regarded as an important partner in easing the economic difficulties on the European continent.

Although certainly not untouched by the on-going global economic downturn, the PRC has managed to navigate relatively safely through the financial crisis, especially compared to the US or Europe. As a result, China’s relative global influence has increased and the global geopolitical map may have been durably changed.

It should however not be forgotten that the great transformation of the past three decades has vastly changed Chinese domestic politics, society, and cultural values. This has certainly not happened without problems. China is aiming to realise its long-planned urbanisation. In the past decades, hundreds of millions of peasants have moved from the countryside to cities and this migration will continue in the years to come. Massive urbanisation will impact on the Chinese economy, on the public service system, and on socio-political structure (G. Wang 2011). Maintaining the formidably high economic growth rates of the past years is not sustainable. Hence, the PRC’s leadership seeks to shift the

¹ Mid 2013.

development pattern of the Chinese economy towards more durable growth rates and towards social welfare (Economist 2013a). Environmental pollution as well as food safety problems and their consequences are important issues that have caused public discontent and that could even be a trigger for social instability (Zhang et al. 2010). Over the past few years, public protest against environmental pollution has become one of the most important sources of contentious politics in China (Deng and Yang 2013).

The domestic drive to increase geopolitical security makes China's leaders seek closer collaboration with regional partners, such as in the framework of ASEAN or the Shanghai Cooperation Organisation. Nonetheless, tensions remain. The PRC's neighbours do not easily accept Beijing's drive to realise its national interests or to establish its regional leadership (Nathan and Scobell 2012). This is apparent notably in relation to the Diaoyu/Senkaku islands dispute, but also with major neighbours such as India (cf. Kaplan 2010).

While China seeks to establish a new position in global politics, all the above-mentioned issues make the previous and the current Chinese leadership focus much energy on keeping up political stability in and around the country. China is struggling to maintain economic development and political adaptation so as to handle its increasing internal challenges. The process of economic and political transition, which involves rebuilding the party-state and state-society relations, remains challenging (Shambaugh 2008).

China's future trajectory has many options. The way China as well as Europe will pursue their development and build up their international status is still uncertain (Shambaugh 2011). Nonetheless, the institutions and experiences of the EU when it comes to social integration, cohesion, and security are certainly interesting for China to learn from (Song 2010).

Sino-European Relations: Partnership, Competition or Co-Evolution?

While both China and the EU are facing immense domestic challenges, they are still key actors in contemporary global politics. The hegemonic structure of global politics, dominated by the United States, is more and more questioned by the academic community in International Relations (Chomsky 2003). As a result, the nature and development of the relationship between China and Europe has an increasingly important bearing on contemporary global politics. Both Chinese and European leaders have realised this. As a consequence, the initiatives to formalise,

legalise and institutionalise relations between China and Europe, that is the European Union as well as its member states, have been plenty.

Having established diplomatic relations in the year 1975, China and the European Community (EC) concluded a Trade and Cooperation Agreement about ten years later (Chen 2009). Relations were frozen by the EC after the 1989 Tiananmen incident. This date marks the EU's imposition of an arms embargo that continues up to the present day (Tang 2005). Despite the diplomatic consequences of 1989, China-Europe relations quickly normalised in the 1990s (Ash 2007, 192). Economic prospects in both regions were decisive for this rapprochement. On the Chinese side, it was the consolidation of the Special Economic Zones (SEZ) and further economic liberalisation in China, which was also pushed with a view to prepare for WTO membership. On the European side, the conclusion of the common market with the Maastricht Treaty, the decisions to considerably enlarge the EU and to even establish a common currency were crucial. However, economic ties were just a bridge to develop relations more generally and to diversify them. Thus, high-level dialogues in the areas of environment, science and technology, and even human rights have since been held regularly. In 1998, the first EU-China Summit was held in London, and in 2003, the EU's first formal Strategic Partnership was established with the PRC (Cirlig 2012).

With relations flourishing up until a few years ago, scholars have dubbed those years the “golden period” of harmonious EU-China relations (Shambaugh, et al. 2007, 303-338). Nonetheless, competition and conflict have recently increased: intervention and responsibility in crisis regions such as Libya or Syria, burden-sharing in climate change, human rights and sovereignty issues, market access, export limitations on rare earths, potential dumping and protectionism, most recently with the solar panel case, and intellectual property rights are key areas of conflict. With this backdrop, are China-Europe relations still a win-win situation with a genuine Strategic Partnership or does the changing geopolitical balance imply more competition?

To describe and explain international relations, scholars often make use of the categorisations “cooperation and conflict” (Majeski and Fricks 1995). This simplification can be a useful analytical tool. Moreover, despite increasing global interdependence, outright violent conflict and wars are certainly still not a thing of the past. To describe China-Europe relations, these two classic IR terms are however not that appropriate. With the exception of the nineteenth century Opium Wars and the successive ‘Unequal Treaties’ between China and European powers, China-Europe relations have not been marked by outright wars or

threatened by violent conflict—certainly not over the past three decades. The reasons are manifold. Two of the most important ones are the Cold War and China's special role therein, notably after the Sino-Soviet Split in the 1960s. Back then the Western world and China had similar positions when it came to opposing the Soviet Union. This was despite the fact that their systems were obviously different (that is Communism versus Capitalism) as well as their basic standpoints as to how to cope with the Soviet Union's geopolitical influence. Ever since the Cold War ended, economic interests, together with a relatively low security interest due to geographic distance and the United States' security interests in Asia, have dominated the Europe-China agenda (Rogers 2012, 10-14).

Taking into consideration the brief account of China-Europe relations over the past four decades, notably the honeymoon of the early 2000s and the recent problems, the dyad "partnership versus competition" is a more appropriate analytical tool to describe China-Europe relations of the early twenty-first century.

However, "partnership and competition" is also a categorisation of two ends of a scale which disguises the many nuances of any relationship between two states or other entities in international relations. Moreover, given the rich diversity particularly of China-EU relations, we not only observe frequent shifts from partnership to competition and vice versa but also that both characterisations may apply simultaneously. This can for instance be the case across different policy domains. Thus, while relations in the financial domain are marked by cooperation, especially with China supporting the EU to find a way out of the debt crisis, trade relations have soured. The EU recently imposed anti-dumping measures on China as it suspects that the PRC's government has subsidised solar panel production to an extent that is against the rules of free trade under the WTO. China responded by imposing anti-dumping measures on certain chemicals and by launching its own investigations relating to wine imports from Europe to China. Despite official denials a trade war between China and the EU seems to be looming (Economist 2013b).

In a similar vein, China may simultaneously be a partner of one EU member state and a fierce competitor of another. Since the second half of 2008, trade relations between Germany and China have flourished despite the debt crisis. They accounted for one third of all EU-China trade. Moreover, German investment in China accounts for one quarter of the entire investment of the EU in China. As a consequence, Germany overshadows all its European peers in terms of economic ties with China. This also became obvious when the new Chinese premier Li Keqiang chose Germany as the destination for his first visit to the EU (Tichauer

2013). Meanwhile, French products were boycotted in China. This was due to former French president Sarkozy's threat not to attend the opening ceremony of the Olympic Games in Beijing in summer 2008, as well as to meet the Dalai Lama at the end of that year. This was a sign of protest against Beijing's minority policy in Tibet and the unrest in Lhasa and other Tibetan cities in spring 2008 (Blecher 2009). During the more recent dispute on solar panels, France has been regarded by China as the leader of the lobbying activities targeting the European Commission to make the EU impose anti-dumping measures on China. China subsequently made similar anti-dumping investigations for wine imported from the EU to China. France is clearly the biggest European wine exporter to China. The action can hence be regarded as a kind of retaliation (Hook 2013).

In order to explain the simultaneity of partnership and competition in Europe-China relations, Putnam's theory of two-level games is helpful. In his seminal article "Diplomacy and Domestic Politics: The Logic of Two-Level Games", published in 1988, Putnam argues that outcomes at the international level, such as the nature of a relationship of two entities, are the result of negotiations at the domestic as well as at the international level. A state's preferences are domestically formed through negotiations of societal actors within the state. Governments then interact and bargain with other states at the international level with a view of securing and implementing the interests back home (Putnam 1988). The brief account of the development and the current state of EU-China relations shows that the nature of this relationship is closely linked to the respective above-outlined internal challenges and pressures in both regions. These vary across policy areas, across time, and as far as the EU is concerned, they also vary across member states—and across European states that are not members of the EU. Given this complexity, a simple dyad of partnership and competition does not seem sufficient.

In his book "On China", the former US Secretary of State Henry Kissinger recently labelled China-US relations as a case of "co-evolution". To him, both the US and China "pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict" (Kissinger 2011). This description seems to be an appropriate summary of China-Europe relations in current global politics as well. A third overarching research question hence brings together the themes of this book: are Sino-European relations another case of "co-evolution"?

Structure of the Book

This book comes at a time when China-Europe relations are becoming ever more important, given global interdependence, the rise of China, the changing architecture of the EU and, last but not least, the role of China in the European debt crisis. The book is a contribution to determine if Europe-China relations constitute a cooperative partnership, a competition, or a co-evolution.

Due to the development and the diversity of China-Europe relations, research on this topic is by nature a multi- and interdisciplinary endeavour. This has many advantages. Analysing Sino-European relations can contribute to theoretical and empirical advances for a multitude of disciplines in the social sciences. Most obviously, it allows us to understand China and Europe better and can hence contribute to Area Studies sub-disciplines such as European Studies or Sinology (cf. Algieri 2002; Scott 2007). The current case of anti-dumping measures on Chinese solar panels or disputes regarding intellectual property rights can deliver interesting insights for International Law (Snyder et al. 2012). Recent work on the different perceptions of Europe in China and China in Europe helps us understand sociological and cultural mechanisms in different areas in the world (Wang and Popescu 2011; Stumbaum 2012). The vibrant exchanges and collaboration in the field of science and technology, such as renewable energy or urbanisation, can even generate knowledge that is useful beyond the social sciences, such as engineering.²

Most fundamentally, however, China-Europe relations are a promising case study to advance the discipline of International Relations (see for example Shambaugh et al. 2007; Crossick and Reuter 2007; Men and Barton 2011; Kerr and Liu 2007). It links the new phenomenon of emerging economies in global politics, notably China, with that of a supranational organisation, the European Union. Both the emerging countries which are commonly referred to as “BRICS” as well as the centralisation of state sovereignty in the form of supranational organisations are two crucial phenomena of contemporary global politics (Armijo 2007; Perkmann and Sum 2002).

It is for this reason that the book’s overarching research question of Sino-European relations being a case of partnership, competition, or co-evolution is close to the research agenda of political scientists specialising in International Relations. The multi- and interdisciplinarity is enshrined in

² The EU-funded Science and Technology Fellowship in China (STF China) was an initiative that fostered such disciplinary spill-over effects, see STF 2012.

the book through its division into four themes: firstly, High Politics and Security Relations; secondly, the European Sovereign Debt Crisis; thirdly, Energy and Environmental Issues; and finally, Soft Power and Public Diplomacy.

The book is authored by Chinese and European scholars in equal numbers. For each section there is one contribution from a European author and one contribution from a Chinese author. We thereby hope to enrich the still low but increasing number of works on China-Europe relations by giving a balanced perspective for each of the themes discussed in this book. One chapter of each section is of a more general-theoretical nature, the second one is more specific in nature, such as in the form of a case study. Early-stage researchers and young scholars from China and Europe make up the team of contributors to this book, giving it a future-oriented and innovative outlook.

Synopsis by Chapter

The book's **first theme** deals with the **High Politics and Security Relations** between China and Europe. **Anastas Vangeli** from Renmin University of China contributes a European view on the first theme. Given the current political difficulties, notably the end of the “honeymoon” period and the continuing European debt crisis, Vangeli investigates the obstacles to a greater commitment for a partnership between Europe and China. His basic argument is that the self-perceptions that the EU and China hold and the attitudes that they have about each other, notably as global actors, are not congruent: China is quite self-confident about its own role as a rising player at the international stage. China is however also conscious that it is still a developing country and hence limited when it comes to the impact that it can and that it should have on the world stage. Europe, by contrast, is quite sceptical about the potential of China as a rising power. While the EU is currently frustrated about its own impact on global politics, notably due to the debt crisis, it still seeks to exert influence as a “normative power”. Examples are (potential) interventions in crisis regions, the EU's development aid, or its criticism of China regarding human rights. Meanwhile, Vangeli finds that China is altogether disillusioned about the EU's potential as a global actor—notably as one that accepts the rise of new powers such as China, and the fact that China's politics are based on different concepts and ways of pursuing foreign policy. This incongruence is fundamentally based on domestic insecurities and self-doubts that both China and the EU have to face. It leads to incompatible and partly conflictual action and hence a rather

gloomy prospect for developing a genuine strategic Sino-European partnership. Vangeli illustrates this by giving a round-up of the most important political and diplomatic issues in recent EU-China relations.

In the first theme's second chapter, **He Yin** from China Foreign Affairs University provides a Chinese perspective on arguably the highest of political fields: security and defence policy. More precisely, he investigates the opportunities and challenges of China-EU cooperation in UN peacekeeping operations. In his view, UN peacekeeping missions provide an opportunity for developing a partnership based on Beijing's and Brussels' basic common interest in such missions. They are enthusiastic (China) and experienced (EU) international peacekeepers. Moreover, they share common views regarding the promotion of multilateralism in global politics so as to balance the US's influence and to defend international institutions. Finally, Europe and China are, in the author's view, both great powers. They hence have the competence and the capabilities in terms of both hard and soft power to decisively contribute to the success of UN peacekeeping operations. Despite such common ground, there are however conceptual disagreements with regards to Westphalian norms. While Beijing cherishes the norm of national sovereignty, Brussels is much more willing to compromise this norm for the sake of the "responsibility to protect" (R2P). There are also different views on the actual goals of peacekeeping, such as giving priority to institution building ("liberal peace") or rather to economic development ("developmental peace"). These are two reasons why security relations between the EU and China are not yet mature. The author finally argues that although Sino-European cooperation on peacekeeping is not impeccable, there is room for improvement. Such cooperation could benefit not only bilateral political relations, but also world peace.

The book's **second theme** has a particular focus on the consequences of the **European Sovereign Debt Crisis** on Europe-China relations. Providing a Chinese perspective, **Wang Liang** and **Shi Wentao** from Tsinghua University argue that the Euro-crisis is not a fundamental threat to European integration. For once, the crisis was triggered by external factors, such as the bankruptcy of Lehman Brothers. Furthermore, the authors hold that the Euro-crisis is due to the weak economies at the periphery. Core countries, that is the engines of European integration such as Germany or France, are not as economically threatened as Portugal, Italy, Greece, or Spain. While Wang and Shi do not deny that such countries urgently need to improve their competitiveness, they also take the view that the only way out of the crisis would be deeper integration. More specifically, to ease the Euro-crisis and to save the European

economy, policy changes should focus on economic and financial policy integration. The authors particularly emphasise that the EU needs to introduce strict fiscal discipline. To this end, the European Central Bank (ECB) and central institutions should have more power to coordinate collective action and to build market confidence such as by becoming a “lender of last resort”. In addition, the authors suggest setting up a Pan-European financial regulatory and audit agency to supervise the member states of the Euro zone. In terms of such centralisation measures, Wang and Shi believe that the EU can actually learn from China. In general, China can certainly be a constructive partner in the endeavour to put an end to the Euro-crisis. However, the Euro-crisis is still the internal problem of a group of developed countries. China is not in the position to “save Europe”, being an EU-external actor that is several thousand kilometres away and, on top of that, itself a developing country with many domestic issues to tackle first.

Giving a European view on the European sovereign debt crisis, **Antonia Hmadi** from the Graduate Institute of International and Development Studies, Geneva, tackles the same issues raised by Wang and Shi. She seeks to answer two questions: first, why Chinese involvement in measures to mitigate the impact of the Euro-crisis has been volatile and inconsistent; second, she examines why China has favoured FDI, bilateral government talks, as well as measures channelled via the IMF over China-EU measures, that is, Beijing talking to Brussels directly. Using Liberal International Relations theory as a lens, Hmadi argues that the hesitant and inconsistent reactions of the PRC to the Euro-crisis have been the result of domestic pressures. These pressures are both ideas as well as interests. Hmadi’s study is empirically rich. She backs her arguments with a myriad of sources that reflect Chinese opinion, both at the elite- and at the general level, from newspaper articles, academic papers, to top Chinese leaders’ speeches, and micro-blogs. Domestic interests have evolved in the course of the crisis. Thus, notably in 2010 and 2011, the belief that “saving Europe means saving China” was very common. Supporting Europe to put an end to the crisis is hence an integral national interest for China. A strong Europe is also in the interest of China’s preferred multi-polar structure of global politics, notably to keep its main rival the US in check. Finally, it helps realise China’s ambition to boost its international status. However, in order to help Europe, China clearly gives preference to negotiating with individual member states directly rather than with Brussels. One main reason is the lack of “one voice” of the EU’s China policy; another is that China generally prefers to deal with nation-states rather than with supranational organisations. Nonetheless, the need

to “help Europe” has increasingly been questioned. In the course of the crisis, voices became louder about the fact that the gloomy situation was essentially Europe’s fault. Its welfare system for instance is too generous in the eyes of many Chinese. In congruence with Wang and Shi’s findings, Hmaidi shows that it would not only be too risky for China to invest in countries such as Greece but being a developing country, China is also not in the position to help Europe solve its problems.

Moving on to the **third theme** of the book, **Energy and Environmental Issues**, Maximilian Rech from Freie Universität Berlin contributes a chapter on Sino-European “Environmental Policy in a Changing Environment”. The “changing environment” that Rech refers to is to be found at the domestic level. The author argues that Sino-European international environmental cooperation can by no means ignore the inner-Chinese and inner-European negotiations and bargaining related to green technology, mitigating climate change, and decreasing waste. The chapter builds on a theoretical framework of Ideal-Type Rational Choice theory, Rational Choice theory with regard to global commons, as well as New Liberal theory and the Two-Level Game. This theoretical framework helps explain action in both China and Europe in response to energy and environmental policy challenges. Rech shows how domestic actors from businesses to NGOs to regular citizens shape state preferences. There are obvious differences in this process, in particular due to the fact that the EU is based on a liberal democratic system while China is an authoritarian state. This not only has theoretical but also methodological implications, such as a more heavy reliance on secondary sources for the case of China. Nonetheless, the author argues that domestic bargaining is decisive in both Europe and China to explain policy outcomes. The chapter explains in particular how the respective domestic actors shape Chinese and European policies to tackle the triple challenge of (1) transaction costs, (2) distribution conflicts, and (3) the free-rider problem. It does so via two case studies: waste management and climate change negotiation. The prevalence of utility-maximising domestic actors in shaping preferences in these two areas and beyond supports this book’s overall theme, notably the third scenario of co-evolution: China and Europe “pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict”. Rech emphasises that the latter, that is cooperation and the eventual creation of a genuine Sino-European green partnership, however requires “bold action”, also at the international level.

Complementing this with a Chinese view, **Li Xinlei** from Freie Universität Berlin has studied the link between China’s renewable energy policy change and its implications for climate change and energy

cooperation between China and the EU. Starting from the puzzle that China is one of the biggest polluters and at the same time the biggest investor in renewable energies (RE), Li finds that the PRC's "green transformation" has taken place in three steps: first, China launched a tendering policy in 2003. This allowed for large-scale RE projects in the PRC; second, China introduced feed-in tariffs in 2005 to keep the RE sector profitable; third, China has been working on developing a quota system since 2009 until today. The author finds that parallel to that, EU-China cooperation in the energy sector and to mitigate climate change has also evolved in three phases: first, institutional cooperation for clean energy was launched between 1994 and 2002; second, a number of more formalised dialogues and partnerships in the area followed between 2003 and 2008; third, climate change and energy collaboration became a key pillar of Sino-European Cooperation in 2012 through the establishment of regular top-level meetings. This reveals a congruence of domestic agenda-setting in both Europe and China which in turn makes further bilateral cooperation in the future highly likely. The fact that such cooperation has been bureaucratically institutionalised through a myriad of projects and institutes supports this viewpoint. However, the author also finds that partnership and competition co-exist in the area of energy and climate change. The most recent and arguably prominent case is the imposition of European anti-dumping measures against Chinese solar-panels. Li argues that this is a major reason why China seeks to further develop its domestic RE market. Despite the recent trade frictions, Li finds that the PRC has not ceased to strengthen dialogue with its European counterparts; at the top-level and also through business-to-business consultations.

The **fourth theme** of the book then goes back to the roots of China-Europe relations. It investigates the role of culture by focusing on two prominent issues in global politics: **Soft Power and Public Diplomacy**. Providing a European view, **Julia Soeffner** from Freie Universität Berlin has contributed a chapter on mutual perception and the role of soft power in EU-China relations. The author takes a Constructivist approach and elaborates on the self-perception of the EU and China respectively, as well as their world views. She notably investigates the sources that shape these views. In line with the literature on Normative Power Europe, the author holds that the EU generally sees itself as a force for good in the world that is based on values such as individualism, human rights, freedom, and democracy. Key philosophers from Greek Classical thinkers to Jean-Jacques Rousseau and Thomas Hobbes but also the Christian religion—and its secularisation—are the cultural sources for these values that the EU considers not only to be European but also universal. This in turn is a

justification for the EU to promote such values in the world. China does not deny their validity. However, it subordinates them to values such as harmony, collectivism, hierarchy, and prosperity of society as a whole. Such ideas are rooted in Confucian thought, arguably the most influential philosophical strands in China. When it comes to international relations, China insists that safeguarding these values is always a domestic affair. It sharply criticises any interference of other states, or of the EU. This is one reason why the perception of China in Europe tends to be negative. In order to mitigate this and also to find out about the EU's soft power influence on China Soeffner tests whether Chinese decision-making has come closer to the EU's basic values. Three cases of European-Chinese interactions are examined: firstly, the interaction of the EU and China in international organisations; secondly, the human rights dialogue between China and the EU; and thirdly, public diplomacy initiatives such as cultural exchanges. Overall, the prospect of a Sino-European partnership in these fields is rather negative. For Soeffner, the only potential way to bring China and Europe culturally closer together is people-to-people exchange, such as through study programmes or other direct interaction of Chinese and Europeans.

The book's final chapter by **Wang Haiping** from Shanghai International Studies University and **He Zhigao** from Freie Universität Berlin gives a Chinese view on soft power and public diplomacy in Sino-European relations. The two authors dig deeper into the possibility of cultural exchange raised by Soeffner and link it to the book's overall theme of co-evolution of EU-China relations. However, their focus is on China's potential to exert soft power over Europe. The authors show how Chinese public diplomacy, that is, foreign policy with the general public, civil society, and other stakeholders as a target and not just governments, is now seen as a key tool by Chinese leaders to promote a benign co-evolution of China-Europe relations. The authors contextualise this development by exploring the recent interest shown by Chinese leaders in the concept of soft power, which Joseph Nye has defined as influence of one actor over others not by physical force, such as armed forces, but by attraction; by making China a popular country in the world. A catchphrase that has frequently been used by Chinese leaders over the past months is the "Chinese Dream". It has some similarities to the "American Dream" that has made the United States of America such a popular country in the world. While the Chinese Dream certainly deserves further observation and investigation, its actual meaning is still not clear. Wang and He therefore investigate in their chapter more concrete public policy measures, namely the use of educational measures, notably the Confucius

Institutes and study exchange programmes. The Confucius Institutes are centres located in cities all over the world, notably in Europe, for foreigners to learn the Chinese language and to understand and appreciate Chinese culture. Their growth over the past few years has been impressive and their design reveals the potential to be a successful public diplomacy tool. Yet, the Confucius Institutes' exact impact on improving China's image in the world and notably on the European continent needs long-term investigation. Wang and He agree with Soeffner in that direct people-to-people exchange of Europeans coming to China and Chinese coming to Europe is arguably the most effective way to mitigate misunderstandings and to improve Sino-European relations from the bottom-up.

Overall, the book demonstrates that China and Europe are certainly willing to develop their relations into a genuine partnership. In the various chapters, it emerges that there is substantial common ground to provide a fundament for such partnership, such as in the will to implement peacekeeping operations; the determination to develop renewable energies and to mitigate climate change; the wish to end the financial crisis; or the objective to foster Sino-European people-to-people exchange. However, there are a number of obstacles in the way that make the current partnership fragile and its future prospects not as rosy as they were during the "honeymoon" period. Both the Chinese and the European authors of this book agree that there are still fundamentally different understandings as well as prioritisations of key concepts that condition their relationship, such as cultural values or international norms. While looking at Europe-China relations from many different angles, most authors found that interests and ideas negotiated and bargained at the domestic level in both China and Europe are decisive to understand the respective preferences of China and Europe. Due to the systemic, political, cultural, and developmental differences of Europe and China, these domestic bargaining processes are at times very different, even opposing. They hence may lead to diverging preferences as well. The result is regular competition between China and Europe across policy areas, across time, and across member states of the EU. Given the simultaneous presence, first, of a will for partnership, second, unavoidable competition, and third, the prominence of domestic pressures, Henry Kissinger's concept of "co-evolution" seems appropriate to describe China-Europe relations in the first half of the twenty-first century: both China and Europe "pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict".

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