

Europe's Lack of Confidence Hampers Signing of Trade Agreement with China

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After seven years of tough negotiations, the European Union and China were close to signing an investment agreement. However, at the last moment, it hit a road block as it faced pressure from those wanting Washington's involvement, or those wanting to impose Western Liberalism on China.

A <u>strategic analysis document</u> by the European Union in November 2019 claimed that China is "a systemic rival promoting alternative models of governance." **Josep Borrell**, the head of the European Union's diplomacy, called on Brussels to adopt in May 2020 a "more robust strategy" vis-à-vis Beijing. The investment agreement that was hoped to be reached between Brussels and Beijing seems to reflect this European ambition.

Launched in November 2013, negotiations accelerated in mid-December and was leading to the imminent conclusion of a compromise to mutually protect European investments in China and Chinese investment in the European Union. During a press briefing on December 18, Chinese Foreign Ministry spokesperson **Wang Wenbin** said "negotiations are in the final stage."Significant progress was made during the ten negotiation sessions organized in 2020, and the European Commission seemed confident that an agreement could be reached.

"We are not quite there yet but it is definitely feasible that, if things move forward as they are moving now, that we can conclude still this year," **Valdis Dombrovskis**, the vicepresident of the European Commission in charge of the Economy, said to <u>Bloomberg</u> last week.

It is likely that if Beijing makes real concessions by opening its market to Europeans in the biotechnology, electric automotive and the medical sectors, Brussels would allow the presence of Chinese companies in the renewable energy market. The European Union's objective is to ensure reciprocity as certain economic sectors must not become completely dependent on China.

While it was essential to speed up the timetable for talks in order to crown the end of the German presidency of the European Union, whose six-month mandate has only been marred by failure to protect European interests and <u>servitude to Washington's demands</u>, it evokes just a purely symbolic text. The terms of the agreement remain vague as ratification by the European Parliament is unlikely because many European Members of Parliament continue a hostile policy against China due to its alleged human rights violations.

Some speculate that an agreement was never supposed to be reached but is rather an exercise to maintain dialogue between the two economic powerhouses. For the Chinese, their desire is to quickly conclude these negotiations, particularly during the American

presidential transition period. However, despite this Chinese desire, certain European countries are resisting efforts to make an agreement with Beijing before the self-imposed deadline on December 31.

Unsurprisingly, Poland was the first European Union member to openly resist the "premature" investment deal with China."Europe should seek a fair, mutually beneficial Comprehensive Agreement on Investment with China. We need more consultations and transparency bringing our transatlantic allies on board. A good, balanced deal is better than a premature one," Polish **Foreign Minister Zbigniew Rau** tweeted on Tuesday. He effectively called for a European-Chinese deal to have Washington's blessing and involvement by highlighting the necessity to have "transatlantic allies on board."

Biden's incoming national security adviser, **Jake Sullivan**, expressed his satisfaction that Poland wants to involve Washington in a European-Chinese trade deal, <u>stating in a tweet</u> that "The Biden-Harris administration would welcome early consultations with our European partners on our common concerns about China's economic practices."

The scepticism was not only reduced to Poland as France also joined the fray, albeit for different reasons. Franck Riester, France's junior minister for trade, said to <u>Le Monde</u>: "We can't facilitate investment in China if we don't work to abolish forced labor." He also admitted that trade deals should be used as a tool to "advance social issues" in China. In fact, it is this demand that trade deals be connected to domestic issues of a country that has resulted in France losing influence in Africa, while China, which makes no such demands in trade agreements, continues to advance on the continent as it does not interfere in the internal running's of a country.

The French and Polish scepticism also has the support of Belgium, Luxembourg and the Netherlands, and many Members of the European Parliament, such as Germany's Reinhard Bütikofer who challenged the trade deal <u>by questioning</u> whether Europe should "really help [Chinese President] Xi [Jinping] show Joe Biden the middle finger?"

What this demonstrates is that the European Union is stuck with a 20th century outlook for the 21st century. Whereas Western Liberalism was protected and projected by Washington during the Cold War and the unipolar-era after the collapse of the Soviet Union in 1991, European leaders and lawmakers are unwilling to relinquish this antiquated thinking. Poland's insistence that Washington be involved in negotiations between Europe and China demonstrates that many countries in the Old Continent lack the confidence to engage in the multipolar system as part of an independent European bloc. Although the French are attempting to make the European bloc independent, it faces tough resistance by those wanting Washington's approval. However, France also limits itself by imposing Western Liberalism as a condition for trade negotiations, not only with China, but with most postcolonial countries.

It is unlikely that China and the European Union will reach an agreement by the selfimposed deadline of December 31. This is due to Europe's own lack of confidence as a Great Power, insistence that they do not act independently by continuously wanting U.S. input, and the insistence of imposing Western Liberalism on a Far East country. If European strategic thinking could change, an agreement could rapidly be made, however, it is highly unlikely to occur by the end of the year.

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