

## EU-CANADA NETWORK POLICY BRIEFS

# Transatlantic Relations and China: An Alliance with Whom against Whom?

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One can maintain an alliance without explicitly designating an enemy. But can one keep an alliance alive once allies start to disagree about its purpose? The United States has identified China as a strategic rival. The European Union has woken up to the challenges that China poses, but still sees it as both a partner and a rival. If the US would opt for an ever more confrontational strategy towards China, many European states might not follow. What would this mean for the future of NATO? And is a new bipolarity really inevitable?

An alliance doesn't need an explicit enemy in order to thrive. The relevance of NATO nearly two decades after the demise of the Soviet Union proves as much. Allies agreed on the new purpose of crisis management outside the North Atlantic area and, somewhat less wholeheartedly, of combating terrorism. For many European allies, however, deterring any aggression from Russia remained NATO's true *raison d'être* throughout. They feel vindicated by the Russian invasion of Ukraine, which has prompted the Alliance to focus on its original purpose again: deterrence and territorial defence. If anything has pushed the European allies into spending more on defence, it is Vladimir Putin's aggressive policies rather than Washington's repeated exhortations.

For the US, however, Russia has become a secondary concern. The focus of US strategy is now on China, identified as the only systemic rival that could threaten America's global predominance. The security of Europe is coming to be seen in a more instrumental light: if you engage in a global competition with China, you definitely have a bigger chance of coming out on top if you have Europe on your side. Pressure is indeed mounting on the European allies to follow the harsher US approach on China, which in Washington is strongly supported across party lines.

Many Europeans have realised that they have been rather too naïve about China and should prevent Beijing (and other powers) from gaining undue influence in Europe. Initial measures have already been taken. The EU has introduced an investment screening mechanism, allowing EU Member States that want to, to limit foreign ownership of critical infrastructure. Just before the latest EU-China Summit (10 April 2019), the EU issued a statement that depicts China simultaneously as a cooperation partner, a negotiating partner, an economic competitor and a systemic rival, depending on the policy area.<sup>2</sup> This unexpectedly strong language had immediate effect. For a while it looked as if negotiations were so difficult that there would be no joint statement after the Summit, but following the EU's statement China agreed to a strongly-worded text that contains concrete commitments and deadlines.<sup>3</sup>

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<sup>2</sup> European Commission, *EU-China – A Strategic Outlook*. Brussels, European Commission, 12 March 2019. See: <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>.

<sup>3</sup> Donald Tusk, Jean-Claude Juncker & Li Keqiang, *Joint Statement of the 21<sup>st</sup> EU-China Summit*. Brussels, 10 April 2019. See: [https://eeas.europa.eu/delegations/china\\_en/60836/Joint%20statement%20of%20the%2021st%20EU-China%20summit](https://eeas.europa.eu/delegations/china_en/60836/Joint%20statement%20of%20the%2021st%20EU-China%20summit).

The ongoing US-China “trade war” certainly played a role: Beijing probably wanted to avoid a “two-front war”. The EU statement can be read as a warning: Europeans want to work with, not against China, but need to see concrete action to prove that China really is willing to behave as a partner. Otherwise they might just follow the more hawkish US approach. The proof will of course be in the implementation of the agreement, but one could nonetheless provisionally conclude that the EU’s more balanced approach is more successful than the US confrontational stance.

The Europeans should indeed not be naïve about the US either. If Sino-American competition would lead to a new bipolar system, Europe would once again end up as the junior partner of the US. American interests would always come first, especially since the main theatre of confrontation, unlike during the previous Cold War, would be Asia rather than Europe. Already today, the US is actively harming the EU’s economic interests, by applying economic sanctions, and even its security interests, by withdrawing from the Iran nuclear deal. Europe has no interest whatsoever in triggering a new Cold War.

Furthermore, China is not the Soviet Union. China does not seek to export its ideology, nor does it use military means to pursue its interests (with the significant exception of the South China Sea, however). Beijing rather applies a very smart geo-economic approach, deploying economic instruments to achieve its overall strategic objectives. And it has a lot more economic means than the USSR. Therefore, if a new Cold War would once more force states to choose between the two camps, one might end up surprised at how many would choose China, for economic reasons. And China is of course much more economically interwoven with the US and the EU itself than the Soviet Union ever was. China is not Russia either. Russia dogmatically seizes every opportunity to thwart the US, the EU, and NATO, often at a high cost to itself. China, while being intransigent on what it considers to be matters of national sovereignty and territory, can be a lot more pragmatic on most other issues.

A new bipolarity would most likely result in a long-term deadlock. Nuclear weapons mean that great power war is improbable. Economic competition will thus take centre stage, but in all likelihood the US and China will balance each other rather than one achieving outright dominance over the other (Yan, 2019).<sup>4</sup> And thus international politics will once again be locked into a logic of confrontation for decades, to the detriment of global trade and investment.

The EU would be well advised therefore not to fuel Sino-American rivalry by choosing sides, but to pursue its own strategy of engagement with all of the great powers: the US and China (and Russia). Rather than a priori designating China as the enemy, European strategy should operate on the principle of: cooperate when we can, push back when we must. If one day China were to resort to military aggression, that strategy would of course have to be revised. But until then, the US would do best not to force China onto NATO’s agenda. The European allies might, as often, pay lip service in order not to offend Washington, but their defence priority will remain Russia. Undue American pressure will only serve to weaken the bonds within the Alliance.

Pursuing its own strategy, and in effect becoming one pole of the multipolar world, is not a role that the Europeans can play from a position of weakness, however.<sup>5</sup> A weak party that engages a great power risks to be swamped. Europe can only play this crucial stabilising and mediating

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<sup>4</sup> Yan Xuetong, *Leadership and the Rise of Great Powers*. Princeton, Princeton University Press, 2019.

<sup>5</sup> Sven Biscop, *European Strategy in the 21<sup>st</sup> Century – New Future for Old Power*. Abingdon, Routledge, 2019.

role from a position of strength, through the EU. Unfortunately, the EU has a long way to go to achieve the required political, economic and military unity. The resources are there, however. It's the will power that is lacking to make the EU a power.