

EU-CHINA COOPERATION IN THE FRAMEWORK OF G20

14TH SHANGHAI SOCIAL STUDIES COLLOQUIUM – SSSC

Tuesday, 31 May 2016, 18:30h - ESSCA School of Management, Shanghai

Report

On Tuesday, 31 May 2016, the **14th Shanghai Social Studies Colloquium (SSSC)** took place at the Shanghai campus of ESSCA School of Management. The SSSC is an initiative that provides a forum for international and Chinese scholars of various disciplines of the social sciences based in the city of Shanghai. The colloquium provides scholars with a platform to present and discuss their research, so as to exchange critique and research ideas, improve their research output, network and socialize, with a view to developing collaborative research projects.

EU-China relations are among the most important bilateral relations in global politics today. Europe and China are not only major trading partners but also share great responsibilities and obligations to the international community. However, obstacles such as China's 'market economy status' still exist. Moreover, Europe's debt crisis and the rise of protectionism challenge economic recovery while China is facing the 'new normal'. To discuss recent bilateral relations and analyse opportunities for both, the 14th Shanghai Social Studied Colloquium was delighted to welcome:

- Prof. Dr. **Jörn-Carsten GOTTWALD**, Chair of East Asian Politics, Faculty of East Asian Studies at Ruhr University Bochum, Germany.

At the beginning, Prof. GOTTWALD shared a few thoughts on the G20 and EU-China relations. Although G20 has a short history of only eight years, it became one of most influential mechanism to deal with global challenges because it includes both voices from developed nations and developing nations. The EU and China both have different interests within this mechanism. The EU aims to support China's integration into the global economic system and in return gain more accesses for European companies while China looks to improve its competitiveness in order to help Chinese companies to go overseas. Moreover, he provided a an overview of EU-China relations highlighting the establishment of a strategic partnership in the early 2000s. This honeymoon period of bilateral relations as it is often described passed very quickly and Gottwald does not consider bilateral relations to have reached to the 'strategic level' nowadays.

Prof. GOTTWALD relied on *Role Theory* as the basis to interpret EU-China relations. He explained that Role Theory "links domestic and foreign policies, domestic and foreign expectations and their influences on domestic considerations," and it allows us to understand the interactions among different perceptions. He continued that Europe, as a normative power, hopes to socialize and transform the Chinese regime into a liberal democracy; however, Chinese prioritise economic development instead. Structural reform on domestic financial and economic systems were implemented by Chinese government since its entry to the WTO in 2001, which increased not only Chinese competitiveness in the global market but also increased China's voice globally as a representative of developing countries. Prof. GOTTWALD believed that China has

no interest in joining the G7 because it can play a bigger role as a mediator between the developed and developing nations in the G20.

Chinese diplomacy transformed gradually from Deng Xiaoping's "low profile and accumulate power" strategy to a more active one to promote Chinese initiatives. China, now, is playing the determining role in the BRICS and its New Development Bank and the Asia Infrastructure Investment Bank (AIIB). GOTTWALD explained that Xi Jinping's "Chinese Dream" connects China's domestic development with changing global political and economic governance, and the BRICS and its New Development Bank not only serve China's economic interests but also strengthen its voice in International Relations.

Prof. GOTTWALD used "ambitious presidency" to describe the G20 Hangzhou Summit as it is one of China's attempts to reshape global system and rebuild its influence. The "One-Belt and One-Road Initiative" is one of topics for the G20 Hangzhou Summit and it has four main targets:

- Pushing mid-to-long term economic growth globally;
- Reforming global economic and financial governance to a more effective one;
- Reinforcing trade and investment mechanism, such as the newly founded AIIB;
- Implementing the 2030 Agenda for sustainable development.

Many believed that the "One-Belt-One-Road Initiative" would contribute to the global economic recovery and it is also a great opportunity for the countries which are located along the land and maritime silk roads.

However, Prof. GOTTWALD mentioned that although some EU countries have participated in the AIIB and welcomed the "One-Belt-One-Road Initiative", the bilateral relations and economic cooperation were still mainly challenged by the EU side. The EU is now suffering from domestic contestation, such as refugee crisis, uncertainty about Brexit and the rise of nationalism as well as the sovereign debt problem. Thus, on the one hand, it needs Chinese help in investment to boost its weak economic growth. On the other hand, values of freedom and human rights still play a major role in the EU's decision making process to China as Prof. GOTTWALD explained. Therefore, granting China "market economy status" (MES) is a political decision for the EU rather than a technical one. He emphasized that the discussion over MES showed how the EU evaluates its "strategic partnership" with China. He said that personally he doesn't have high expectations as the EU manoeuvred itself into a political trap. Therefore, Prof. GOTTWALD concluded that the EU is behind Chinese proposals and failed to initiate a policy with China; and G20 may not help China to emerge as a leader for global governance or to boost EU-China cooperation since some of strong EU partners were troubled with their own problems.

During the discussion period, the audience suggested that, compared to his predecessor, President Xi has a more clearly defined vision for global governance as China's ambitious G20 presidency showcases. Asked about possible cooperation between consecutive G20 presidencies, Prof. GOTTWALD responded that cooperation between different presidencies relies on common interests. For example, China's proposal about sustainable development in the "One-Belt-One-Road Initiative" is of interest to Germany (next presidency) because interest in green energy development coincides.

The lively discussion in the plenary was followed by an informal exchange during a networking dinner.

The 14th SSSC welcomed researchers from a variety of institutions including East China Normal University, Tongji University, University of Macerata, Free University of Brussels, and New Hua Du Business School but



Créateurs d'avenirs



14th Shanghai Social Studies Colloquium (SSSC)

also practitioners from the corporate world and media representatives. Please find the list of participants below.

All papers and the authors' profiles of the 14th and of previous SSSCs can be read and downloaded under <http://www.shanghai-review.org/sssc/> or at <http://esscae-public.sharepoint.com/essca-eu-asia-institute>

The SSSC is an on-going event and takes place approximately every eight weeks. If you are interested in participating, please contact Maximilian.Rech@essca.fr.

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LIST OF PARTICIPANTS

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TUESDAY, 31 April 2016, 18:30h - ESSCA School of Management, Shanghai

Title	Firstname	Name	Position	Institution
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Prof. Dr.	Jörn-Carsten	GOTTWALD*	Chair, East Asian Politics, Department of East Asian Studies	Ruhr University Bochum
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* Speaker for the 14th Shanghai Social Studies Colloquium