FONDATION ROBERT SCHUMAN

POLICY PAPER

Schuman Paper
n°763
8th October 2024

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The European Union, between the United States and China: Do we have to choose between being equidistance or simply being a follower?

The competition between the world's two major powers structures all international relations and influences the choices made by all other countries. The latter fear the consequences of tensions between the two giants and, in the main, want to avoid having to choose. But the problem is not the same everywhere. To put it simply, China benefits in the "global South" from a certain hostility towards the West, while the United States can play on the fear aroused by the emergence of Chinese power, which no longer hesitates to resort to power relations, especially in Eastern Asia[1].

Against this backdrop, Europe is in a delicate situation. It must contend with its assimilation to the United States as being part of the "West" which is increasingly rejected. Although it shares much with its American ally, particularly the values of democracy and security arrangements, it does not always have the same interests as the United States and must preserve its room for manoeuvre if it is not to be dragged into decisions in which it has no part.

Before examining how the European Union is facing up to this challenge, and how it should behave in the future, the driving forces and prospects of the Sino-American rivalry require exploration.

A) STAKES AND PROSPECTS FOR US-CHINA COMPETITION

What is at stake is nothing less than the position as the world's leading power. It goes beyond the sphere of foreign policy. In the United States, it represents one of the rare consensuses within a political class and a society, both of which are increasingly polarised: the campaign for the 2024 elections is likely to see the emergence of an escalation of anti-Chinese positions, albeit a risky one, rather than pleas for reason. In China, behind the curtain of the Party imposing its language, there is broad agreement on the country's international recovery, repairing the injustices of the past, but also discussions about the more or less firm attitude to adopt towards the Americans and other countries, as shown by the debate over the diplomacy of the "warrior wolves".

Against this backdrop, which is hardly conducive to moderation, the fragilities of each of the two countries must be taken into account: growing ideological gaps within society; in China, the inevitable consequences of a lack of freedom or the uncertainties of the economic model in a context of demographic crisis. These fragilities may mean that rivalry needs to be tempered or, on the contrary, they may encourage nationalistic rashness. Over the last few months China's economic difficulties and the USA's determination to control any derailment has meant that both countries have re-engaged in dialogue.

While the competition is unfolding on all fronts, from military power and influence in the world to economic growth and currency, its main dimension is that of technology, clearly identified as the priority on both

[1] This text was originally published in the 'Schuman Report on Europe, the State of the Union 2024', Editions Marie B., April 2024, 236 p.

sides. China is determined to become the world leader in all the major technologies of the future, by employing massive financial means, protectionism inherent in its system and recourse to the diaspora using methods that are not always transparent. Having realised this challenge somewhat late and, in particular, shocked by China's domination of 5G, the United States has embarked on a vast effort to re-industrialise, in contrast to the *laissez-faire* policy of previous decades, and to win back technology - two sides, it has realised, of the same coin.

The battle is being waged over semi-conductors, artificial intelligence, quantum technology, renewable energies, biotechnologies and neurosciences, and could extend to any area that will become strategic. Washington is leading the way by increasingly restricting trade in these sectors and tightening all controls. Beijing is trying to speed up its development in areas where it is dependent, such as semi-conductors, and is exploiting its real dominance in the global production of critical materials. In practice, however, for the Americans this is more a matter of risk management ("derisking") than real decoupling, as the trade statistics between the two countries show. But 'decoupling' remains the goal proclaimed by some, particularly on the Republican side.

However, this battle is not preventing contacts being made: after the pause caused by the Chinese spy balloon, ministerial visits have multiplied in preparation for the summit between the two presidents in San Francisco. In recent months, the two governments have been striking a delicate balance between reaffirming their firm stance and showing a readiness to work together. Even military questions are now being raised in these discussions, although on military matters China resists any dialogue that might restrict its room for progress or manoeuvre. In all events the wish to manage their relations, further demonstrated in recent weeks by the visit to Beijing of Jake Sullivan, US National Security Advisor, does not prevent the two powers from seeking to weaken the other.

It is in the international arena that this game is being played out first and foremost. The United States wants to motivate and unite its allies, Europeans on the one hand, and Asians on the other, which is affecting discussions within NATO. China increasingly appears as a political player, over and above its strong participation in economic and energy exchanges, as with the sponsorship given to a spectacular, albeit uncertain, rapprochement between the Saudis and the Iranians; together with Russia, it is instrumentalizing the idea of the so-called "Global South" opposed to the West and the expansion of the BRICS group, soon to hold a summit in Kazan (22-24 October). It is seeking to reduce its dependence on the United States, particularly in the monetary sphere.

B) WHAT POSITION AND STRATEGY SHOULD THE EUROPEAN UNION ADOPT?

1 - Since the implementation of the Lisbon Treaty, the European Union has sought to adopt strategies at European Council level for its relations with the major powers.

The run-up to summits would be an opportunity to review and put these strategies into practice. The return of war, in Ukraine, and the "brutalisation" of the world have subsequently led to a heightened awareness: the European Union embodies a model of cooperation between States, going as far as sharing sovereignty, based on the economy, which no longer corresponds to global developments; it must, in turn, become a geopolitical player and use its real power in geo-economic matters to achieve this objective: trade, competition, even development aid. More recently, notably with the formation of the 2nd von der Leyen Commission, it has put forward the concept of "economic security" along the lines of American practice.

The United States, a key ally, was not really in this category of partners, which are sometimes a competitor or even hostile, until the Trump presidency (2017-2021); facing for the first time the rejection of the European model of integration by certain American elites, who are orthogonal to the MAGA ideology, and, above all, the fact that already during his mandate Donald Trump apparently reneged on the US commitment to assist an ally under attack under Article 5 of the Washington Treaty, European countries had to rise to a new transatlantic challenge. Subsequently reassured by the election of Joe Biden in 2020 and reminded by the war in Ukraine of the harsh reality of their defence shortcomings, they are now once again on the alert in the face of new threats from candidate Trump (additional customs duties, resumption of an aggressive transactional approach) and the possible ending of US military aid to Ukraine. In fact, and even if the differences in programmes and tones between Kamala Harris and Donald Trump are significant, they are not the only ones, and so whatever the outcome of the next American elections, Europeans should adjust to living with an uncertain major ally, whose two-year electoral cycles do not guarantee stable support and should draw all the appropriate consequences that this implies.

More linear was the evolution of Europe's position towards China, defined in 2018 by the now classic triptych of *rival/competitor/cooperator*, with a crescendo of negative elements, including the crisis between Beijing and Vilnius, which forced Europeans to confront China's policy of coercion head on.

2 - For Europe, there is obviously no possible equidistance between the two giants, for security reasons, but above all because of its values.

However, it must avoid systematic alignment, which, unsurprisingly, is favoured by the Americans, since it allows them to maximise their leverage against their strategic rival. Alignment can be economic or political, but also ideological: the concept of an alliance of democracies, which is difficult to define, can give the impression that the West wants to impose its values on the "global South", as the Chinese and Russian sirens whisper. Handling this concept with caution does not prevent us from forging special relationships with other democracies, particularly in Asia, and even from learning from the way they bring their models to life.

The quest for genuine European sovereignty or strategic autonomy is, after all, nothing more than a legitimate concern to retain the ability to make decisions that best serve the interests of Europeans in an increasingly dangerous world. And having a stronger democratic ally in the European Union, capable of better ensuring its own security, would clearly strengthen both the Atlantic Alliance and the Americans' room for manoeuvre, allowing them to devote more resources to what they consider to be their strategic priority in the Indo-Pacific.

The hesitancy in this quest for greater autonomy, the disagreements between Europeans (including over the terminology to be used), the progress in terms of European defence, which is still too slow, the concerted action undertaken between the two sides of the Atlantic in response to the Chinese challenge, the alignment sometimes bluntly extracted from European players by the Americans when they consider that their national security interests require it, as, for example, the joint measures taken to limit the export to China of semi-conductor-related technologies: do these factors point to a growing subservience of Europe to the United States, as it is sometimes claimed?

3 - As is often the case with European integration, the glass can be seen as half full as well as half empty.

Real progress has been made, but the question is how quickly this progress achieved in the face of global crises whose accumulation and increasing seriousness threaten our countries and their democratic systems, and demand a much stronger and faster joint response on the part of Europe. Without such a response, our continent risks being marginalised and the European Union risks losing its relevance, and therefore its legitimacy, in the eyes of its own citizens.

The future is not yet written. While Europe is certainly not equidistant between Washington and Beijing, Europeans do not systematically follow the Americans. At the risk of appearing paradoxical, it could even be said that Brussels, with its Chinese triptych, has basically inspired an American policy which, with regard to Beijing and after oscillating between attitudes of understanding and opposition, has gradually, under the Biden administration, sought a fairly close overall balance combining firmness, rivalry and cooperation.

Of course, the real test of European autonomy lies not in rhetoric, but in the policies that define it, the instruments at its disposal, and the political will to use these instruments in relation to powerful external partners.

There is no doubt that in recent years the European Union has strengthened its competition and trade policies, which already lay central to its influence. By reinforcing our trade defence instruments, we are now better able to impose reciprocity on our partners (state subsidies, access to public contracts). This was witnessed recently with the forced withdrawal of Chinese competitors from several public procurement procedures in Central Europe. The Council's decision on 4 October to impose additional customs duties on imports of Chinese electric vehicles is an important test, given the way in which Beijing has tried to play on divisions and fears of retaliation within the European Union.

A new conception of our trade agreements and our measures in favour of the climate, such as the carbon adjustment mechanism at the borders (CBAM), aim to prevent our internal policies from being circumvented and ultimately lead to their objectives being exported, not without arousing strong opposition from our external partners (including the United States and China). Taking account of new technologies in our competition rules (DSA, DMA) imposes our public policy objectives on the major Internet players, who have often become more powerful than governments, and who are mostly American and Chinese.

In addition, a genuine European defence policy has emerged, where only the word existed in our treaties, and its rise to prominence has been accelerated by the war in Ukraine. For the first time, the European budget is funding military research and development, and now even the purchase of armaments for a third country (Kyiv), as well as the creation of production capacities for the European defence industry (ammunition).

There are still obvious gaps in the Union's arsenal. Our companies are too often left to the practices and rules with extraterritorial effect of our partners, without the benefit of the legal and political shield of European public power.

Above all, the political will of Europeans is put to the test as soon as the strategic dimension is reached. The European Union's response to the aggressive conquest of new markets by products *made in China* (electric cars, already mentioned, but more generally all the green technologies in which China has taken a considerable lead and is presenting itself as a contributor to Europe's achievement of its climate objectives), is all the more important, since the United States, for its part, is protecting itself from it. Moreover, Washington, with its recent legislation in the IRA and Chips Act, has embarked on an aggressive promotion of its own innovation and production capacities. It is therefore in this triangle, USA/China/European Union, that Europeans must position themselves to defend their place in the strategic value chains.

In theory, since Chinese practices and policies are creating similar problems for the United States and Europe, their coordination between Washington and Brussels. But this coordination is difficult since Washington departs from the multilateral rules and frameworks to which the European Union remains attached, in particular the World Trade Organisation. What is more, the United States has chosen a different path in the fight against climate change from our own, abandoning national carbon pricing in favour of public support for new technologies (the European CBAM could therefore lead to a confrontation with Beijing, but also with Washington). The fact remains that, within international bodies as well as bilaterally, in global issues as well as in new areas of competition (cyber, maritime, space), it is in Europe's strategic interest to consult with the Americans, including to dissuade Beijing from a military venture in the Taiwan Strait. In recent years, dialogues have been established between European institutions and Washington on China and the Indo-Pacific.

4 - Europe's ability to assert its sovereignty and defend its independence in the long term will certainly be influenced by external factors.

On the one hand, the direction taken by the United States (the 2024 November election is obviously crucial); on the other, the developments in its relations with China, or major global and regional crises, particularly in the Middle East.

But ultimately it is for them — for us — to decide not to allow others to dictate the future of our nations. Just after Russia's aggression against Ukraine, the Versailles summit set out a clear agenda for European sovereignty, and recent crises have shown that Europeans have a real capacity to react quickly when they need to (covid, energy). Today, support for the Ukrainians is certainly the main priority. For the future, three areas seem decisive.

They have just been clearly set out in Mario Draghi's report, which we might expect to inspire the new European Commission. It remains to be seen whether the Member States will show the political determination to follow suit, despite their traditionally strong differences of opinion, particularly on how to meet the considerable financing needs that correspond to these priorities.

The first is the European Union's ability to achieve technological sovereignty, at a time when it is in danger of falling behind the two superpowers. The Union cannot be satisfied with being just a standard-setting power, which must not be underestimated. However, it must have the capacity to develop the technologies that will give it control over its own destiny, including those central to climate transition. The example of the United States shows the extent to which public spending on research in the fields of energy and defence is a determining factor, both quantitatively and qualitatively.

It will also have to cut through the Gordian knot of European defence, with common military capabilities, as the Strategic Compass suggests, and with the determination to use these capabilities to make a credible contribution to the Atlantic Alliance. The development of its defence industrial and technological base, the shortcomings of which have been demonstrated by the war in Ukraine, naturally raises questions of financing and restructuring, or at least cooperation between the European companies involved - complex questions, but ones that will have to be answered.

Finally, it will have to find the right responses to the challenges posed by its enlargement and by its neighbourhood, both to the East and to the South. In particular, a positive and dynamic balance in relations between Europe and Africa would allow the two continents, along with other major partners such as India, ASEAN, the Gulf region and Latin America, to give priority to common goods within a renewed United Nations system, which is not contradictory to a privileged transatlantic partnership, and would restore the global relevance of the European integration model, which is strongly challenged by the current state of the world.

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Publishing Director: Pascale JOANNIN
ISSN 2402-614X

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