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THE ELEMENTS OF THE EUROPEAN UNION'S NEW STRATEGY IN RESPECT OF CHINA

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Annotation: The subjectivity of the European Union in the international arena is the subject of intense political and academic debate. Being a union of states with a wide range of both coinciding and differing interests, he is acutely confronted with the problem of collective action. At the same time, the mechanisms of its overcoming in the EU do not always ensure the optimization of its course in cooperation with large partners. This article demonstrates that, in upholding the common interest of the EU, it faces difficulties even in the area in which the integration association has the greatest competences in matters of foreign economic cooperation. The author consider in this vein the interaction of the EU with China. The People's Republic of China is a major trade and investment partner of the European association.

Keywords: European Union, China, New Silk Road, economy

With the growing influence of China, Europe is seeking reciprocity and a more realistic approach in relations with its eastern partner. Since 2009, the time of the European Council on Foreign Relations' first Power Audit, China has become more present and influential within Europe. This is no longer only about a massive trade surplus; it is also about investment, lending, and financial power which serves China's public diplomacy. What has not changed is the asymmetry claimed by China as a developing economy, even as it reaches the first rank among global economies. And it explains the increasing quest for reciprocity by Europeans.

This is not only a huge trade deficit, but now at the disposal of Chinese public diplomacy there are tools such as investment, lending and financial leverage. The asymmetry between Beijing and Brussels persists, although China has advanced to the locomotives of the global economy. This explains the growing desire for reciprocity on the part of Europeans. China is very selective in its relations with the European Union: it focuses on its immediate interests and often ignores EU norms in its proposals. Beijing is very actively building bilateral relations with EU members, especially on the European periphery. The Chinese side organized a separate summit with the countries of Central and Eastern Europe ("16 + 1" format) and took advantage of the eurozone crisis for large-scale acquisitions in southern Europe. It is striking that the conditions that China puts forward in these transactions are not very different from its approaches in African and other developing countries: a sea of projects that encourage potential recipients to compete, loans at commercial rates and a firm setting on identical statements and agreements [1]. Some Europeans have succumbed to this gold

rush, and many companies, media and universities are seeking to protect their access to the Chinese market. The EU learns from the experience of this difficult relationship. The Union is sorely lacking specific agreements, especially on trade and economic issues that are within the core interests of Europe. The program of political and military cooperation with China until 2020 is being carried out at the lowest possible level, and the situation with human rights and humanitarian aid is particularly deplorable. These gaps are also explained by the opportunistic behavior of individual EU members. In the area of climate and ecology, the situation looks more encouraging, although at a summit with the EU in 2017, Beijing put a joint climate statement dependent on the solution of China's status as a market economy. Europe seeks to cooperate with China in the field of peacekeeping operations and support for fragile states, but these actions occur at best in parallel, there is very little joint effort. Europe is moving to a more realistic approach in cooperation with China and is trying to dispel a mirage about the "waterfall" of Chinese money. Beijing is strengthening its command-and-control economy, where the state is at the center of industrial and technological policy, including the adaptation of new technologies to the needs of the military sphere. China is actively acquiring key developments in Europe, building scientific cooperation on the basis of its strategic goals for the period up to 2025, and is striving to lead the fourth industrial revolution. European politicians now say that China should respond to Europe with mutual openness. The European Commission has put forward new trade protection tools and is developing an initiative by three key EU members to control foreign investment. This is not a turn in the direction of protectionism: Europe is focused on cooperation, but it needs to act more vigorously with respect to China, which so far is not very responsive to its requests. The dynamics of relations between the EU and China suggest that the following priorities will help to achieve this: Complete the formation of a pan-European investment control system.

Replace dispersed efforts with common strategies. Prevent new investment rules from affecting other aspects of relations with China. More actively engage partners in Asia.

China is firmly entrenched in Europe, and not only through goods and tourist flows. His presence is felt at the level of investments, loans, regional organizations, public diplomacy, expanding military and defense contacts. Europe is always open, while China is increasingly closing in a political sense and pursuing an increasingly mercantilist policy that undermines its own slogans of support for globalization. Therefore, the requirement of "reciprocity" has become a key element of the statements of European politicians about China. But this is not enough: the EU needs a new policy, taking into account that Beijing rejects this reciprocity. Although global trade and financial norms have allowed China to become the second economy in the world, he refuses to recognize the consequences of these changes: according to Xi Jinping, "China's international status as the largest developing country in the world has not changed."

In 2009, the European Council on Foreign Relations argued that relations between the EU and China should be built on reciprocity, and that the parties should equally benefit from the development of these relations. But even then the period of optimism was coming to an end. The myth, popular in the 2000s, that, thanks to the strengthening of relations with the rest of the world, China will gradually move to a market economy and the system of a rule-of-law state, even then evoked ever more severe criticism. Today, China has dug deeper on many economic fronts in Europe, while in China itself the gates for Europe have largely closed.

But the old myth has been replaced by a new one - about the cornucopia of Chinese investment, about the "offer that cannot be refused." Europeans still believe in this myth: the countries of Central and Eastern Europe are passionate about Chinese promises in the 16 + 1 format, and in 2013 Brussels approved an ambitious plan for cooperation with Beijing. Now comes the epiphany, and Europe is thinking about protecting its values and interests. China, in turn, risks underestimating the European Union. Even in the difficult years for the EU, it was not easy for China to circumvent the complex system of rules and regulations that unite European countries. Nevertheless, Beijing still sees Europe only as a multitude of sovereign states that are simply part of a regional organization - the EU. Perhaps that is why China overestimates its influence in Europe.

Today, China is the world's leading industrial and trading power, a leading exporter to Europe and one of the largest sources of foreign investment. But his economy remains about the state, and his political regime is still a one-party system without real balances. China is also closing again to foreign influence and external ideas. If after 1978, the priority for Beijing was China's slow integration into the international order, today it is a systemic conflict. After the 19th Congress of the Communist Party of China, at which Xi Jinping consolidated his power, the era of restraint of Deng Xiaoping is definitely over. The PRC Chairman promises to make China "a global leader in terms of national power and international influence." Chinese investment in "New Silk Road" in Europe, Africa and Latin America.

China assumed almost no additional international responsibility. His actions, including in the area of climate agreements, strictly correspond to his economic interests. China's contribution to peacekeeping operations is less than 0.5% of its military budget. Its humanitarian assistance commitments are minimal. And neglecting the verdict of the Hague Court on the conflict in the South China Sea shows that Beijing is ready, if necessary, to ignore international law.

Europe began to respond to these changes. The elements of the new EU strategy towards China adopted in 2016 call for Beijing to take action on a number of key issues: reforms, reciprocity, investment agreement, openness, global goods and security, human rights and sustainable development. In light of the large trade deficit and the wave of Chinese investment in Western Europe, the EU has set reciprocity — the opening of Chinese stock and investment markets — a condition for further negotiations. New tools for trade protection and investment control require unity in the EU and trade-offs from countries in the European Union.

EU relations with China are divided into three areas. There are topics on which negotiations are impossible: human rights and in some cases international law. There are difficult topics: security cooperation within the UN, as well as global issues such as climate change. And there are topics on which you can negotiate: this is mainly trade and investment. The "One Belt and One Road" program and related ideas initially seemed attractive to Europe, but today they are rather disappointing and alarming that China is using its trade advantage to put pressure on logistics, finance and technology [2].

As part of this project, the Chinese side relies on loans, while the Europeans prefer full-fledged investments in new projects. The rules of public tenders of the EU are not satisfied with Chinese companies that are accustomed to working in developing economies. At the same time, China seeks to seize control in European ports, shows interest in the aerospace industry, power transmission networks and data storage, which pushes Europeans to strengthen investment control.

The gap between Europe and China in terms of economic norms is growing as China seeks to adopt its standards and views, which sharply differ from the values of market economies, in various fields, from arbitration to telecommunications regulation and public-private partnerships. European investment in China in 2016 declined sharply due to the introduction of new export control standards. An equally deep gap is forming in the field of politics and security. China is increasingly putting its right and norms above the norms and values of international law, which remain central to the EU.

Relations between the EU and China increasingly revolve around economic competition, and Beijing sees the EU norms and rules as a temporary hindrance, focusing on the countries of the European periphery and counting on further fragmentation of the EU. But in Beijing they underestimate the importance of democracy in Europe and the growing discontent of Europeans with Chinese trade and investment policies. In developing economies, Chinese subsidies are becoming more and more alarming, and in industrialized countries, Chinese methods of acquiring technology. We need a unified strategy for the EU and the PRC.

In general, we can state the transitional nature of the current Chinese-European relations. The direction in which they will develop further will depend on several key factors.

These include the transformation of the global political map as a whole and, especially, in its most "warmed" zones, to which the SCM primarily belongs. The changes in the domestic political

plan, which are being observed now in Europe, China and the USA, are becoming extremely important [3].

The invisible (but weighty) presence of the latter at all sites of the Chinese-European negotiations seems undoubted. What is illustrated, in particular, by the above-mentioned EU decision on the status of the Chinese economy.

Once again it is necessary to emphasize that the latter in no way testifies to the non-independence of Europeans. Simply and in this case, the interests of "both sides of the Atlantic" continue (so far) to coincide.

Of particular importance for relations between Beijing and Brussels is the question of the success of the ongoing economic reforms in the PRC, which will determine the prospect of solving the notorious problem of "overproduction of steel".

In any case, the issue of trends in China's relations with the EU as a whole, as well as with the leading members of the Union and the UK, deserves close attention.

This question is today one of the central questions in the new global "political game".

Literature

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