

China-EU Co-operation within the G-20

By Jiang Shixue

When considering organizations at the helm of global governance there is the UN, and then the G-20. 2016 will see China assume the presidency of the latter organization, a dramatic step forward in China's position in the international arena.

The EU currently has five seats in the G-20, namely Italy, France, Germany, the United Kingdom and a separate seat for the EU itself. In addition, Spain is often present as an 'observer'. It is no surprise, then, that some have criticized the EU as being over-represented at the G-20. Whether or not one agrees with this criticism, there can be no doubt that the EU's influence within the G-20 is not to be underestimated. It is therefore clear that China needs to strengthen co-operation with the EU within the G-20.

The necessity and feasibility of stronger co-operation

Today's world is one characterized by a plethora of issues on a global level. These issues are cross-border, requiring the participation and co-operation of many, if not all, countries to address them and find a resolution.

Although the G-20 cannot solve all of the world's problems, it can at least address a portion of them, particularly those relating to the global economic situation.

Although the international financial crisis of 2008 is now thankfully resolved, the G-20 can still play a role in the future. The need to strengthen China-EU co-operation within the G-20 is obvious.

Firstly, both China and the EU are vulnerable to various global issues. For example, the international financial crisis of 2008 dealt a huge blow to both the Chinese and EU economies, and the hangovers have not yet entirely faded. Similarly, China and the EU are prevented from playing a leading role in the global economy by the same setbacks in the international financial system. The unshakeable hegemony of the dollar is a further example – a situation that has had no small impact on the status of both the Renminbi and the Euro.

Secondly, China and the EU both play an important role in international affairs. China, France and the United Kingdom are all permanent members on the UN Security Council, while Germany, France, the United Kingdom and Italy are members of the G7. China is the second largest economy in the world, and the largest development market and emerging market. Many EU member states rank among the world's heavy-weight economies. A large number of EU member states are also members of the NATO. All of this means that China and the EU together have an obligation to play an ever greater role in international affairs.

Thirdly, China and the EU have both expressed a



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2016 will mark China's turn to assume the presidency of the G-20. China will need to strengthen co-operation with the EU, which takes up 5 seats in the G-20 to jointly tackle global issues.

desire to co-operate politically within the G-20. The EU-China Strategic Agenda for Co-operation, signed in November 2012, states that “China and the EU will work to establish a more effective, rule-based, transparent, fair and rational system for international governance, with an emphasis on multilateralism and the central role of the UN in international affairs, with attention paid to the role of the G-20 and other multilateral organizations and platforms. The EU expects China to host the next G-20 summit to strengthen coordination at a multilateral level, particularly with respects to the G-20 and the World Trade Organization, and on issues of global economic governance.” Therefore, China-EU co-operation within the G-20 has played—and will continue to play—an important role in future China-EU relations.

There are also certain unfavorable aspects of China-EU co-operation in global governance, particularly in the pronounced differences in both sides' political systems and levels of economic development, as well as cultural and historic backgrounds. This means that China and the EU do not always share the same views on global issues, and therefore also unavoidably differ over the concept of global governance. For example, the EU places human rights before everything else (or at least adopts this stance on the majority of international issues), while China believes in ‘non-interference

in internal affairs’, and advocates the importance of respect for national sovereignty. Similarly, the EU values a transatlantic partnership very highly and echoes the US on many issues, while China is more concerned with the interests of developing countries and against resorting to power politics on issues relating to global governance. Furthermore, the EU wants China to assume greater international responsibility in global governance, while China regards itself as still a developing country, despite having long been ranked as the second largest economy in the world, one that will soon outstrip the dominant US economy.

There are even disagreements between China and the EU over the scope and areas involved in global governance. The EU believes that global governance should apply to all global issues, whereas China believes that it should be more restricted to global economic governance, and has reservations about its application in other arenas. This may explain why the term used in the 2020 Strategic Agenda is ‘global economic governance’, instead of ‘global governance’ more often observed in international usage.

Ways of strengthening the co-operation

Both China and the EU have a positive stance and attitude towards the G-20, and both are strong support-

ers of the organization's work. This positive attitude is one of the G-20's main success drivers, as well as the strength of the platform. It demonstrates the willingness and enthusiasm that China and the EU share to participate in matters of global governance, as well as constituting a political foundation for both sides to develop co-operation through multilateral mechanisms.

Recently, China-EU co-operation within the G-20 has focused on two areas: jointly promoting the UN's Post-2015 Development Agenda, and strengthening co-operation in the process of reforming the international financial system.

The UN's 'Post-2015 Development Agenda' follows the 'Millennium Project' as an important commitment to accelerating development. China is a developing country, but over the years, while focusing on developing itself, it has always lent as much assistance as possible to other developing countries in economic difficulties and assumed the associated international responsibilities. The EU, too, has a long history of providing substantial assistance to developing countries. Particularly when it comes to aid to Africa, the EU and China have accumulated a wealth of experience between them.

Helping developing countries throw off the shackles of poverty is one of the responsibilities of the G-20, and with the advancement of the Post-2015 Development Agenda, the organization's role in this area is expected to increase. China and the EU must, therefore, co-ordinate their stances within the G-20 more effectively, so as to provide both moral and financial support for the implementation of the Agenda.

The IMF's Resolution on Quota and Reform of the Executive Board, passed in December 2010, was expected to increase the credibility, legitimacy and efficacy of the organization. The G-20 has been instrumental

in the advancement of this reform so far.

IMF reform is undoubtedly beneficial to both China and the EU. However, it has yet to be approved by the US Congress, something with which China and the EU have expressed dissatisfaction on several occasions. The great possibility and indeed immediate necessity of strengthening China-EU co-operation in the process of international financial reform is therefore clear to see. If the USA continues to block this, China and the EU will need to circumvent it by working with other members of the IMF to propose other programs for reform.

In addition to extending co-operation in the two areas described above, China and the EU should exert greater influence over the G-20 presidency.

According to the G-20's current 'non-institutional' arrangement, the role of the country assuming the rotating presidency takes on greater importance. The presiding country can co-operate with the previous and the next presiding countries, as well as host the summit and other major conferences. It also has more of a say in determining the topics of the G-20 summit, and enhances its own international status by hosting the summit itself. When China takes on the G-20 presidency in 2016, it will need to communicate and consult more effectively with the EU in order to gain EU support for, and understanding of, a whole range of topics and agendas it plans to set.

The G-20 emerged due to the international financial crisis. Its purposes and capabilities ought to be adjusted and transformed, following the resolution of the crisis, as called for by the international community. But as to exactly how to make these adjustments and transitions, consensus is yet to be reached. On this major issue within the G-20, China and the EU need to provide initiatives and make constructive proposals in conformity with the interests of all parties. 