

Global Reordering and Multipolarity: The EU and China and Global Governance Reform

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The distribution of power in world politics is changing. New powers are emerging – perhaps we should now say have already emerged - that are altering the distribution of resources, goods and money around the globe. They are also seeking a greater say in the way that global issues are governed; indeed, some are challenging the basic principles that have underpinned global governance since at least the end of the Second World War. And it's fair to say that financial crises in the West (including the Eurozone crisis) have only served to increase the feeling that we are moving into a new historical epoch. Add to this the consequences of various forms of military intervention and continuing political turmoil in Europe's neighbourhoods, the changing nature of security challenges to states and individuals, and a picture of a very uncertain future – indeed, an uncertain present day – comes into clear focus.

Whilst not the only rising (or now risen) power, China has been marked out for special attention from those studying existing and potential global reordering. Perhaps it's a matter of size and scale. China already had the world's largest stock of foreign currency reserves before 2008, and emerged from the crisis with the three biggest banks in the world,¹ as the world's biggest exporter, and as the world's second biggest economy,² increasing its contacts with economies across the world in the process. Or perhaps it's a matter of size compounded by the speed at which China has emerged out of relative irrelevance to the functioning of the global economy. Economic reform might have started in the late 1970s in China, but it wasn't really until the early 1990s that China occupied a significant

¹ Measured by market capitalisation. See Wines, M. and Wong, E. (2009) 'An Unsure China Steps onto the Global Stage', *New York Times*, 1 April.

² In currency exchange rate dollars. It is widely assumed that China had long occupied second place in PPP calculations, and some calculations already place the Chinese economy as bigger than that of the US.

place in global investment and trade flows, and arguably it was not until around 2003 that China became “an issue of daily international importance” around the world.³

But perhaps its also because unlike the other rising powers, China is often seen as being intent on not just impacting on, but changing the global order. As Thomas Christensen notes, despite the myriad different interpretations of how far China has risen, how far it will rise, and the consequent benefits or threats to the global order, there is one important common position:

“scholars with diverse political leanings and varying levels of pessimism agree on this point. They believe that a rising China, especially an authoritarian one, will want to rewrite the rules of the current international order, not accommodate itself to those rules”⁴

And its not just external observers of China’s rise that expect such a challenge to emerge. For example, for the influential Chinese scholar Yan Xuetong, “the top strategic interest of a rising power is to establish a new world order”.⁵

Whilst trying to identify start or end dates of epochal change is always difficult, the global crisis has been widely perceived by both Chinese thinkers as marking a tipping point in global power transitions.⁶ And a number of external observers agree that it represents some sort of “turning point” in the nature of global governance.⁷ In terms of the specifics of the relationship between the EU and China, the crisis resulted in a big change in perceptions of the nature and significance of the relationship. In Europe, China increasingly came to be seen as not just a potential market and/or a production platform for European investors,

³ James Kyngé, *China Shakes the World: The Rise of a Hungry Nation* (London: Phoenix, 2009), p.6.

⁴ Thomas J Christensen (2015) *The China Challenge: Shaping the Choices of a Rising Power* (New York: Norton): 54.

⁵ Yan Xuetong, “From Keeping a Low Profile to Striving for Achievement,” *Chinese Journal of International Politics*, Vol. 7, No. 2 (2014), p.163.

⁶ Wang Jisi (2011) “China’s search for a grand strategy: A rising power finds its way”, *Foreign Affairs*, 90 (2): 68-79.

⁷ Maximilian Terhalle (2015) *The Transition of Global Order: Legitimacy and Contestation* (Basingstoke: Palgrave).

but as a potential source of inward investment into Europe as well, replacing lost European money and providing a potential “escape route from its debt crisis”.⁸

In China itself, the fact that China was now being expected – and indeed in some respects directly asked⁹ – to save global capitalism¹⁰ played an important role in feeding an understanding that a power shift had occurred/was occurring vis-à-vis the existing (crisis hit) powers.¹¹ With the exception of Germany which is perceived as the “pillar” of Europe,¹² Europe is in decline with both the ability to lead and also the “desire for power” of “traditional European powers” like Britain and France declining after the crisis.¹³ Moreover, alongside this material transition, the normative appeal of the European way was also seen as declining.¹⁴ As such, transitions in Europe, I suggest, played a significant role in changing perceptions in China of China’s place in the world, with with the conception of who was at which end of an asymmetric Europe-China global power relationship flipping on its axis.

In thinking about what this perceived power transition might mean for the roles (and relationship) of the EU and China in pursuing (or resisting) global governance reform, this paper has origins in the evolution of two different, though connected, research trajectories. The first is the findings of a major four year multi-partner research programme funded by the European Commission that studied Europe’s place in the changing international system – GR:EEN

⁸ The Economist (2011) “The Eurozone Crisis: China to the Rescue?”, *The Economist*, 29th October, available at <http://www.economist.com/blogs/freeexchange/2011/10/euro-zone-crisis-4> accessed 3 November 2011.

⁹ For example, by being asked to contribute to the Euro bailout fund. For a detailed account of how China responded to this request and the crisis as a whole, see Miguel Otero-Iglesias (2014) “The Euro for China: too Important to Fail and Too Difficult to Rescue”, *The Pacific Review*, 27 (5): 703-728.

¹⁰ Wang, Chong (2009) “2009 Nian: Zhiyou Zhongguo Caineng Jiu Zibenzhuyi 2009 年。只有中国才能救资本注意” (2009: Can Only China Save Capitalism). *People’s Daily Online Edition* (Chinese edition), 25 June. Available at <http://world.people.com.cn/GB/9538683.html> . [Accessed 27 June 2009].

¹¹ Qian Gang (2010) “How Should We Read China’s ‘Discourse of Greatness?’”, China Media Project, 23rd February, available at <http://cmp.hku.hk/2010/02/23/4565/> accessed 4th March 2010.

¹² Shi Yinhong (2013) “***”: 15. Lin Liming includes Russia as an exception as well.

¹³ Lin Liming (2014) “An Assessment of the International Strategic Situation in 2013”, *Contemporary International Relations*, pp19-20.

¹⁴ Feng Zhongping (2012)

(Global Reordering: Evolution through European Networks). The first is my own personal interest in the way in which China's role in, and impact on, the global order has changed over what is now more than three decades of studying China.

These two agendas come together to suggest that while it might be interesting to try and think what the global order will look like "When China Rules the World",¹⁵ there is no convincing evidence that this is going to happen any time soon. This is not to deny a real increase in Chinese power and influence, nor to ignore Chinese dissatisfaction with the status quo ante. But for the time being at least, the real and most likely changes to the nature of global governance emerge from changing hierarchies of power without replacing the USA as the predominant global power, and the contestation and negotiation within the existing order that this engenders.¹⁶

Moreover, the distribution of power is more fragmented and uneven than a conception of a single power shift between two powers suggests. Rather, than power transferring from an old hegemon to a new one, or even to a group of different new poles in the global order, different sets of actors appear to have different levels of authority, and different abilities to attract supporters and allies, depending on the specific issue at hand. It is not a question of whether others want to align themselves to China's or Europe's objectives for global governance reform *per se* (or for China and Europe to join a single coherent united group). Rather, the question is on which specific issue areas are different positions and objectives likely to coalesce (or not). Rather than thinking in terms of multipolarity, it is more useful to think of multiple sites of authority. And rather than just focus on the preferences and objectives of putative leaders for global governance reform, it is also important to consider the position of putative and potential followers on individual issue areas.

¹⁵ Martin Jacques (2009) *When China Rules The World: The End of the Western World and the Birth of a New Global Order* (London: Penguin).

¹⁶ Evelyn Goh (2013) *The Struggle for Order: Hegemony, Hierarchy and Transition in Post Cold War East Asia* (Oxford: Oxford University Press).

The GR:EEN Agenda

The post (possibly) global crisis context of change and uncertainty provided the starting point for the GR:EEN project. Our objective was to study how the EU could and should operate in this changing environment. It assessed how the EU could not only defend its own interests in the face of new challenges, but also proactively ensure that European values and objectives influence the way that the global order continues to evolve. We did this by first looking inwards to consider how European preferences for different forms of transnational governance emerge. The focus here was on how different (experimental) governance structures emerged in different policy/issue areas. We explained this by thinking about how different networks of interests first develop specific identities and objectives, then how they inform policy debates, and finally how this leads to concrete policies and regulations. To this end, we identified and mapped existing European networks in the public and private sectors, as well as European engagement with international organisations and transnational networks. We had a specific interest in how the EU developed flexible forms of experimental governance to incorporate different interests in individual policy areas rather than following a rigid “one size fits all” model. This provided an opportunity for actors to share different approaches to solving problems and to facilitate mutual learning to deal with contentious issues.

Having done this, the next step was to turn the research agenda from an inward to outward looking one – or more correctly, to combine these internal and external foci. Although our focus was on the EU as a global actor, we recognised, however, that the EU was not (and still is not) free to shape the world as it pleases. The initiatives and preferences of other powers – both existing ones and new emerging powers – will also clearly be key drivers of change. So too will be the response of “intermediate powers” and other global actors to the different (and at times competing) policy agendas emerging from different potential loci of global authority.

As such, while the core focus of the project was on how European modes of governance are constructed and externalised in different policy areas, we also

focussed on the provision of what we called “multipolar alternatives” to European preferences. As noted in the introduction our starting assumption was first, that the nature of alliances that coalesced to promote a specific interest or agenda (or to resist and veto the preferences of others) would vary depending on the specific issue at hand. And second, that the balance of power between different countries and/or regions and/or informal alliances of interests would also vary on an issue-by-issue basis.

Here research was focussed on the distribution of power and influence across key policy areas that affect the lives of everybody on the planet by undertaking three major comparative global public policy case study; on human rights and security, on energy and the environment, and on trade and finance). And of course what still remains in some respects an “ongoing” financial crisis provided the background context to all three as we sought to understand how the financial crisis might have damaged views of Europe and the “actorness” of the EU in much of the rest of the world.

As appendices one and two elucidate, the research consortium was made up of 16 partners – notably half of them from outside the EU. The project was divided up into six major research sub-programmes (known as Work Packages) alongside a foresight project, and management and dissemination functions. The following section is far from comprehensive, and covers only those findings that are most germane to the study of the EU, China and global governance reform.

A Multipolar World?

While the importance of rising powers was a key context that shaped our research from the very start, we also (from the start) were aware of the need to interrogate the relevance of the concept of multipolarity. The concept of polarity is a legacy of the Cold War, and when used rather bluntly, can imply states cohering around one or other pole of attraction. And states that are attracted to one pole stick to and with it and (by definition) are repelled by the alternative; the idea of blocs or camps of states with antithetical views and values. It is relatively easy to see how we get from bipolarity to unipolarity with the collapse

of the Soviet Union removing one of the Cold War alternatives. But as the predominance of the US declines and new alternative sources of ideas, values, preferences and power emerge and develop, does this presage the transition to a multipolar world?

Our collective findings suggest that while the concept of multipolarity is useful insofar as it is symbolic of a changing world order, the notion of poles as traditionally understood is rather problematic. This is partly because when trying to identify different poles – existing or potential – states are the main referent point. Our research recognised the residual importance of states as actors, and we in no way support the “hyperglobalisation” thesis associated with people like Kenichi Ohmae.¹⁷ But we do suggest that the focus on states needs to be modified in three main ways.

Power beyond the state

First, the importance of different forms of European and broader transnational networks that has been at the heart of our research project leads us away from a focus on states alone. For example, when taken together our study of networks, regulation and experimental governance provide considerable evidence that the EU’s efforts to extend its internal rules and governance processes are contributing positively to growing experimentalism in transnational governance. As a broad generalization, the evidence presented supports the view that the EU has had some success in promoting transnational experimentalism through networks – though not in all cases in all issue areas¹⁸ - and that ideas and preferences often flow through interaction through transnational policy networks, rather than through state-to-state interaction.¹⁹ This suggests the importance of focussing on those “policy entrepreneurs” that play a key role in

¹⁷ In some earlier work at least. Ohmae, Kenichi (1990) *The Borderless World: Power and Strategy in the Interlinked Economy* (New York: Harper Business).

¹⁸ Jonathan Zeitlin (ed) (2015) *Extending Experimentalist Governance? The European Union and Transnational Regulation* (Oxford: Oxford University Press).

¹⁹ Stephen Kingah, Vivien Schmidt and Wang Yong (eds) (2016) *The European Union's Engagement with Transnational Policy Networks* (London: Routledge).

advocating and spreading ideas and norms relating to global regulation through these networks.²⁰

We also found that in some areas, European knowledge carries legitimacy that creates a leadership role of sorts for European networks. For example, despite the fact that there is some suspicion in places like China that Europe tries to occupy a “moral high ground” when it comes to environmental issues, there is a wide acknowledgement that Europe has considerable capacity on environmentally related scientific issues. So here, any leadership (and legitimacy as a leader) that Europe has in the environmental realm is partly a result of the deliberate promotion of environmental strategies by the EU, but also partly a result of the expertise of European networks of scientific communities. We suggest that this knowledge base – as articulated through the relationship between scientific and policy communities – gives the EU normative power.²¹

Second, we recognise the importance of non-state commercial actors in shaping the way the world is evolving. If we return to China for an example, then it is clear that the way in which China’s state elites chose to re-engage the global economy from the 1980s has had a significant impact on global trade and investment flows. It was also used as evidence that “China is becoming a fourth pole in the international system” as way back as 1992.²² But if this was an example of China’s emerging power to change the world, it was a power that China could not simply wield on its own. It was also built on the investment and production decisions of major global companies, many of them headquartered in the US and Europe, and we might even argue was predicated in some ways on the purchasing habits and preferences of consumers in the west. If this is power, then the ability to change how, where, and at what cost global production occurs is at the very least shared between the (Chinese) state and major global companies.

²⁰ Len Seabrooke and Duncan Wigan (2016) “Emergent Entrepreneurs in Transnational Advocacy Networks: Professional Mobilization in the Fight for Global Tax Justice”, *International Organization*, forthcoming.

²¹ On European environmental leadership, see Jakub Godzimirski (2015) (ed) *EU Leadership in Energy and Environmental Governance* (Basingstoke: Palgrave).

²² Nicholas Kristoff (1992) “The Rise of China”, *Foreign Affairs*, 72 (5): 62.

Regions as Actors

Third, analyses of any global power configuration, whether a polar one or not, should consider the role and position of regions as originators and deliverers of values and policy preferences, rather than just states. To be sure, the “actorness” of various regions varies considerably. And notably, we started from the understanding that the study of regions should not be restricted to the study of the EU alone. Thus, our research highlighted the conditions under which other regions can exert influence in global politics – and how individual states can exercise leadership both *in* and *through* regional groupings. To do this, we established a common research framework for the study of all regions across the world based on a tripartite understanding of the essential bases of regional leadership; willingness, capacity and acceptance.²³

Here, though, it is important to distinguish between regions as actors, and regions as a means through which states exercise power and promote their interests. Put another way, does a region have an interest and/or ability to act that is not simply a reflection of the interest of the dominant regional power? Regional powers or hegemon has typically tended to refer to countries which possess a certain level of economic, military and cultural preponderance within a geographical region. The degree to which they dominate varies, and is subject to contestation from within the region. And this clearly remains an important component of any consideration of regional leadership today. However, we add to this the importance of an articulation of intellectual (alongside the material) capabilities in a struggle for ideational dominance. Leadership in this sense involves the capacity to influence the policy vision of fellow states so that they adopt, to varying degrees, the preferences of the regional leader. This is not a case of the outward imposition of one actors preferences over reluctant others, but rather an attempt to persuade others to share your view and thus the

²³ Luk van Langenhove (2012) The EU as a Global/Regional Actor in Security and Peace (Bruges: UNU CRIS), available at https://collections.unu.edu/eserv/UNU:1697/Final_Integrative_Report3.pdf, accessed 13th March 2013.

formation of common goals and processes of collective institution building independently of underlying economic interests and structures.

A conceptual problem emerges around the very basic question of identifying exactly what the region is in which a leader operates?²⁴ Different overlapping regions may exist from the micro to the macro-level and the leadership exercised can have different characteristics in each of them. Using China as an example again, this time of different overlapping regions, we can identify China's participation in, and perhaps potential leadership of:

- sub-regional projects in East and Southeast Asia (ASEAN-China Framework Agreement on Cooperation; Greater Mekong Subregion);
- a forum comprising of ASEAN, China, Japan and South Korea (ASEAN Plus Three);
- trilateral cooperation between China, Korea and Japan;
- an Asia-Pacific transregional grouping (APEC);
- an East and Central Asia grouping (the Shanghai Cooperation Organisation);
- a still evolving and unclear conception of territory and space built around the AIIB and/or the one belt one road initiatives.

This regional fuzziness generates three conclusions.

The first, quite simply, is the need to identify leadership across a range of regions **within** any given geographic area rather than just focussing on one manifestation of region. The second is that defining what the region is – or perhaps more importantly, could or should be – can be a significant source of regional power in itself. If we return to the above example of China's different regional identities and interactions, then Chinese preferences for an East Asia region (defined as ASEAN plus Three) might in part be because China can exert more influence in this region than in an Indo-Pacific region (that includes India and Australasia) favoured by others.

²⁴ Luk van Langenhove (2013) "What is a region? Towards a statehood theory of regions", *Contemporary Politics*, 19 (4): 474-490.

Finally, we need to refer back to the project's basic assumption about divergence in power capabilities and political alliances based on different issue/policy areas. On one level, we ask if a single understanding of region should be (or indeed, is) the site for effective governance across all issue areas. Does the environmental region, which might be shaped by transnational geographic features, necessarily correspond to an understanding of region shaped by military security concerns, or by trade and investment flows? We find that in many parts of the world, functionally discrete forms of regional cooperation exist amongst groups of partners that are not an exact map with major (larger) regional groupings and institutions.

A non-polar world?

More importantly for this paper, we found that the distribution of power is more fragmented and uneven than a conception of a polar world tends to suggest. By this we mean that there has not been a single power shift, nor is there likely to be one in the future. Rather, different sets of actors appear to have different levels of authority, and different abilities to attract supporters and allies, depending on the specific issue at hand. It is not a question of whether others want to align themselves to European interests *per se* (or anybody else's for that matter), but rather, on which issue areas are European positions either attractive, or does Europe have power and influence (or both)? Hence the concept identified in the introduction of a world less characterised by fixed groups or blocs than by rather fluid (sometimes overlapping) issue specific alliances. Of course some alliances may be more sustainable and across the board in nature than others. Japan's refusal to join the AIIB, for example, might be taken as a signal of the comprehensive and enduring nature of the Japan-US relationship. But at the same time, the fact that the UK led a move by other traditional US allies to join the AIIB might tell another story about the relationship between loyalty and pragmatism.

The very obvious conclusion from this understanding is that if we are trying to identify ways in which alliances might coalesce around different positions, we need to first identify what those different positions actually are, and then who

does (or is likely to) support them. Building on our analysis of the nature of regional power, we can extend this into the global level by focussing on willingness, capacity and acceptance – particularly, but not only, of those emerging powers that are widely thought to be challenging the nature of the existing global order.²⁵ Willingness as a concept might be straightforward, but should not be taken for granted. For example, there remains some doubt the extent to which China is prepared to take on the burdens and responsibilities that go with leadership.²⁶ And despite a more active global role in recent years, the promotion of “a new type of great power relations” by the Chinese leadership is as much about establishing the limits to what China should be expected to do as a great power as it is about asserting China’s arrival as a great power.²⁷

We will return to the question of capacity when we move to the specifics of EU-China relations; or at least to material capacities and potential power resources. But in some ways capacity and acceptance should be seen as two sides of the same coin; unless a putative leader is prepared to force and bully its leadership on others, its capacity to lead is in large part dependent on others’ desire to let it lead and to align themselves to its leadership. Or put another way, effective leadership (other than through coercion and force) is dependent on followership. As noted a number of years ago before the rise of China and the other BRICS was being seriously studied:

a leader-centered approach seriously distorts how we understand the nature of leadership in international politics. Focusing on the traits, interests, and capabilities of leaders and would-be challengers may tell us a great deal about which states are bound to be the most powerful in the international system at a particular historical conjuncture. But that approach tells us little about

²⁵ Stephan Kingah and Cintia Quiliconi (eds) (2016) *Global and Regional Leadership of BRICS Countries* (New York: Springer).

²⁶ David Shambaugh (2013) *China Goes Global: The Partial Power* (Oxford: Oxford University Press).

²⁷ Jinghan Zeng and Shaun Breslin, “China’s “New Type of Great Power Relations”: A G2 with Chinese Characteristics?” forthcoming in *International Affairs*, July 2016.

leadership, because it tells us little about the dynamics of followership -in other words, what drives followers to follow²⁸

And the inclination to follow often appears to be dependent on whether the leading power incorporates elements of the putative follower's interests and positions into its own agenda.²⁹ So rather than looking at what Europe might want or what China might want (and to see if there is common ground between them) European and Chinese initiatives – and those of other global actors as well. Their desire to align themselves to one or other's interests and initiatives (or not) will be crucial in establishing the extent to which these interests and initiatives will shape the evolution of the global order.

Multipolarity China and the Brics: One New Pole, Many or None?

Our research found that while the BRICS are increasing their power in the global order, most often at the expense of the non-US OECD, the systemic power of the US remains higher and more stable than is often asserted. Moreover, the BRICS do not constitute a single group. Rising powers share some traits: the size and magnitude of their economies, high growth rates, and frustration with the status quo. However, the paths to prominence of the different rising powers are fundamentally different, they occupy different power positions and draw on different combinations of sources of power. And while some regional rising powers like Brazil do seem to have the capacity to develop such leadership.³⁰ Comparing the leadership ambitions (and acceptance of them or not) of the BRICS sheds light on the nature of putative blocs in the global order that feed into our understanding of the nature of multipolarity (or the lack of it). It also sheds light on how the EU can best build alliances with regions and/or regional leaders to strengthen its position in this global order. For example, Brazil is one of the EU's strategic partners. Increasingly there would be greater scope for competition with the country in terms of access to markets in Latin America. In terms of economic aspects collaboration in the fields of avionics, renewable

²⁸ Andrew Cooper, Richard Higgott and Kim Nossal (1991) "Bound to Follow? Leadership and Followership in the Gulf Conflict", *Political Science Quarterly*, 106 (3): 395.

²⁹ Stefan Schirm (2010) "Leaders in Need of Followers: Emerging Powers in Global Governance", *European Journal of International Relations*, 16 (2): 197–221.

³⁰ Stephan Kingah and Cintia Quiliconi (eds) (2016) *Global and Regional Leadership of BRICS Countries* (New York: Springer).

energy and pharmaceuticals is highly advised. On the security front partnering with Brazil to deal with critical problems in the Western Hemisphere in the realm of drug trafficking would be worthwhile. As a regional leader within UNASUR and MERCOSUR, the EU cannot amply engage with these bodies without the commitment of Brasilia.³¹

The EU as a Coherent and Effective Global Actor (In a Non Polar World)

This understanding of the nature of the global order points to the importance of adopting flexible (and experimental) issue based approaches to considering the nature of European power and influence in the emerging global order. But we recognise that this approach – or perhaps more correctly policy reality – comes at a cost. And the main cost is a lack of coherence and consistency in European positions across policy areas, with our research showing that EU discourses on different policy domains often remain too isolated from each other. As one example, energy and security considerations have if anything become ever more deeply intertwined.³² But as the fields of energy and of security are subject to different political and policy-making logics, merging them represents a veritable governance challenge for the EU – and indeed, for other actors as well. This makes it harder for the EU to establish a firm and clear identity as an international relations actor, and harder for others to identify and understand what it is that the EU ultimately wants to do. It also adds to external confusion over where the real locus of power actually lies – or put another way, which part of Europe matters to other countries, and who they should call when they want to call Europe.

Moreover, there are a variety of different “voices of Europe” on the international arena.³³ This partly reflects the different competencies of a range of European actors. The main division identified is between four sets of actors; The Councils,

³¹ Melisa Deciancio (2016) “Brazil’s Leadership through Global Channels: Autonomy, diversification and acceptance” in Stephan Kingah and Cintia Quiliconi (eds) (2016) *Global and Regional Leadership of BRICS Countries* (New York: Springer):

³² Andreas Goldthau and Nick Sitter (2015) *A Liberal Actor in a Realist World: The European Union Regulatory State and the Global Political Economy of Energy* (Oxford: Oxford University Press).

³³ Caterina Carter and Jean-Frederic Moran (2014) “Struggling over meanings: Discourses on the EU’s international presence”, *Cooperation and Conflict*, 49 (4): 295-314.

The Commission, The High Representative (supported by the EEAS) and the member states. To this, though, they add a range of other voices that have specific authority on specific issue areas. For instance, the President of the Central European Bank or the President of the Eurogroup may explain the EU position in multilateral forums such as the International Monetary Fund, the G8 or the G20. We also acknowledge the growing institutional importance of both the European Parliament and the intervention of the European Court of Justice in shaping the EU's international discourse. On a very basic level, then, the EU has different levels of legal personality and engagement with different IOs ranging from member, participant, observer, attendant and absent.

The GR:EEN project started from the understanding that Europe has considerable levers of power and influence, but has to be proactive if it is not to be marginalized as others increase their own power and influence. This entails identifying and then utilising the most effective form of power and persuasion - military, diplomatic, economic, and normative – given the specific issue at hand. Given the nature of the EU as actor, it is not surprising that the first of these forms of power is considerably weaker than the latter three, marking the EU down as a very different sort of global power than other potential competitors of influence.³⁴

Perhaps not surprisingly, then, it is in the security realm that we see the biggest question marks against the effectiveness of EU levels of actions. This is, of course, partly to do with the residual authority that member states have chosen to retain for themselves on defence and security issues. Equally as unsurprisingly, our research confirms that the EU is today one of several centres of power in an evolving global trading system. The rise of the emerging economies has however required that the EU undertake a substantive shift in its role positioning, and performance, within the WTO and its multilateral trade negotiations since the

³⁴ Mario Telo (2013) "The EU: A Civilian Power's Diplomatic Action After the Lisbon Treaty. Bridging Internal Complexity and International Convergence" in Mario Telo and Frederik Ponjaert (eds) *The EU's Foreign Policy - What Kind of Power and Diplomatic Action* (Weycourt: Ashgate): 27-65.

mid-1990s.³⁵ A key context that underpinned our research project from start to finish is the on-going fallout and response to the Eurozone crisis, which has had far-reaching implications for European governance both inside and outside the EU borders. Research findings suggest that alongside the USA, Europe remains one of the two central nodes when it comes to global financial governance, and global financial reform.³⁶

However, this picture of continued European relevance does not always chime with external perceptions of a post-crisis Europe. And throughout the project, it was important to bring in outside perceptions to act as a way of mediating European “insider” perspectives on Europe’s global role. At the risk of oversimplification, we can identify four main conclusions from these outside in perspectives.

First, there was a tendency to emphasise harder sources of European power over softer ones. For example, the size of the European market (and restricted access to it) was seen as a much bigger source of power than European values and norms. Second, and there was a general air of scepticism that the real locus of European global power lies at the EU level rather than remaining in the hands of member states. The EU is, not surprisingly, seen to be weaker when individual member states pursue their own (and often conflicting) policy initiatives and preferences. And crucially, we need to think about how “Europe” manifests itself to (or interacts with) these external actors. The day to day business of cooperation, collaboration and regulation within the EU is not something that tends to make headlines or generate much interest in large parts of the world. It is only when the EU acts – or doesn’t act effectively – on matters of global significance that it tends to come under scrutiny. For example, during times of international crises. There is also evidence that Member States still tend to prioritise their national interest in their relations with major and emerging powers acting, at times, in competition with each other. What this means is that

³⁵ Megan Dee (2015) *The European Union in a Multipolar World: Emerging Roles and the WTO* (Basingstoke: Palgrave).

³⁶ Daniel Mügge (2014) “Europe’s regulatory role in post-crisis global finance”, *Journal of European Public Policy*, 21 (3): 316-326.

there is often a rather partial or even one-sided perception of the EU – but perceptions (whether right or wrong) play an important role in politics.

Third, and very much related, even when focussing specifically on the European level, there was confusion over the multiple sites of authority and/or technical competence that exists in the EU depending on the issue under discussion. And finally, the EU should not underestimate the impact of the financial crisis on the views of people in the rest of the world – on their perceptions of the EU's power in global affairs, on the appeal of Europe as a source of models for others to follow, and on Europe as a source of attractive norms and values. The ongoing failure, as it is widely regarded, to find an effective and final solution to crisis in Greece and elsewhere only serves to further undermine the idea of the EU as effective – even when it comes to getting its own house in order.

EU-China Relations and Global Governance Reforms

What does this mean, then, for the relationship between the EU and China in general, and the search for new and effective forms of global governance in particular? From a European perspective, a key task is not just to assume, but to try and identify exactly what key Chinese actors want from global governance reform. Here we return to the above noted importance of the willingness to lead – not necessarily to try and to rule the world, but to lead a push for reform. While it is not very easy to identify a clear Chinese vision for what a reformed global order might look like,³⁷ it is somewhat easier to find clear annunciations of dissatisfaction with the existing global order; both some of the norms and principles that underpin it and (perhaps most clearly) the distribution of power and authority within it.

For the time being at least, China seems less interested in promoting a clearly articulated grand strategy and a new set of universal values than it is in finding pragmatic solutions; primarily solutions to problems that it itself faces, but also

³⁷ Thomas J Christensen (2015) *The China Challenge: Shaping the Choices of a Rising Power* (New York: Norton).

at times to solutions facing others.³⁸ And the establishment of first the BRICS New Development Bank and then the Asian Infrastructure Investment Bank (AIIB) suggest that there really is a greater appetite in China to proactively establish institutions that reflect Chinese interests (and power resources), particularly when reform of existing institutions seems somewhat slow in reflecting China's new status. However, there have also been calls for China to increase its "institutional voice" (zhiduxing huayuquan 制度性话语权) and promote "norms, protocols and definitions" that challenge the basis of the existing order.³⁹ In general, there is certainly some evidence to suggest that "Xi's operating principle appears to be that Beijing should be wielding its newfound strategic heft in the manner of a traditional great power."⁴⁰ Albeit, as noted in the introduction, a great power that is going to have to try and get whatever it is that it really wants from under the shadow of US predominance for some time to come.

So if the first step is to study willingness, the second is to consider capacity. Here, we need to follow Lampton and separate out different dimensions of power.⁴¹ And rather than just looking for major categories of power such as military, economic and ideational as Lampton did, to further separate them out into different dimensions within each broad grouping.⁴² The third stage is to consider acceptance, informed by the basic understanding that both the ability and desire to push for change (and possibly ultimately assume leadership) is likely to vary across issue areas. So too is the likelihood of others to follow. Thus,

³⁸ See Gregory Chin and Ramesh Thakur (2010) "Will China Change the Rules of Global Order?" *The Washington Quarterly* 33 (4) pp. 119-138 and Li Mingjiang (2011) "Rising from within: China's Search for a Multilateral World and its Implications for Sino-US Relations" RSIS working paper no 225, pp.14-15.

³⁹ David Kelly (2016) "The CCP's Acceptance of Market Principles", in Scott Kennedy (ed) *State and Market in Contemporary China: Toward the 13th Five Year Plan* (Lanham: Roman and Littlefield): p.49.

⁴⁰ Canadian Security Intelligence Service (2015) *Brittle Might? Testing China's Success*, World Watch: Expert Notes series publication No. 2015-12-04, available at https://www.csis-scrs.gc.ca/pblctns/wrldwtch/2015/CHINA_2015_REPORT_ENGLISH.pdf, p.13

⁴¹ Lampton, D. (2008) *The Three Faces of Chinese Power. Might, Money, and Minds* (Berkeley: University of California Press).

⁴² One example is the way that Hu Angang and Men Honghua identified 23 different indicators of what they called "national strategic resources", and then quantified China's relative power in each category. See Hu A. and Men H. (2002) "The Rising of Modern China: Comprehensive National Power and Grand Strategy", <http://tinyurl.com/humen>

while we have already seen a number of western liberal economies supporting new Chinese initiatives in the provision of some global economic goods (through joining the AIIB), those same western liberal actors have rejected Chinese attempts to establish its position as the basis for discussions on cybersecurity.⁴³

Even those who share Chinese dissatisfaction with the existing order do so with different degrees of enthusiasm, and end up on opposite sides of policy cleavages on some issue areas.⁴⁴ So as noted above, the idea of a bloc of rising powers might actually get in the way of understanding how constellations of power are playing out in different policy arenas. It might be an over generalization to say that Chinese positions seem to have most acceptance when they offer a moderate reformist option from within the broadly defined global order (rather than fundamentally challenging it); but not too much of an over generalization. This means that in addition to trying to assess what China wants, and the power capabilities it has to try and get what it wants in different areas, it is also important to consider how others respond to Chinese preferences and their attractiveness and appeal vis-à-vis alternative visions and positions provided by others.

Conclusions: Potential for Partnership?

The nature of the EU-China high level strategic dialogue and the high level economic and trade dialogue, combined with the designation of the EU-China relationship as a “Strategic Partnership” can give the impression of a search for a single macro level relationship. But below these peak level relationships and almost on a daily basis, there are myriad different functionally discrete interactions taking place on a range of different policy issues. High-level diplomacy remains important – and in some ways perhaps more so to serve signalling functions to and with the Chinese leadership than is the case with other countries. But one of the logical conclusions of this paper is that the future

⁴³ Sonja Sceats (2015) “China’s Cyber Diplomacy: a Taste of Law to Come”, *The Diplomat*, 14th January, available at <http://thediplomat.com/2015/01/chinas-cyber-diplomacy-a-taste-of-law-to-come/>, accessed 16th January 2015.

⁴⁴ Liu Ming (2016) “BRICS development: a long way to a powerful economic club and new international organization”, *The Pacific Review*, 23 (3) forthcoming.

of EU-China relations will not follow a single path, but rather will result in different types of functional relationships depending on the issue area at hand, and the different constellations of power and interests that are found in each issue area. China will be a potential partner and also probably simultaneously a potential challenge to the realization of European interests for the evolution of governance forms, and the provision of global public goods.

However, arguably the biggest challenge to the development of effective European sets of relationships with China lies not with the nature of China as global actor, but the nature of Europe. China has been identified by a number of individual European states as a key economic partner, and possibly even the economic saviour identified in the introduction. Initially accessing the Chinese market, and now market access plus attracting Chinese investment, has been seen as a competitive process in a number of European capitals. This is partly because of what China has become in a relatively short period of time, but also because of what China is expected to become in the future. And it's not just a matter of Europe competing with other parts of the world to gain Chinese friendship and thus, it is hoped, material benefits. Individual European countries are competing with each other to become China's "best friend in the West".⁴⁵ China's intentions and power is not so much studied and assessed as assumed. And perhaps ironically, this assumption then becomes a key source of Chinese capacity through others treating it now as the global power and potential superpower they expect it to become in the future. Even without a Brexit (which will or wont have been decided by the time of the conference, but not at the time of writing), viewing China as an object to be competitively wooed does not auger well for the effective development of a European engagement of China over global governance reform.

⁴⁵ A term used during Xi Jinping's 2015 visit to the UK. See Tom Phillips (2015) "Britain has made 'visionary' choice to become China's best friend, says Xi", *The Guardian*, 18 October.

Appendix One

The GR:EEEN Research Consortium

Boston University – USA

Central European University – Hungary

Copenhagen Business School – Denmark

Facultad Latinoamericana de Ciencias Sociales – Argentina

Fundacion Para Las Relaciones Inter Nacionales Y el Dialogo Exterior – Spain

Instituto per gli Studi di Politica Internazionale – Italy

Nanyang Technological University – Singapore

Norwegian Institute of International Affairs – Norway

Peking University – China

United Nations University – Comparative Regional Integration Studies – Belgium

Université Libre de Bruxelles – Belgium

Universiteit van Amsterdam – Netherlands

University of Cape Town - South Africa

University of Warwick – UK

University of Western Australia – Australia

Waseda University – Japan.

Appendix Two

Organisation of the GR:EEN Research Project

WP1 - STOCKTAKING AND THEORY: EUROPEAN-ACTOR NETWORKS

(Coordinator: Leonard Seabrooke, Warwick/CBS)

Sub-Workpackage 1.1: European Union (Lead: UvA; Coordinator: Jonathan Zeitlin)

Sub-Workpackage 1.2: Transnational Business (Lead: CBS; Coordinator: Leonard Seabrooke)

Sub-Package 1.3: International Organizations (Lead: Warwick; Coordinator Leonard Seabrooke)

WP2 - THE EUROPEAN UNION AND GLOBAL GOVERNANCE: MULTILATERALISM IN AN EMERGING MULTI-POLAR WORLD (Coordinator: Mario Telò, ULB)

Sub-Workpackage 2.1: The EU as a Legitimate and Efficient Institutionalised Actor (Lead: ULB; Coordinators: Jean-Frédéric MORIN & Caterina CARTA)

Sub-Workpackage 2.2: The EU as a Civilian Power in the Making (Lead: ULB; Coordinator: Mario Telò)

Sub-Workpackage 2.3: The EU as a Laboratory for Deepening Multilateralism (Lead: ULB; Coordinators: Maria João Rodrigues & Eleni Xiarcogianopoulou)

WP 3 - THE ROLE OF REGIONAL LEADERSHIP IN MULTI-POLARITY (Coordinator: Luk van Langenhove, UNU-CRIS)

Sub-Workpackage 3.1: An assessment of regional influence (LEAD: UNU-CRIS; Coordinator: Philippe De Lombaerde)

Sub-Workpackage 3.2: The role of regional leaders in the region and at the global level (Lead: UNU_CRIS; Coordinator: Stephen Kingah)

Sub-Workpackage 3.3: The relations between the EU and regional leaders (Lead: UNU-CRIS; Coordinator: Luk van Langenhove)

WP4 - EUROPE AND GLOBAL PUBLIC POLICY 1: HUMAN RIGHTS AND SECURITY

(Coordinator: George Christou, Warwick)

Sub-Workpackage 4.1: Human Security Discourses: Europe, the United States, and China

(Lead: Warwick; Coordinator: George Christou)

Sub-Workpackage 4.2: EU Relations with the Middle East (Lead: FRIDE; Coordinator: Giovanni Grevi)

Sub-Workpackage 4.3: Networks and Local Voices: European Roles and Opportunities (Lead: FRIDE; Coordinator: Giovanni Grevi)

Sub-Workpackage 4.4: Radicalisation, Counter Terrorism and Human Security (Lead: Warwick; Coordinator: George Christou)

WP 5 - EUROPE AND GLOBAL PUBLIC POLICY 2 – ENERGY AND ENVIRONMENT

(Coordinator: Nina Græger, NUIP)

Sub-Workpackage 5.1: Internal characteristics of European countries and effects on the EU

(Lead: NUIP; Coordinators: Jakub M. Godzimirski and Nina Græger)

Sub-Workpackage 5.2: Global trends and their effects on EU energy and environmental governance (Lead: NUIP; Coordinator: Nina Græger)

Sub-Workpackage 5.3: Innovation, Integration, and Competition in and Through Policy Networks (5.3) (Lead: NUIP; Coordinators: Elana Rowe and Jakub Godzimirski)

WP6 – EUROPE AND GLOBAL PUBLIC POLICY 3: TRADE AND FINANCE

(Coordinator: Jonathan Zeitlin, UvA)

Sub-Workpackage 6.1: Extending Experimentalist Regulation? The External Dimension of Internal Market Governance (Lead: UvA; Coordinator: Jonathan Zeitlin)

Sub-Workpackage 6.2: Europe's Place in the Multi-Level Governance of Global Finance (Lead: UvA; Coordinator: Daniel Mügge)

Sub-Workpackage 6.3: Trading (Up) European Environmental and Labour Standards? (Lead: UvA; Coordinator Brian Burgoon)