

French President Hollande tours Asia as divisions mount between US and Europe over China

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French President François Hollande wrapped up a two-day visit to China Thursday aimed at deepening financial and strategic ties with that country, and preparing this month's Cop-21 climate summit in Paris. He is visiting South Korea today before returning to France.

Hollande's was the latest in a series of high-level state visits highlighting Europe's ever-closer relations with China. Chinese President Xi Jinping visited Britain last month to develop London as Europe's major offshore trading center for the renminbi, the Chinese currency, and German Chancellor Angela Merkel unveiled a series of major business deals only days ago, in her eighth trip to Beijing as chancellor.

Besides negotiating with Chinese officials on pollution targets to be adopted at the Cop-21 summit, Hollande and the accompanying French business delegation also signed multibillion-euro deals. They signed a €20 billion industrial agreement on nuclear waste recycling and pressed China to invest in French nuclear giant Areva, after it took large stakes in French utility Engie (formerly Gaz de France-Suez) and automaker PSA.

French officials also negotiated to increase Paris's role as an offshore renminbi trading center. French yearly foreign direct investment (FDI) in China hit €17.9 billion and Chinese FDI in France hit €4.3 billion in 2013. The availability of tens of billions of renminbi in French banks will allow investors to bypass the US dollar as they carry out international investment transactions.

Compared to earlier negotiations between French and Chinese officials, the escalating divisions between European and US strategy towards China were far more difficult to hide.

In March, the major European powers including France defied Washington's call not to join China's \$50 billion Asian Infrastructure Investment Bank (AIIB). The AIIB was part of a broader Chinese project announced late in 2013, known as the Silk Road Economic Belt or "One Belt, One Road" (OBOR) initiative. This is an enormous plan for as much as \$1.4 trillion of investment in rail and road infrastructure to create a rapid-transit overland route from China across Eurasia to European markets via Russia, Central Asia, the Middle East, and Eastern

Europe.

This week, Hollande was silent on the US "pivot to Asia" aimed at encircling China. He offered no public support to the United States, a NATO ally of France, in the current explosive standoff between the US Navy and Chinese forces in the South China Sea.

In its account of Hollande's visit, however, China's *Global Times* newspaper praised France's support for OBOR: "The two countries have made an effort to join hands in exploring third-party markets under the 'One Belt, One Road' initiative, capitalizing on their technological and financial strength in the global economy."

This comes amid escalating European criticisms of US policy towards Russia over the Ukraine crisis. Hollande has repeatedly warned that NATO could provoke "total war" with Russia; last week, former French President Nicolas Sarkozy traveled to Russia and publicly attacked financial sanctions that Europe adopted against Russia under US pressure. These sanctions cut across French interests, like the large-scale investments in Russia of French oil corporation Total.

Such criticisms align French policy more with that of that of China, however, which last year offered to extend a lifeline of credit to Russia to help it evade the sanctions.

It is ever clearer that US-Europe differences over China's AIIB/OBOR projects reflected not only diverging financial policies, but also escalating strategic conflicts between US imperialism and its European rivals. The US "pivot to Asia" has led sections of the European ruling class to consider developing closer strategic ties with China at the expense of their relations with the United States.

China's OBOR initiative towards Central Asia and Europe initially was a response to the "pivot to Asia" announced by the Obama administration in 2011. As China looked to the Pacific Ocean and its maritime trade routes via the Indian Ocean to its energy sources in the Middle East, it faced a coalition of hostile powers assembled by Washington including Japan, Australia, the Philippines, Vietnam and India. Vastly outclassed in terms of naval strength, the Chinese regime decided instead to develop overland trade routes in Eurasia.

By launching OBOR in 2013, Beijing was returning to a strategy it had considered ever since shortly after the dissolution of the Soviet Union in the 1990s. In that decade, Beijing developed plans for Chinese land routes to the Middle East, such as the “Pan-Asian Global Energy Bridge” proposal. These plans were suddenly blocked, however, by the US invasion of Afghanistan in 2001 and the resulting exertion of US influence in Central Asia.

Amid the deepening crisis of global capitalism, after 14 years have gone by and Washington has largely withdrawn from Afghanistan, China’s OBOR plans take on far greater significance. While US imperialism’s relative economic position is vastly weaker since the 2008 crash, Chinese capitalism now also faces a weakening economy and is desperate to find economic outlets for its goods. At the same time, as Europe faces its own intractable economic crisis, European imperialism is increasingly dependent upon its lucrative ties with China, as illustrated by Hollande’s visit.

As a result, geostrategic tensions have surged. After US military standoffs with Russia over Syria in 2013 and Ukraine in 2014, and China over Korea in 2013—governments around the world have begun contemplating the danger of global war between nuclear-armed powers.

Now, sections of the Chinese ruling elite are starting to float proposals to develop alliances with European Union (EU) countries against the United States.

In an October 27 piece bluntly titled “Ties with EU can offset US-Japan alliance,” the *Global Times* wrote: “China now has the initiative in Sino-European relations. It is more than a coincidence that three major European heads of state have met with China’s top leader within a month. The US media never ceases wringing their hands or blaming Europe for giving up their ‘principles.’ The Americans’ wrath stems from their jealousy over Europe’s bigger determination to engage in an amicable relationship with China.”

Such remarks are a warning to the international working class of the bankruptcy of the existing social order. Contradictions of cataclysmic proportions, rooted in the contradiction between the development of the productive forces and the irrational character of the nation-state system, are emerging in the structure of world capitalism.

There are, of course, enormous obstacles to the rise of a hypothetical China-EU alliance: the NATO alliance between the United States and Europe, the instability of the regions China is trying to unite with OBOR, and the divisions inside Europe itself. The *Global Times* admitted, “China should note that US-Europe relations are far from as bad as we think, and the so-called rivalry among the UK, Germany, and France for China’s favor is not as reliable as we expect.”

The fact remains, however, that China and various European powers are for now collaborating against Washington’s wishes in planning the embryo of the transport and financial infrastructure necessary to unite the Eurasian landmass into an

economic unit. Such an entity, were it to develop, would not only face the United States as its only significant geostrategic rival, but also decisively outclass the United States in population and industrial strength.

One of the central dangers emerging from the current US-EU divisions over China is the risk that these contradictions will explode into war—in particular, as US imperialism seeks to avoid being relegated to second-class status. Indeed, it has long been a central goal of US foreign policy to prevent at all costs the uniting of the Eurasian landmass.

The need to act aggressively to prevent such an outcome was one of the main themes of former US National Security Advisor Zbigniew Brzezinski’s widely read 1997 book, *The Grand Chessboard*.

He warned of the rise of economic power on both ends of the Eurasian continent: “the issue of how a globally engaged America copes with the complex Eurasian power relationships—and particularly whether it prevents the emergence of a dominant and antagonistic Eurasian power—remains central to America’s capacity to exercise global primacy... Eurasia is thus the chessboard on which the struggle for global primacy continues to be played.”

In a 2005 article, the US geostrategic analysis firm Stratfor cited US fears of a Russian-dominated Eurasia as a reason for Washington to seek to dismember Russia. “The Soviet Union also came as close as any power ever has to uniting Eurasia into a single, integrated, continental power—the only external development that might be able to end the United States’ superpowership. These little factoids are items that policymakers neither forget nor take lightly... US policy towards Russia is as simple as it is final: dissolution,” it wrote.

Today, the danger is surging that the major powers will employ even more aggressive policies, as they face an escalating crisis for which they have no progressive solution.



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