Despite South China Sea crisis, EU deepens relations with China

Alex Lantier 14 July 2016

On Tuesday, as a UN tribunal in The Hague issued an explosive ruling declaring Chinese territorial claims and island construction in the South China Sea to be illegal, the two-day 18th EU-China summit was drawing to a close in Beijing. The contrast between the South China Sea ruling, on a case filed against China by the Philippines with US backing, and talks between European Union and Chinese officials, was stark.

Tuesday's ruling set up a dangerous military standoff in the South China Sea, as the US deployed warships and China threatened to declare an air defense identification zone over contested islands.

The EU, represented by European Council President Donald Tusk and European Commission President Jean-Claude Juncker, pursued a very different agenda in talks with Chinese Premier Li Keqiang. It laid out harsh demands, such as cuts to Chinese industrial capacity that would entail the sacking of millions of Chinese workers, particularly in the steel industry. Yet, while EU officials echoed US demands that Beijing adhere to a "rules-based international order," they pointedly refused to endorse US-Filipino claims against China in the South China Sea.

Instead, as they deepened the EU's integration into Chinese infrastructure projects, which are opposed by Washington, such as the Asian Infrastructure Investment Bank (AIIB) and the One Belt One Road (OBOR) pan-Eurasian transport and energy infrastructure project, EU officials described China as a key geo-strategic partner in some of the world's most contentious and volatile flashpoints.

"Today's meeting gives us the chance to demonstrate the strength of our Strategic Partnership," Tusk declared at a press conference in Beijing. "The European Union looks forward to closely work with China to resolve international conflicts and address foreign policy priorities....Building on the positive experience of the Iran nuclear talks, we are confident there is much we can contribute to peace and prosperity around the world, especially in Syria, Iraq, Afghanistan or Africa."

At the same time, EU officials are making clear that they hope to remain neutral in the escalating conflict in the South China Sea between China and the United States.

After mentioning the South China Sea ruling, Tusk concluded his remarks with an unambiguous endorsement of EU-China ties, declaring: "Today's summit should send a message to our people and to the rest of the world of our joint commitment to our Strategic Partnership."

Li said that China was safeguarding international law by ignoring Tuesday's ruling and settling disputes in line with the pre-existing Declaration of Conduct of Parties in the South China Sea.

Chinese Ambassador to the EU, Yang Yanyi, told *Euractiv.com* that China sought EU "neutrality" in the dispute: "We do have our share of concerns about the real root cause of the continuing tension in the South China Sea, serious provocation by the US... The United States has been asserting that it is against actions to militarize the South China Sea. Yet it has been sending more and more military vessels and aircraft in close proximity to China's coastal waters, making it a grave threat to China's security on land and sea, and threatening to escalate tensions in Asia."

Last week, as EU foreign policy chief Federica Mogherini presented the European Parliament with a key strategy paper, entitled "Elements for a new EU strategy on China," she noted that, "our Union is not taking sides on specific territorial claims in the South China Sea."

Jan Gaspers of the Berlin-based Mercator Institute for China Studies warned, "An increase in tensions in the SCS [South China Sea] will further increase the pressure on EU member states to clearly position themselves with regard to the disputes. However, taking a firm position would either harm relations with the United States and partners in the region or—much more likely—cause tensions

with China."

The Obama administration's "pivot to Asia" and its stoking of conflict with China have caught the EU in insoluble contradictions. While the latter relies on US imperialism as its key military ally in NATO, Washington is pressing it to take a hostile stance against both Russia and China, a position that is opposed in many EU capitals. In response, broad sections of the European bourgeoisie, led by Berlin, are reconsidering their strategic relationship with Washington.

Most explicitly, German Foreign Minister Frank-Walter Steinmeier issued a sharp attack last month on US foreign policy, notably in Iraq and the Middle East. He said, "Not only did the Bush administration fail to reorder the region through force, but the political, economic, and soft power costs of this adventure undermined the United States' overall position." He also denounced US-led military exercises in Eastern Europe as "loud saber-rattling and war cries" aimed at Russia.

A major force driving the EU's more independent foreign policy is the deep economic and political crisis of European capitalism, particularly in the aftermath of Britain's vote last month to leave the EU. As Europe faces economic collapse due to ongoing austerity attacks on workers' living standards and the prospect of a fall in British-EU trade, powerful voices inside the EU are calling for reorienting EU trade and foreign policy towards a far closer alliance with China. This would, inevitably, draw Europe into an intractable conflict with Washington.

The *EU Observer* noted, "Brexit pressures have potential to amplify discouraging trends in world trade and investment....The UK's actual exit from the EU could reduce China' strategic benefits from deepening economic ties between London and Beijing, but it would elevate stakes and opportunities in China-EU cooperation."

Chinese officials for their part expressed keen interest in a planned €300 billion EU infrastructure project spearheaded by Juncker. Diplomat Wang Yiwei told the *South China Morning Post*: "There is huge potential to connect the Juncker plan with 'One Belt, One Road."

Mogherini's recent paper on EU-China strategic ties called for supporting the AIIB and other Chinese investment projects, declaring: "The aim should be to help build sustainable and inter-operable cross-border infrastructure networks in countries and regions between the EU and China." It cryptically added, "Behind the major 'One Belt, One Road' initiative lie largely

economic and domestic considerations, but there will be major geo-strategic consequences."

Mogherini chose not to spell out what these "major geostrategic consequences" would be. However, it is an open secret that Washington views the integration of the Eurasian landmass as a mortal threat to the establishment of its world hegemony in the wake of the dissolution of the USSR. The major consideration behind two and a half decades of US wars in Afghanistan, Iraq, and beyond has been to assert unchallengeable US control over Eurasia.

In 1997, former US National Security Advisor Zbigniew Brzezinski warned, in his book *The Grand Chessboard*, about the need to prevent the unification of Eurasia against Washington: "... 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."

These conflicts point to the global geo-strategic calculations underlying the militarization of European politics—above all, Berlin's decision to abandon the policy of military restraint it had pursued after the defeat of the Nazi regime in 1945, and to launch a major rearmament drive. As the conflicts between the major powers reach unprecedented intensity, and the danger of war is posed on all sides, the European imperialists are determined to assert their independent interests.

This year, for the first time, Germany is joining the USled RIMPAC naval exercises in the Pacific Ocean, joining not only US but also Chinese, French, and Italian vessels.

Explaining in a speech last month why European warships had to return to Asia, French Defense Minister Jean-Yves Le Drian said: "The question of stability in the Asia-Pacific is not...a theoretical question. It is a concrete subject that occupies an entire section of my ministry in terms of strategic planning, monitoring regional developments, dialogue with partners, intelligence activity, planning, and the conduct of operations."



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