

EU–US tensions mount after EU signs trade deal with China

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The trade agreement European Union (EU) officials reached with Chinese President Xi Jinping on December 30 has vastly intensified EU–US tensions. The deal was reached as Joe Biden is to take office in Washington, calling to build a “bloc of democracies” to confront Russia and China. After the EU–China deal, however, it is clear that powerful forces in the European bourgeoisie, their faith in the NATO alliance with America undermined after Trump’s presidency, intend to pursue a policy conflicting with Washington.

Washington’s catastrophic “herd immunity” policy on the COVID-19 pandemic, the debacle of the US presidential elections, and Trump’s refusal to acknowledge his election defeat are setting explosive international conflicts into motion—including inside NATO itself.

The EU and Beijing had discussed this deal since 2012 and, the Swiss *Neue Zürcher Zeitung* wrote, “in autumn it seemed unlikely due to many differences.” But after the US elections in November, it emerged on December 18 that the EU had taken “a political decision in principle” to clinch a deal. By all accounts, this was done in just two weeks thanks to heavy personal involvement by German Chancellor Angela Merkel—assisted by her former defense secretary, EU Commission President Ursula von der Leyen, and French President Emmanuel Macron.

Officials of the incoming Biden administration protested and sought to mobilize their supporters in Europe to halt the deal. On December 22, Biden’s choice for US National Security Advisor Jake Sullivan tweeted: “The Biden-Harris administration would welcome early consultations with our European partners on our common concerns about China’s economic practices.”

With US influence in the EU undermined by London’s Brexit from the EU, it fell to the far-right Polish regime to criticize the deal. Polish Foreign Minister Zbigniew Rau said the EU should consult with Washington: “Europe should seek a fair, mutually beneficial Comprehensive Agreement on Investment with China. We need more consultations and transparency bringing our transatlantic allies on board.”

EU officials ignored these objections, however, agreeing to the deal just before Germany’s EU presidency concluded at the end of 2020. With France now in the rotating EU presidency, its details are to be finalized by 2022.

The deal is a bid by European corporations to increase their share of the profits extracted from the Chinese and international working class at the expense of US rivals and of China’s own Stalinist bureaucracy. It allows European automobile, transport and medical equipment, energy and financial industries unprecedented access to Chinese markets. It also limits China’s state-owned enterprises’ ability to compete with European firms. China committed to ratify ILO Fundamental Conventions on Forced Labor—apparently in response to allegations over Xinjiang.

US officials fumed at the deal to the *Financial Times*. “Jake’s tweet was very, very careful in the text but the message was unmistakable. ... Jake basically said ‘hey slow things down,’ and that’s not happening,” a former Obama administration official said. “By any measure it’s a setback.”

EU officials are bitterly divided over the deal. While EU Trade Commissioner Valdis Dombrovskis called it “the most ambitious outcomes that China has ever agreed with a third country,” several EU officials denounced it. EU Parliament delegation on China chair Reinhard Bütikofer—a Green Party official and ex-Maoist—called the deal with Beijing a “strategic mistake.” He tweeted: “Should we really help Xi Jinping, showing Joe Biden the middle finger?”

French EU parliamentarian Raphaël Glucksmann, the son of post-1968 Maoist “New Philosopher” André Glucksmann, also denounced the deal. Echoing US National Security Council spokesman John Ulyot’s criticism that its measures on Xinjiang are “not accompanied by strong enforcement and verification mechanisms,” Glucksmann said: “No external witness can enter factories exploiting Uighur slaves. So it is all just talk.”

Glucksmann’s outbursts are reactionary propaganda. His moral outrage is inevitably in direct proportion to the size of the profits the NATO powers aim to extract from the region

involved—be it the Caucasus, Syria, and now China. His denunciations of prison camps in Xinjiang, taken straight from CIA talking points, is all the emptier in that it accommodates itself quite well to mass refugee prison camps the EU is building across the Mediterranean and the Balkans.

In contrast, as Beijing seeks allies against Washington, the Chinese state press held out hopes that the deal would gradually relieve tensions, restrain US threats against China, and ensure a peaceful future for world capitalism.

The *Global Times* wrote, “The reason why many Western media outlets keep a close eye on the deal is the timing, or we can say regarding its influence on the China-US relationship over the next period. ... If China and the EU reach free trade agreements, that would mean much closer connectivity between Europe and Asia. Thus, in terms of economy, this will be consolidating the foundation of globalization. Once the base of globalization is safeguarded, moves for prevailing confrontation and a new Cold War will lose their motivation.”

In fact, the pandemic is a trigger event that has massively intensified intractable international and class conflicts of global capitalism. The rising economic weight of Asia and China cannot be accommodated within this outmoded system, whose bankruptcy has been exposed by the failure to contain COVID-19 by the wealthiest countries of Europe and North America—who then spread lying war propaganda blaming China for deaths from the disease. The only force that can avert catastrophic conflict is the revolutionary mobilization of the international working class.

Far from stabilizing world politics, the China–EU deal is inflaming historically rooted conflicts between US and European imperialism that erupted in two world wars in the 20th century. The 1991 Stalinist dissolution of the Soviet Union fatally undermined NATO by depriving it of its common enemy. Inter-imperialist conflicts over the division of the spoils in the neo-colonial wars of the subsequent decades across the Middle East and Africa have now reached a fever pitch.

In 2015, the EU countries bucked US opposition and signed up for China’s Asian Infrastructure Investment Bank (AIIB) to fund Beijing’s massive Belt and Road Initiative (BRI) infrastructure projects. This decision testified to the collapse of US economic and geopolitical influence, which continues to this day.

Since Merkel reacted to Trump’s election in 2016 and his threats to boycott German car exports by declaring in 2017 that Europeans “have to fight for our own future ourselves,” tensions have kept mounting inside NATO. The EU powers are chafing at sanctions Washington tries to use to lock them out of Iran, Russia and now China, by threatening these

countries with trade war or outright military conflict. Now, even as it lets COVID-19 ravage the working class, the EU is diverting billions of euros to re-militarize and prepare a more independent foreign policy.

Europe will not “let itself be trapped in a hard conflict with China,” *Le Monde* wrote of the latest deal, adding: “The chancellor knew the opportunity was unique: Germany’s [EU] presidency gave her the necessary energy and authority; the transfer of power in Washington gave a window of opportunity that could close once Joe Biden was inaugurated, on January 20, 2021. This year, the COVID-19 pandemic strengthened the view in Germany that it is urgent to reinforce European ‘sovereignty,’ especially on health and technology, amid the Beijing-Washington showdown.”

Writing in *Foreign Policy*, Noah Barkin—a fellow at the German Marshall Fund of the United States think-tank—warned of the EU–China deal’s implications. He wrote: “It is hard not to view it as a geopolitical gift to Beijing and slap in the face to an incoming Biden administration that has vowed to repair trans-Atlantic ties and work more closely with Europe on the strategic challenges posed by China.”

Significantly, Barkin added that Berlin had concluded from the 2020 US election crisis that it must guard against a collapse of NATO by developing strategic links to powers Washington targets for war and regime change.

He wrote, “Trump did lose to Biden in November. But the number that truly reverberated in Berlin, I am told, was not the 306 electoral votes that put Biden over the top but the 74.2 million votes that Trump received. Trump may soon be gone, but his followers are here to stay. It is only a matter of time before someone else takes up his nativist battle cry. Against this backdrop, the only responsible path forward, in Merkel’s view, is to hedge.”

Those arguing that an EU–China “hedge” against a disintegration of NATO will prevent catastrophic wars and loss of life are however placing heavy bets against history. The fight against war, like the fight to halt the COVID-19 pandemic, falls to the international working class.



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