Reviewing the EU-China Foreign Affairs: The case study of the EU arms embargo on China

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ABSTRACT

The thesis analyses the EU arms embargo on China and the reasons why this sanction is in place since 1989. The arms embargo case characterizes the EU-China foreign relations also in general and in order to understand the real background behind this case, historical institutionalist perspective and path dependence theory is used. The thesis acknowledges two different paradigms – normative power and security –, which are the two possible options justifying the existence of the ban. The study observes these paradigms closer and uses interviews with the Chinese and European experts, official documents and opinions of other researchers in order to come to a result of which paradigm is more prevalent in this issue.

The thesis concluded that the EU arms embargo on China used to be justified more by the normative power paradigm and worry about the human rights, but it has gradually become a security paradigm, especially after 2005, when the EU had almost decided to lift the arms sales ban, but the US advised not to. At the end the thesis elaborates in which conditions the embargo could become abolished and the conclusion was that it depends on the political alliances, the gains and political risk at stake.

Keywords: EU arms embargo on China, EU-China foreign relations, path dependence theory, the United States
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1. INTRODUCTION

This chapter presents the research problem of the thesis and the background of the issue. It also introduces the specific research questions and the aim of the whole study and ends with disposition.

1.1 Background

China is the most important source of imports for the EU and second largest trading partner, while the EU is China’s biggest trading partner. However, the EU-China relations go far beyond from only trade relations, comprising security, political and strategic dimensions. Diplomatic relations between the EU and China were first launched in 1975 and the first bilateral agreement was signed in 1978. The Trade and Cooperation Agreement has been in effect since 1985 and overall the 1980s can be described as a rapid developmental stage in relations between China and the EU, which was to some extent slowed down by the Tiananmen incident in 1989, when the massive pro-democracy demonstration was violently repressed by the Communist Party. The EU set an arms embargo on China on 27 June 1989 and the political relations were frozen until 1994 (European Commission Memo 1995). In 1994 the European Commission adopted the policy paper ‘Towards a New Asia Strategy’ and until now it seems that the relations have been developing in a gradually faster speed. By 2014 the EU and China have been Strategic Partners for 11 years. There have been numerous cooperative programs and projects between China and the EU. However, the discussion about the Partnership and Cooperation Agreement was already launched in 2006 (EU Communication– EU-China: Closer partners, growing responsibilities, 2006), but the agreement has still remained unfinished. When analyzing more in depth, it becomes clearer, that the relations between China and the EU have not been placid and one of the references to that has been the arms embargo, which by the beginning of June 2014 has stayed in its place for already 25 years.

During those years China has become one of the leading players in global economy and has remarkably increased its political power. At the same time the EU has significantly expanded its borders, but has also found itself in its greatest political and economic crisis since its establishment and struggles with finding an effective model of political governance. However, when all the other sanctions that the EU placed against China after the Tiananmen crackdown
have been revised, the arms embargo has remained unchanged. The fact, that both China and the EU are global players adds importance to the embargo issue.

1.2 Research aim and purpose

The thesis aims to shed light on some of the factors that would explain why the EU arms embargo on China has been kept alive and give an assessment in which conditions the EU could abolish the embargo. The thesis also defines the EU paradigms justifying the existence of the arms embargo, which might be important in general for understanding the background of the EU-China partnership and its shortfalls. This research also aims to contribute to the analysis of the China-EU relations and the conceptual gaps setting limits to their strategic partnership.

The case of arms embargo is a great example for illustrating the issues in foreign affairs between China and Europe, as there has been much criticism towards the EU for not having a clear vision or comprehensive strategy of its role in China. This study tries to understand the content of the paradigms that the EU is using to keep the arms embargo in place. The thesis brings out two paradigms – the security and normative power – and is defining the most important actors influencing this case, namely China, the most powerful EU member states Germany, the United Kingdom and France, and the United States, and is approaching the stances of these actors separately. The thesis is firstly observing the two paradigms and then questions, whether they are the real justifications against lifting the arms sales ban or whether they carry more a symbolic and formal explanatory role. At the end it is estimated which changes in the EU-China relations might most likely lead to a new solution in the 25-year old saga over the arms embargo on China. This case study is based on qualitative primary and secondary data and the analysis is conducted from the historical institutionalist perspective and path dependence theory.

1.3 Research questions

The research problem is addressed by the following research questions:

Main research question:

1. Why is the EU arms embargo on China still in place?
Sub-questions:

1. Which EU paradigm justifies the existence of the arms embargo on China?
2. In which conditions could the arms embargo potentially become lifted?

1.4 Disposition

The thesis is structured into six chapters. Chapter 1 has introduced the research problem, research questions and the aim of the thesis. Chapter 2 gives an overview of the research done on similar issues and discusses how this thesis can contribute to the previous research. Chapter 3 explains the methodology used in order to reach the results. Subsequently, chapter 4 presents the theoretical framework and shows how it suits for the analysis of the data. In chapter 5 the main findings of the fieldwork are analyzed, which eventually leads to the answers of the research questions. The final chapter presents and summarizes the main findings.
2. LITERATURE REVIEW

The aim of this chapter is to introduce previous research done on this topic and find the position for the present thesis among other studies. It also brings out the contribution of this study to the existing research.

There are lots of publications and articles about the EU-China relations more generally, where the arms embargo is usually brought out as one of the issues between China and the EU and which provide good general overviews about the arms embargo topic in EU-China relations (Kerr & Fei, 2007; Verdun, 2008; Dong, Wang, Dekker, 2013). In addition, there are analysis from different authors about the conceptual gaps in human rights, freedom, democracy and strategic partnership hindering the communication between China and the EU (Pan, 2012; Men, 2011). However, there is not too much in-depth research done about the arms embargo case. May-Britt Stumbaum could be brought out as one of the scholars, who has done a more thorough study, in which she has explained the indetermination about the arms embargo as a variable depending on four independent variables, which are: the role of national parliaments, public opinion and media coverage, economic interests shaping the government’s agenda, and foreign actors, such as the US and China for instance (Stumbaum, 2009: 19). Another author that should be brought out is Scott A. W. Brown, who has focused on the role of the UK and France in the arms embargo case and on analysing their perceptions of external reality influencing their standpoints (2011). Oliver Bräuner has done research on European technology exports to China and asserts that the EU lacks effective strategy in that field. He also observes the history of military transfers before and after the Tiananmen crackdown and analyses the issues the EU has with the term ‘dual-use’ technology (2013).

The present thesis takes both previously mentioned aspects – the factors influencing the EU’s decision-making in the arms embargo case and the conceptual gaps in the EU-China relations, focusing on the arms embargo issue in depth and trying to find the paradigm that the EU has been using in order to contest the existence of the arms embargo and discuss which sort of change in the arms embargo case might lead to the abolishment of the ban.

There seems to be also two major topics among scholars that are emphasized in the arms embargo case. The majority of the authors, who have written about the arms sales ban, such as Jing Men (2011) and Chi Zhang (2012), have been focusing on the human rights issue, which was the main reason, why the EU set the embargo on China in 1989, and which the Chinese
government has not been able to improve enough. However, there are also some scholars, who have turned more focus to the security issue in the arms embargo case and the EU’s role in East Asian security balance (Putten, 2009; Brown, 2011). In addition, there has been quite a lot of discussion about whether the EU-China arms trade would intensify, if the embargo became lifted (Erickson, 2011; Putten, 2009; Bromley, 2012). On the one hand, it has been asserted that since the EU has the Common Position and national export policies in effect, the EU-China arms trade would not become affected by the abolishment of the ban. One the other hand, there have been also opinions, that without the embargo, the European arms technology manufacturers would start pressurizing the export policies in order to gain more access to the Chinese market (Putten, 2009: 8). The aim of this thesis is to debate over both of the topics and give an assessment firstly about the effectiveness of the arms embargo on China, and secondly dissert, whether the security or human rights issue is more important and constructs a paradigm justifying the existence of the ban.

The statistical part of the thesis about the EU arms transfers is mostly based on SIPRI’s data, and research done by Mark Bromley (2012) and Jennifer L. Erickson (2011) helped to find proof to the connectedness of the EU’s arms export and its normative power and human rights requirements. The role of the United States in the triangular relationship with the EU and China is well brought out by David Shambaugh (2013), who takes a realist stance in describing the EU-China-US mutual influences.

The results of the thesis aim to contribute to the understanding of political stability and political change in institutions and international relations and shed more light also to the characteristics of the EU-China relationship. The thesis also tries to add some new perspectives on the EU arms embargo issue on China and assess the factors, which might bring forth changes in the 25-year old saga.
3. METHODOLOGY

This chapter explains the author’s ontological and epistemological standpoints and the methods used for conducting the research. In addition, it is showed how the data was collected and what has been done in order to increase the reliability and validity of the thesis. Lastly, the ethical considerations kept in mind when conducting this research are brought out.

3.1 Meta-theoretical considerations

The conclusion of the thesis is drawn from the data I have been able to collect and thus ontologically the thesis is taking the constructivist standpoint, which means that there is neither one truth nor result existing about the topic and the reality is in constant change. Epistemologically I use interpretivist approach, according to which everything in the world has a subjective meaning depending on the author (Bryman, 2008: 28, 33). Within the research about the EU arms embargo on China I have interviewed experts from China and the EU and these viewpoints differ a lot from each other. After analysing all those stances, I have chosen my own position somewhere in between, but the result does not stand for the only truth and does not remain unchangeable.

3.2 Research design

The aim of the thesis is to analyse the reasons, why the EU arms embargo is still in place, which EU paradigm justifies its existence and set a hypothesis about which factor should change in order to bring forth the abolishment of the embargo. The answers of the research questions can be contested and interpreted differently than in the present research, since the arms embargo issue is strongly connected to values and definitions of concepts, such as human rights, democracy and security in international relations. Therefore I have used the qualitative approach and semi-structured interviews to conduct this study. This research is designed to explain the issue of the EU arms embargo on China on the basis of the historical institutionalist perspective and path dependence theory, thus in nature the research is explanatory (Yin, 2009: 6) and is based on clearly formulated theory, which gives preliminary propositions for the research, and educes the specific study results on the background of general, i.e. is deductive (Bryman, 2008: 22).

The thesis is designed as a case study, which suits for a research seeking to understand complicated social phenomenon (Yin, 2009: 4). In conclusion the arms embargo case as a
specific issue is illustrating and contributing to the overall understanding of the EU-China foreign affairs.

3.3 Collection of data

The research is based on qualitative data. The primary data consists of the interviews conducted throughout the five weeks of fieldwork in Beijing. Firstly, ten interviews were held with Chinese professors at Peking University, who are working in the field of European Studies, International Relations or Governmental Studies and have followed the arms embargo issue in China. In addition, I conducted an interview with the SIPRI’s Senior Researcher at the Beijing office and with one high official from the EU delegation in China. Their opinions may not stand for the formal viewpoints of the institutions they work at.

For finding the interviewees I looked through the list of professors at the School of International Studies, PKU, and wrote to them according to their research field. After meeting the first round of interviewees, the snowball method was used in order to find more experts on EU-China relations and I was also led to the professors at the School of Government and Law School at PKU. The interviews were carried out individually and ten interviews out of twelve were recorded for later transcription. The interviews were semi-structured: based on the research purpose and the perspective used, the questions were formed beforehand, but the interviewees were allowed to bring up unanticipated topics and thus new questions were formed in the course of discussion.

The primary data is complemented by official EU and Chinese Foreign Ministry’s documents and publications. The official documents provide the facts, whereas the interviews add the background stories and describe the processes behind the policy documents.

3.4 Validity and reliability

Silverman has said that: “Qualitative researchers have no ‘golden key’ to validity” (2005: 211) and it has been argued if it makes sense to seek for validity within the qualitative research approach. However, it is still worth trying to give as much effort as possible for making the research process transparent. In order to reach different opinions, experts with different backgrounds were interviewed on the same topic with an emphasis on Chinese professors, since due to my lack of language I have not been able to read texts in Chinese for this study. However, in order to bring more balance into the research, I also conducted an
interview with the only European think-tank in Beijing – SIPRI, and one high representative of the EU in China. All the interviews were held in English.

In order to guarantee the internal validity of the research and avoid unexpected factors influencing the result of the study (Yin, 2009: 42), the thesis tries to cover the main issues affecting the decision of the arms embargo, such as the US, EU-China trade and their strategic partnership and conceptual gaps in their relations, which at times may burden the structure of the thesis. For external validity, it is important to acknowledge, whether the “study’s findings are generalizable beyond the immediate case study” (Yin, 2009: 43) and this thesis claims that the EU arms embargo as a critical case exemplifies in a large extent the relations between the EU and China and the shortfalls of their strategic partnership.

During writing the conclusion of the interviews I also contacted some of the experts again in order to specify some of their thoughts and make sure that their views are presented in the original way. In order to give an opportunity for the readers to have their own thoughts about the comments of the experts and add more clarification and trustworthiness to the analysis of the thesis, I have used numerous quotes in the text.

3.5 Ethical considerations

At the beginning of each interview the informants were explained the aim of the research and the rights of the informants according to the Swedish Study Council’s ethical criteria, emphasizing their voluntary participation, my role as a student, the purpose of the thesis and the usage of the interviews (Silverman, 2005: 258). All the informants gave their consent to participate and allowed to use their names in the study, except for the EU official.
4. THEORETICAL FRAMEWORK

The aim of this paragraph is to explain and justify the theory, which is used to analyze the data and which is directly connected to the formulation of the research questions and finding answers to them.

The research is conducted through the historical institutionalist perspective and path dependence theory, which is suitable for explaining the patterns of persistence and change in the actions of institutions. The theoretical framework of the thesis is mostly based on Paul Pierson’s work on bringing the path dependence theory from economics to political science.

“Path dependence occurs when relevant actors consistently calculate that change from the status quo offers at best longer-term (and hence less certain) benefit streams while imposing immediate and large transition costs“ (Alexander, 2011: 254). In addition, the dependence theory shows, how the decisions made in the past, even if they have lost their importance and applicability in time, limit the choice of decisions in present. According to the theory there are two versions of path dependence: in the first case all the actors are homogeneous and prefer the status quo; in the second case the actors are heterogeneous, “but the actors who prefer change are relatively weak while actors who favour the status quo – vested interests – are powerful enough to determine political outcomes. [...] Both versions suggest that substantial change is likely to occur only as the result of exogenous shocks“ (Alexander, 2011: 254). Thus, according to path dependence, previous decisions and history count for current and future actions. Furthermore, the results of the decisions made in the past also design the decision-making processes in future. In the case of the EU arms embargo on China it is the second version of path dependence theory, where the actors are heterogeneous and some EU member states, like Germany and France, have supported the lifting of the embargo, while other actors, such as the former Eastern bloc countries and the US, have been strongly against abolishing the ban.

Paul Pierson describes path dependence as a political development punctuated by critical moments and the results and the trajectories are affected by the sequence of the events. The reason, why path dependence theory can be applied to the reality and why the movement in one direction becomes more fixed the further time goes, lies in the factor of increasing returns, which is an important concept in the present thesis analysis. In increasing returns process “/.../ the relative benefits of the current activity compared with other possible options increase over time“ or put in another way ´the costs of exit´ and choosing some alternative
path gradually rise (Pierson, 2000: 251-252). When it comes to this research, the trade has flourished between China and the EU even under the arms embargo and the lifting of the ban could bring some long-term benefits, but the cost of ruining the relations with the US, who is against the abolishment, would be comparably too high. Therefore, the EU would not change its path without any external shock or paradigm change.

Path dependence has four main characteristics. Firstly, it is unpredictable, meaning that it is a process, where the first decisions about some specific matter do not come easily, could be partly random and usually these decisions have a significant effect. Secondly, the process is inflexible – the further the process has developed, the harder it becomes to change the path or turn around. Thirdly, the process is non-ergodic, meaning that even the smallest events or decisions made during the process should not be taken as random or non-important, but they count and lead to future choices. Lastly, it may turn out, that the path dependence process has been inefficient in the long-run and it would have been more beneficial to choose an alternative. Thus, history and the sequence of actions have a critical importance in path dependence theory and the rule is that the earlier actions and events have much bigger influence than the later ones (Pierson, 2000: 253).

The EU arms embargo falls well under these characteristics. Firstly, the decision of placing an arms embargo on China came unexpectedly and turned out to be an important sanction. The factor, that the arms embargo has remained in place for 25 years and the member states have unsuccessfully proposed to lift it, shows that it is difficult to switch the path and take a new significant decision about the arms trade. The third characteristic – nonergodicity – was present for example in 2005, when the EU decided not to lift the ban due to the smaller events, such as the adoption of Anti-Secession Law in China, the elections of new German Chancellor and the success of Angela Merkel, or EU member states’ bilateral relations with the US, who used these channels for lobbying against abolishing the ban. The last characteristic – potential inefficiency – is also prominent in the embargo case, since the sanction turns out to be non-effective in practice and carry more a symbolic role. In addition, the history matters in the embargo issue, meaning that the earlier deeds in sequence matter more than the later ones. The fact that China put violently down the demonstration at the Tiananmen Square as the starting point of the sanctions is better remembered than any later Chinese government’s action concerning the human rights record.

Learning in politics takes place very slowly and gradually. The problem is that most of political decisions have a real effect after some time, but politicians look for policies that
would have benefits within short time, since otherwise they may not get re-elected. Therefore, the decisions in politics are made not too much taking into consideration long-term costs or benefits (Pierson, 2000: 262). That applies also to the EU arms embargo. The lifting of the ban could have a positive effect on the EU-China trade, but if the economy is also blooming rather well under the embargo, the politicians would not like to take the risk to abolish the ban, since there might be unexpected outcomes accompanying it. The political institutions are also status quo biased, since the policies are designed in a way, that it would be difficult for political opponents to reverse them. A great example of that type of barriers against institutional reforms is the unanimity requirement in the EU (Pierson, 2000: 262), which is also needed for lifting the arms sales ban from China.

To sum up, path dependence theory is used in this thesis, because it helps to explain, why the EU has been so persistent in keeping the arms embargo on China. A change in a path dependent process could happen only as a result on an exogenous shock that the present mechanism is not able to solve, or a paradigm change (Pierson, 2000: 266). The research questions of this thesis are based on the same theory and the aim of the study is to analyse, in which EU paradigm a change would most potentially occur and bring along the shift in the EU-China arms embargo issue.
5. ANALYSIS

5.1 The effectiveness of the arms embargo

The aim of this chapter is to give a critical assessment to the effectiveness of the EU arms embargo on China and this evaluation is important from the perspective of the historical institutionalism and path dependence theory, according to which the decisions kept in place for a long time may turn out to be ineffective in practice.

When the embargo was adopted in 1989, the EU had no specific standpoint on what it means or what items should fall under the term of ‘arms embargo’ and thus, the member states had to use their own national laws and regulations for giving the meaning to the embargo. It became all down to the question of how much was at stake in terms of trade contacts between China and the specific EU country. Those countries, who did not have important exports to China, could list many items under the embargo, while the others, that were influential exporters to China, decided to narrow the list down as much as possible (SIPRI. EU arms embargo on China). When to compare for instance the arm sales ban on China with the embargo on Zimbabwe, the difference is remarkable. The embargo on Zimbabwe is very detailed, containing 10 specifically defined articles and a list of products prohibited to sell, transfer or export (Council Common Position 2004). The embargo on China, on the other hand, is half page long, does not limit specifically anything and is more just a political manifestation expressing the EU’s attitude towards China (Council of Ministers Declaration on China, 1989). In that sense the embargo on China cannot even be called a “real” embargo and as a result “several Member States have been delivering defence-related weapons to China since the very beginning” (Tang, 2005: 318).

In reality there is an interesting combination of the arms embargo, Code of Conduct/Common Position and national export controls in the EU and the arms embargo plays the smallest role, while the real constraints are the other two (Mathieu Duchâtel). In June 1998 the EU adopted the Code of Conduct to increase the ethical standards of arms export, but it was only a declaration of political commitments and it was not legally binding. The document consisted of eight criteria, from which the first four were set norms and the last four only recommendations (Bromley, 2012: 3). The criteria comprised respect of human rights and safety that the weapons would not be used for internal repression; regional stability and no claims for the territory of the neighbouring countries; respect for international law, and no risk of the weapons being re-exported to undesirable destinations (EU Code of Conduct). Thus, it becomes clear, that even if the arms embargo on China was abolished, then according to the
Code of Conduct criteria the EU member states still would not be allowed to export military technology to China. The advocates of lifting the embargo do not believe either that the amount of weapons sold to China would increase without the ban, but the abolishment of the ‘ineffective and offensive´ embargo would normalize relations between the EU and China (Weitz, 2012). Furthermore, the high EU official, SIPRI researcher Mathieu Duchâtel and Chinese experts Fan Shiming and Zhang Qingmin were asserting that China has been able to strengthen its army without the EU´s help and has started to create its own indigenous system based on the Russian military technology. In that perspective the EU has already lost the market and when the embargo would be abolished, there would not be any explosive increase in trade between the EU and China and that means that the embargo is just a political symbol. However, at the moment China needs mostly niche technologies from Europe, such as radars, missiles or torpedoes that are often considered also as dual-use products, and it has been also expected, that if the embargo was lifted, the European dual-use technology industries would start pressurizing their politicians to change the national export policies in order to export more to China (Putten, 2009: 8). It cannot be negated that China is a great market for arms industry.

In December 2008 the EU adopted Council Common Position to replace the Code of Conduct and to enhance the common criteria of arms trade and mechanisms of information exchange among the EU member states. In reality it is just another trial to harmonize member states´ export policies, but this time the document is legally binding for the EU members (EU External Action. Arms Export Control). That document should have been adopted already in 2005, but the debate around the arms embargo on China postponed the adoption until 2008. One of the main results of the Common Position is that the transparency of the arms export has increased, since the EU gives out different reports about it. However, there are many countries, who have failed to collect all the data, including the three largest arms exporters France, Germany and the UK, and have presented only partial information. “Finally, the EU Common Position still leaves decision making on the granting and denying of arms export licenses entirely in the hands of EU member states“ (Bromley, 2012: 6-7). According to the report of the EU Code of Conduct on Arms Exports, some member states, especially France, the UK and Germany, have partly violated the embargo and equipped China with military supplies for many years (Casarini, 2008: 74).

Although since 2010 the arms embargo issue has become less and less discussed by the Chinese and European officials (Bräuner, 2013: 463), the debate about the ban of the arms
sales to China has been extremely intense inside the EU in the past. With 28 member states it has been difficult for the EU to develop a joint foreign politics and there have been controversies about how to regard the issues with Taiwan, Tibet or human rights. This indetermination has also affected the continuity of arms embargo on China. Due to the ban the EU has become an actor in East Asia’s strategic balance and the hesitation remains, whether the EU is able and motivated to carry that role (Casarini, 2008: 61). If the arms embargo was not effective and became lifted, it could be replaced by much more efficient policies. One of the solutions is that the EU could strengthen the Common Position on arms exports. Currently the EU members are supposed to inform each other about their arms sales to China to prevent exporting modern defence technology, but the “stronger code might require that EU members notify their partners of any planned arms sales to China, which would allow for peer review (and ideally peer pressure) of controversial exports” (Weitz, 2012).

To sum up the question about the effectiveness of the arms embargo, it is clear that the ban does not have a real effect and it has become just a symbol. The EU understands it as well, but since there are high exit costs, which will be discussed later, the EU remains path dependent and chooses not to make a change in the 25-year old sanction.

5.2 The most important actors in the arms embargo case

This chapter is focusing on the stances of the most influential actors in the arms embargo case – the governments and the leading parties of France, Germany, the United Kingdom, the US and China, which is important from the historical institutionalist perspective. The chapter ends with a timeline, which helps to understand the significance of the sequence of the events – one of the main characteristics of the path dependence theory.

5.2.1 The members of the European Union

There has been a distinction of three different groups inside the EU, when it comes to the opinions about the arms sales ban on China. The first group accuses China of not improving its human rights record and is against lifting the ban. The second group is also prioritizing the issue of human rights, but they support dropping the ban, because it would help China to socialize more with the EU norms and in the long run enhance the Chinese human rights record (the EU high official). However, these group members are also characterized by prioritizing economic gains, which might turn out to be the real motive for supporting the lifting. The third and last group stands against lifting the embargo in order to keep good
relationship with the US, who has threatened that in case the ban was abolished the US would stop defence technology transfers to Europe (Erickson, 2011: 219 – 223).

Germany and France were the biggest supporters of lifting the arms embargo during the discussion in the EU from 2003 to 2005 and the EU made the decision in December 2004 to abolish the embargo by June 2005. The US Congress reacted to that by declaring that the lifting of the embargo would mean direct counteraction to the US national security interests and would set the US allies around the Pacific Ocean in danger. The US also threatened that they would stop sharing their war technology with NATO’s allies in Europe at the time, when there was a discussion about equalizing the significant technological differences between the US and Europe. The US declaration brought up the blunt contradiction of the EU-China and US-EU. In May 2005 the EU gave up to the US pressure and the European Parliament voted 431 votes for and 85 against keeping the arms embargo in place, and 31 delegates did not attend (European Parliament, 2005). In addition, the EU handed a list of recommendations, on top of which was the human rights issue, to China as a prerequisite for abolishing the arms sales ban. It was added that the list of recommendations would help to popularize the idea of lifting the embargo among the Europeans. The offended Chinese Foreign Minister Li Zhaoxing mentioned after receiving the list that the EU itself is ruining the human rights record by forcing its own standards on others (Kaas, 2005).

The factor that the EU has historically had a problem with forming a concrete policy towards China has left the chance for China to play a game of divide and conquer with the EU member states. The further chapter takes a look at the different positions of Germany, France and the United Kingdom – the three main technology and dual-use products exporters to China.

**Germany**

After the World War II Germany had no diplomatic relations with China or colonial issues to solve and in foreign affairs Germany stayed modest and did not take too much initiative. However, Germany has always tried to keep good business connections with China and during 1980s and 1990s the Chancellor Helmut Kohl adopted the ´silent diplomacy´ principle in order to support mutual trade and avoid post-Tiananmen sanctions and criticism. Germany was the first one lifting the sanctions from China after the Tiananmen crisis and in general
China has had a better relationship with Germany than with the EU. The EU has also tried to follow the so-called “German model“, which refers to silent diplomacy, hope of liberalizing China through trade and support of “One-China“ policy (Stumbaum, 2009: 84-85).

Already in 1980s, according to estimations, about 50 percent of foreign technology was exported to China by Germany. Germany has been sensitive towards China’s indignation and thus, differently from France and Britain, has avoided topics concerning China’s sovereignty and national pride, but also shortfalls in political and human rights. To illustrate, in 1993 Kohl refused to sell 10 submarines and frigates to Taiwan in order to continue its ‘One China’ approach (Möller in Wong, 2008: 160, 167). Furthermore, “Germany was the first EU country to define a national policy towards the Asia-Pacific region, and it made China the centre of its Asia policy“ (Wong, 2008: 167). Gerhard Schröder and the Social Democratic Party he represented followed a similar path in relations with China and even supported the idea of lifting the arms embargo in order to socialize China into the international community and its values, but the Bundestag rejected that idea (Erickson, 2011: 226). These mentioned leaders – Kohl and Schröder – belonged to the second opinion group inside the EU. Angela Merkel, however, became the German Chancellor in November 2005, abandoned that supportive approach and promised to address issues with human rights more directly, which was influenced by the CDU/CSU`s, the main German conservative parties´ close relations with the US (Erickson, 2011: 226). But Merkel has still has managed to keep quite warm contacts with the Chinese government (Casarini, 2008: 73) and Germany is still the biggest trading partner for China from the EU.

**France**

France was the first major Western country that exchanged ambassadors with China and thus it could have been guessed that France would develop a unique political relationship with China, but in reality France has failed in evolving a coherent foreign policy towards China. On the one hand, French approach to China can be described as mercantilist and driven by national initiatives. Differently from Germany, France has also supported Taiwan’s independence, strongly disapproved the Tiananmen incident, and the French government did not consider China as an important partner until the 1980s (Wong, 2008: 159, 161, 165).

On the other hand, in 1964 France was the first EU country establishing full diplomatic relations with China. Thanks to the French enthusiasm and their justification that regardless of
the differences, engaging China is “the best strategy to integrate it into the world community” (Cabestan, 2007: 130) the EU decided in October 1990 to gradually lift other post-Tiananmen sanctions, except the arms embargo (Stumbaum, 2009: 81). France has considered the embargo to cover the lethal items and major weapon platforms, but not dual-use technology and therefore France has noticeably been the biggest arms exporter from the EU to China (Stumbaum, 2009: 86, 171). In 1997 France stated that they continue “very high level strategic dialogue, the exchange of information and training, and cooperation in the technical, technological and infrastructure fields“ (SIPRI, French statement). At the phone conversation with President Hu Jintao in March 2004, when the EU was still in process of deciding over lifting the arms sales ban, the French President Jacques Chirac confirmed that they would firmly continue the One-China policy and would like to improve the bilateral economic and trade cooperation (Ministry of Foreign Affairs of the PRC, 2004). Chirac was among the second group ban lifting proponents in the EU. After the discussion about abolishing the arms embargo failed in 2005, France as a strong supporter has not had the courage to bring that topic into agenda again (Erickson, 2011: 226). There was a key turning point towards that in 2008, when the French with Nicolas Sarkozy had the presidency of the Council of the EU. China expected that France would take any action, but the French said that they work as a team with the EU and the latter does not approve that. From that point on the Chinese understood that there was no support even from France (Mathieu Duchâtel).

The United Kingdom

British government has understood that their importance in Asia continues to be marginal and that is why they also do not criticize China for the lack of democracy and human rights in order to keep normal relationship (Wong, 2008: 161, 171). Out of all EU countries, China considers Britain the most influenced by the US opinion (Li, 2008: 110) and especially sensitive towards the US influence is the British Conservative Party. To illustrate, Tony Blair, who was the Labour Party representative and Prime Minister during the lifting discussion in 2003 – 2005, actually supported the idea of the abolishment of the ban at the beginning, but he was forced to change his viewpoints due to the risk of losing to the public opinion after China adopted the Anti-Secession Law (Brown, 2011: 35). But David Cameron as the representative of the Conservative Party has been more sceptical towards China than the other Prime Ministers before him.
The UK was one of the EU member states that stated the weakness of the arms embargo, which did not set any specific regulations, and brought out the danger, that the embargo did not restrict exporting all type of dual-use technology to China. In 1995 the UK, differently from France, defined the arms embargo on China more specifically, bringing out that it includes: “lethal weapons such as machine guns, large calibre weapons, bombs, torpedoes, rockets and missiles; military aircraft and helicopters, vessels of war, armoured fighting vehicles and other such weapons platforms, and any equipment which is likely to be used for internal repression“ (SIPRI. UK interpretation of the arms embargo). However, the UK itself has also exported Searchwater radar to China under the conditions of embargo (SIPRI. EU arms embargo on China, 2012).

Although the UK has strong economic relationship with the US, they also have asserted, that dropping the embargo could be explained to the US (Stumbaum, 2009: 172). Still it is probably more expected, that when the UK had to face the US in this issue again, they will more likely go along with the US strategy (Erickson, 2011: 225).

5.2.2 The United States

As if it was already not difficult enough for the EU member states to come to an agreement about lifting the arms embargo on China, they also need to take into account the US´ opinion. The interviewed Chinese professors mentioned the role of the US in the arms embargo issue very often and it was clear that they consider the embargo being connected to the US as much as to the EU (Li Qiang, Zhang Zhirong). So they take the EU as the US´ junior brother, but at the same time as an adult, who is responsible for its own decisions (Song Ying). In 2004-2005 Paris and Berlin unexpectedly notified that the EU arms embargo on China will be soon lifted, if China improves the issues with human rights and adopts the 1976 International Covenant on Civil and Political Rights. The US reacted fast, disapproving the abolishment of the ban, and considered the EU´s reactions to the issue as a “litmus test of loyalty“ (Wong, 2008: 169). The US in reality sells more arms to China than all the EU members together, but the former is still worried about the stronger economic and political relationship between Europe and China and that these ties would allow China to rise without any threats. While the EU considers China more as a strategic partner, the US foresees it as a strategic peer competitor. While the EU claims that the lifting would be a symbolic act, the US sees it as an undeserved
reward, since China has not enough improved the human rights’ situation (Casarini, 2008: 73-74).

David Shambaugh has been talking about ‘emerging axis’ in the foreign affairs of China and the EU and has set attention also to the US, calling these three a ‘new strategic triangle’ (Scott, 2007: 25). Thus, it is important to notice, how China does not only affect the EU and the US separately, but also the EU-US relations. What needs to be researched more, but arises thoughts, is David Scott’s assertion that: “At the bilateral level the EU has on some issues moved towards and with the PRC and away from the United States“ (Scott, 2007: 25-26). If that is the case, then the US´ worries about the high technology that China might be able to reach through the EU might have some justification. The Chinese experts see the trilateral relationship between China, the US and the EU also from the realist perspective that the latter two are competing for the Chinese market and the US by prohibiting the EU from selling some products to China can get an advantage (Zhang Zhirong).

On the other hand, it can be asserted that the multilateral global order that the EU stands for, brings the Union much closer to the US than China. China has learned to use the right vocabulary with the EU, but they often have another concept of it than the West. China is just experimenting with the term ‘multilateralism’ and in practice has still chosen the other option, unipolarity, like can be seen from China’s African politics. In these circumstances the EU, like the US, has remained “doubtful about the intentions and consequences of China’s continuous military build-up“ (Odgaard & Biscop, 2007: 76-77).

The US-China relations are unprecedented, since while China and the US are among the biggest trading partners in the world, the US has limited technology exports to China in the fear that some of it might be used in the war industry. On the one hand, the US is keeping the military forces near China in order to protect Japan, South Korea, Taiwan and the Philippines against the communist aggression. But on the other hand, against the North Korea and in the fight against terrorism the US would like to see China as its ally and strategic partner (Läänemets, 2005).

Differently from the EU, the US managed to form a unified approach towards the idea of lifting the arms embargo and accused Europe of “alleged greediness that would go beyond all strategic reasoning“ (Stumbaum, 2009: 193). In 2005 Washington threatened the EU, that in case of the lifting of the embargo, the US would “cut off American transfers of military technology to Europe“ (Men, 2008: 14) and after China adopted the Anti-Secession Law, the
idea of lifting the embargo became even more unrealistic. The EU definitely was not ready to be responsible for a possible arms race (Men, 2008: 14). The US was afraid that after the abolishment of the ban China would start supporting “rogue states“ with the new technology and Europe would thus ruin the security situation in East Asia. The opposite opinions have been that the US understood, that the lifting of the embargo would not change much in the trade between China and the EU, but the US was probably more concerned about the signal, which Europe would send to China by this act. It seems that due to the indecisiveness the EU lost some credibility in front of both the US and China, but the Chinese leaders understood the EU’s position, since the issue has been a lose-lose situation for the latter (Wang Yong, Fan Shiming). In the end it was the US market that cancelled the embargo lifting process since China is still the second biggest trade partner for the EU, but the US is the first (Stumbaum, 2009: 193-194). According to the path dependence theory one of the main aspects at stake in making a change in an old policy is the exit cost. Deriving from the theory, the ban could become abolished only, if the cost of lifting the arms embargo became smaller than keeping the ban in place. At this moment the EU has decided that the good relations with the US cost more than lifting the arms embargo on China (Song Ying).

In addition, the US is standing for the cooperative security, which means that “insecurity in any state or region should be considered a common security concern“ (Payne, 2012: 622) and this factor is one of the reasons why the US is not willing to agree with the chance of the EU lifting the arms embargo from China. The EU and the US have been facing similar security threats since the Cold War and they are used to count on each other, thus the US’ disapproval is understandable. Furthermore, “/…/ in the sphere of military security, the United States does not expect nor tolerate an active and independent European role as the issue of the Chinese arms embargo proved” (Kivimäki, 2008: 49). One suggestion for enhancing understanding and cooperation between the EU and the US is that, they could deepen their dialogue regarding the Asian security developments, so that the Europeans would understand more profoundly the American contribution to the Asian military balance and the Americans could grasp the background of the EU’s activity towards China (Weitz, 2012). The strong allies could have more similar viewpoints towards China, so that their partnership would look more coherent also for the rest of the world.
5.2.3 China’s position

Most of the Chinese professors that I interviewed connect the present EU arms sales ban with the embargo that was set on socialist countries by CoCom\(^1\) back in 1949 and they perceive it as a continuity of the Cold War thinking and due to that also as an out-of-date policy (Li Qiang, Zhang Zhirong, Song Wei, Wang Yong, Fan Shiming, Zhang Jian, Chen Shaofeng), just with the difference that before 1991 China was the balancing power between the USSR and the West, but after the collapse of the USSR China got all the Western animosity (Li Qiang, Zhang Jian).

Firstly, China finds the arms embargo being depreciating “since it puts China in the same category as other EU-sanctioned countries such as Sudan, Zimbabwe, and Myanmar” (Weitz, 2012). In 1997 the Chinese Foreign Ministry spokesman Shen Guofang said that the EU arms embargo shows unreasonable criticism towards the Chinese government (SIPRI. EU arms embargo on China) and in 2003 China marked in its EU Policy Paper, that: “The EU should lift its ban on arms sales to China at an early date so as to remove barriers to greater bilateral cooperation /.../“ (China’s EU Policy Paper). China’s perception is that they should be equal with the rest of the world, but the West has taken China’s internal issues and made global problems of them (Zhang Zhirong). “If the relations between China and the EU are good, but the embargo is still in place, then it means to China that the EU is not taking China as equal“ (Zhang Qingmin). The arms embargo is a symbol of EU’s superiority, mistrust of China and EU’s punishment on China (Song Ying, Zhang Qingmin, Chen Shaofeng).

Secondly, the Chinese feel that the Europeans are not appreciating Chinese development in human rights area, even if they are far from the Western standards, and the EU is not encouraging Chinese government to continue the progress (Wang Yong). For the Chinese it has been most important to start with domestic and economic reforms and they have eradicated poverty to a large extent (Zhang Zhirong, EU high representative), but according to the law professor Song Ying China has also developed noticeably in political and civil rights area in comparison to the situation back in 1989. But the problem is that the human rights are defined differently in the EU and China. For the Chinese "it is defined as the right of subsistence, stressing more the social and economic side in the human rights concept instead of political and civil rights, and the Western countries focus more on civil and political rights“.

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\(^1\) The Coordinating Committee for Multilateral Export Controls existed from 1949 until 1994 and consisted of the US, Canada, Japan, Turkey, Australia, and 13 European countries. CoCom was established in order to keep the technological advantage over the socialist countries and prohibit Western companies from selling strategic goods to the communist countries. PRC was one of the target countries.
(Fan Shiming). It also depends, what one compares the present situation to: “China looks at it from a historical perspective – look how far we have come –, but the EU is comparing China’s economic growth with its achievements in human rights area and then it is not enough” (Zhang Qingmin). China gets even more confidence from the fact that numerous developing countries share the same views with China and stand behind its back. Most of the interviewed professors claimed that during the 25 years China has indeed made a huge step forward, but for the EU it seems that it does not matter, how much they develop, the EU will still retain the embargo (Song Ying, Zhang Zhirong, Wang Yong).

Thirdly, the Chinese feel annoyed that the EU wants to influence and change China’s face and international image and that China cannot have its own opinion or strategy (Zhang Zhirong). Therefore China on purpose does not want to abide the EU’s pressure and even if China changed its human rights record, it is not only for the EU, but “for China itself, in its own timetable and for their own agenda” (Song Ying). What the Chinese are certain, is that the arms embargo cannot be used as a leverage to pressure China (Zhang Qingmin) and they understand well the EU’s intention to integrate China into the global system and feel that it might be ‘a trap to tie China down’ (Song cited in Shambaugh, 2013: 24). Furthermore, since the EU is so vulnerable towards the US’ demands about keeping the arms embargo, China has been disappointed in the EU’s weakness to stand for itself and disillusioned about the EU becoming ‘a new emerging power in the world affairs’ (Shambaugh, 2013: 36). China, in turn, has not granted any changes in improving the human rights due to that. Thus, “the EU’s good governance demands are ignored by China, and EU-China technological cooperation proceeds” (Odgaard & Biscop, 2007: 75).

On the other hand, China still keeps enhancing the relations with the EU despite the arms embargo. Due to the specific structure and complexity of the EU, China is forced to balance between entering into bilateral agreements and finding common ground with the whole EU. It becomes clear, that the EU is not the only one, who has been clumsy in developing a coherent political strategy, but it is also China’s problem. But although China is “aware of an apparent absence of strong and comprehensive mutual understanding on how to develop the political partnership with Europe“, China has been still interested in searching for stronger connection with Europe (Kerr & Fei, 2007: 1). There have been also official evidences from the Chinese authorities that they consider the EU as an important international actor in the multipolar world. The more the EU has adopted new members, the more China has started to take the EU seriously (Wong, 2008: 169). China needs a “counterweight to the US influence in China’s
economic and political development“, and an “alternative source of strategic technology“ (Wong, 2008: 158) and the EU suits rather well into that role. In 2005, when the arms embargo discussions in the EU reached to the end, China overestimated the power France had as a member state, and underestimated the US’ effect on the EU decision-making. Although China has been disappointed in the EU’s weakness, Europe still offers a great alternative to Japan and the US in the areas of Foreign Direct Investment and advanced technology (Stumbaum, 2009: 66, 82).

5.2.4 The sequence of events

One significant factor of the path dependence theory is the importance of the sequence of events. The timeline added here shows the most momentous events in the arms embargo case and how the decisions of different governments drew forth steps from the others. The factor that these seemingly not that important decisions and events have emerged after each other exactly in that sequence plays a remarkable role in the existence of the arms embargo.

After the Tiananmen incident the US set an example for the EU by placing the arms embargo on China just on the day after the crackdown. The European Community, the way the EU was called back then, followed the same path at the end of the month. Although the other sanctions were gradually lifted starting from October 1990, the arms embargo was left in place. Since the arms embargo on China was not legally binding from the beginning, the EU adopted the Code of Conduct in 1998 in order to form common policy towards arms exports and that decision made the practical role of the arms embargo even less significant.

The topic of lifting the arms embargo was often brought out in discussions of the European and Chinese officials and on 12-13 December 2003 the European Council decided to revise the embargo policy. The greatest supporters of lifting the ban were the German and French governments led by Gerhard Schröder and Jacques Chirac and in December 2004, at the seventh annual EU-China meeting, they managed to push through the promise of working towards abolishing the embargo. However, the US stood strongly against that plan and as a result of their lobby the EU member states lost their consensus.

Furthermore, in March 2005 the Chinese government adopted the Anti-Secession Law, which again emphasised the tensions between China and Taiwan and that was the last drop to the EU’s cup of bitterness, due to which in April 2005 the European Parliament voted 431-85 against abolishing the arms sales ban. Soon after that decision the big supporters Chirac and
Schröder were in the course of elections replaced by new leaders and Angela Merkel and Nicolas Sarkozy were not that enthusiastic any more about the embargo case. Although the Chinese officials were still counting on the French power, it became clear from July until December 2008, when France was holding the presidency of the Council of the EU that the relations with the US had become more important. Since 2010 it seems that the embargo discussions are frozen.
4 June 1989 Tiananmen incident

5 June 1989 the US set sanctions on China

27 June 1989 the EC set sanctions on China

In October 1990 the EC decided to gradually lift the other sanctions, except the embargo

In June 1998 the EU adopted Code of Conduct

12-13 December 2003 the European Council decided to review the embargo at its meeting

In December 2004, at the seventh annual EU-China summit the EU confirmed that they work towards lifting the embargo

In March 2005 the National People’s Congress ratified the Anti-Secession Law directed at Taiwan

In April 2005 the European Parliament voted 431 - 85 against lifting the embargo

22 November 2005 Gerhard Schröder was replaced by Angela Merkel as the Chancellor of Germany

17 May 2007 Jacque Chirac was replaced by Nicolas Sarkozy as the President of France

In December 2008 the EU updated the Code of Conduct to become legally binding Common Position

In July-December 2008 France hold the presidency of the Council of the EU, but the arms embargo issue on China was not brought up

Since 2010 the debate around the arms embargo seems to be frozen
5.3 The EU paradigms towards China

One of the most noticeable bizarreness about the arms embargo issue is that the EU is connecting the lifting of the arms embargo most often with China’s insufficient human rights record and expects China to take some significant action in order to be worth the reward from the EU. However, the EU has not set any specific conditions or norms for China to fulfil and has not given any concrete promise to abolish the embargo when the improvements are made (Erickson, 2011: 224). Thus, the EU is not really even giving the chance for China to solve their shortcomings nor does it seem that the EU has thought it through thoroughly, what China should do in order to be worth the restoring of the arms trade. That observation brings forth the path dependence theory that is used in this thesis for analyzing the research problem. Like the path dependence theory has described, it is easier for the EU to make decisions based on the past deeds and it is comfortable to continue the same politics until some external factor changes the path for the EU. The aim of this chapter is to define, what paradigms are designing the decision-making process in the EU and keep it from deviating. The following analysis introduces two possible paradigms – normative power and security – and at the end gives an assessment, which one of them is affecting the EU arms embargo decisions the most. There are also some factors, such as EU-China trade, EU-China strategic partnership and the US’ influence on the embargo issue that must be taken into consideration.

5.3.1 Normative power

The EU, or at that time called European Community, was established in order to avoid war between France and Germany and thus it can be said that one of the basis of the EU is the respect of human life and the belief in the right to live. Human rights have been present in the EU’s foreign policy since 1970s and 1980s and in 1991 the Council Declaration on Human Rights connected human rights to all cooperation, trade and aid forms (Erickson, 2011: 228). The respect for human rights is also expected from the third countries the EU is developing foreign relations with. Therefore, human rights have more value in the eyes of the EU than sovereignty and issues with these are seen as a justifiable purpose for intervention (Men, 2011: 537-538). China in the EU’s mind can be a threat to international order, when their universal principles do not comprise human rights or democracy, and there lays one of the main problems in the EU-China relationship – the conceptual gaps.
China has developed more in secludedness, away from the Westphalian principles, and historically has become used to the position of being an imperial centre. Developing in different historical settings, sovereignty and national security became more important than human rights, which were more regarded as Western legacy and capitalistic values. Human rights were first mentioned in the Chinese state laws at the end of the 1970s. In present time, the Chinese government’s key task is to guarantee that its people have enough to eat and wear and this principle is also more evaluated than equality or liberties, meaning that the government’s main goal is to keep the economy growing. Although China has signed the UN human rights documents, it has not added the right of life or free movement into its constitution (Men, 2011: 540-543). The Communist Party has considered human rights its internal affairs, but the Tiananmen crackdown and the sanctions set from the Western world as a result showed that in reality the internal and external affairs can easily conflate with each other. China answered to the sanctions with a decline of establishing Western-style democratic institutions and changing its priorities from sovereign rights to human rights (Wang, 2011).

There is a wide conceptual gap between the understanding and definition of different terms, such as sovereignty, human rights, multilateralism, global governance, stability, and soft power in China and Europe. When the EU asserts, that the arms embargo is largely a human rights issue, then China regards it a “clear symbol of political discrimination that goes far beyond human rights“ (Zhang, 2012: 93). The main difference in the concept of human rights between Europe and China is that while for the EU the human rights is the core value on which other political relations can be built on, then for China human rights form only one channel in the whole bilateral relationship, and thus it is difficult for the Chinese to understand, why the human rights must be the background for any political approach and event (Zhang, 2012: 93). Furthermore, China has always had a standpoint that other countries should not intrude into their internal politics. China also knows that since they are one of the biggest trading partners for the EU, the Europeans will in reality tolerate probably more than they publicly speak out. As Stefanie Weil and Yijia Jing have put it: “As long as trade flourishes, China enjoys the freedom to ignore EU suggestions on democracy“ (2012: 124).

Thus, taking all the previously mentioned differences into consideration, it seems natural, that the EU’s normative power perspective towards China has not changed much over time and it is hard to convincingly argue that the embargo is not necessary any longer. That is why there are lots of scholars regarding the EU’s normative power paradigm as the main justification for
not abolishing the arms sales ban. One of them is also Jing Men, who considers the violation of human rights the main reason, why the arms embargo was set on China in the first place, but also the reason, why the discussions about lifting it in 2004 – 2005 faded away (2011: 546), although it seemed that the lifting was decided and inevitable. The interviewed EU’s high representative was also on a standpoint that the main problem with dropping the arms sales ban is that the EU member states find it difficult to come to a joint opinion about China’s human rights record.

However, Professor Li Qiang has a stance that the arms embargo set on China is not there only due to the human rights issue. According to his opinion the human rights record was bad in China already before the Tiananmen crackdown and although that incident in 1989 was worrisome, then on the background of China’s history the Communist Party’s decision to put the protest violently down did not exceed the deeds in the past that remarkably. Most of the Chinese professors also asserted that even if the human rights situation was bad back in 1989, then China has changed by now, if to regard economic and social well-being the core of human rights. But even the political environment is more open than 25 years ago (Song Jing). Zhang Zhirong also mentioned bluntly that the human rights record is important to the West just as long as there is one important commercial deal to make.

It has been thought in the EU, that the arms embargo could be also used as a leverage to press China to respect international rules in trade and improve human rights record (Grant, 2013: 2). However, China has seen the plan through and has requested that human rights should not be connected to the arms embargo and mixed with trade relations (Zhang Zhirong). Furthermore, the Chinese experts also claimed that they will not take action for improving human rights, if they are confronted by the EU, but rather this could happen through a dialogue. If the EU uses strategic and military means as leverage, it will not work (Zhang Qingmin). These factors raise questions about the validity of the EU’s normative paradigm as the justification to the arms embargo on China.

In both the EU Code of Conduct and Common Position one of the main criterion is not to export arms to countries, which violate human rights and could use the arms for internal repression. However, according to the statistical analysis carried through by Jennifer L. Erickson: “None of the EU criteria – human rights, democracy, or conflict – emerge as significant factors for arms transfers in the direction anticipated by the normative power
perspective“ (2011: 218). There were scandals in the EU about the arms industries selling their goods to embargoed countries with the consent of the governments already back in 1980s and 1990s (Bromley, 2012: 3). In 2011 there was an exposure of the EU member states’ arms exports to the Middle East and North Africa. There is also lots of evidence that most of the EU’s bigger arms exporting countries sold weapons and military equipment to Libya shortly before the beginning of the Arab Spring by granting arms export licenses worth of 1056 million euros in 2006-2010 (Bromley, 2012: 9-12). And that is just one example.

Another factor that stands against the explanation that the arms embargo is mostly connected to the human rights is that the old member states, like France, Germany and Italy, who have carried the main responsibility for building up the values in the EU, have not been the ones strictly against lifting the embargo. That role is played by the newer Scandinavian and Eastern European countries. Thus, it cannot be the EU’s identity only that has hindered the issue becoming solved (Erickson, 2011: 224).

The question also remains what is the EU expecting of the arms embargo, if it has not managed to remarkably change the human rights situation in China throughout the 25 years. With China gradually increasing its military power, it is believed that the embargo as the EU’s sanction can only hinder the EU-China cooperation, but it would not have any other application (Zhong, 2010).

One interesting observation about the conjunction between the EU and their stance on human rights in China becomes clearer also after reading the European Commission’s Communications on EU-China relations. In 1995 the human rights are brought out as “a consistent feature of the EU’s policy towards China” and the paper emphasises that the issue is mentioned every time the European and Chinese representatives meet. In this document the arms embargo is also mentioned once (Communication of the Commission, 1995), however, that was the last time the arms sales ban has been in the EU Commission Communication document until 2006. In the Commission-Council Communication of 2001 human rights issues are mentioned often, but not even once in connection with the arms embargo (EU Communication 2001). In 2003 it is just said that “political dialogue should also continue to pay close attention to human rights” (Commission Policy Paper, 2003: 2). Furthermore, in the Communication paper of 2006 the EU agrees to keep working towards lifting the embargo, but the requirements that have to be met are not human rights issues in China, but mostly non-proliferation clause, and the human rights are just mentioned as an aspect not suiting with the
atmosphere for the abolishment (EU Communication 2006). Thus, human rights seemed to be much more important for the EU at the beginning, but the further in history the Tiananmen incident stayed, the less the human rights record was brought up and the arms embargo was almost never mentioned in connection with the human rights issue.

From the previous analysis, it can be seen that the EU’s interest to support its arms industry does not always match with its foreign policy goals, thus, the criticism towards China’s human rights issues may not be the main paradigm constraining the EU from lifting the embargo and it seems to be more a facade than a real obstacle.

5.3.2 Security
Historically the West has considered some countries its enemies and some its allies. Since the Cold War socialist countries have rather belonged to the first group: there was an arms embargo against China already since 1949, when the CoCom, led by the US, considered China as a threat and after the Tiananmen crisis the US and the EU set separate arms embargos on China. The question is then, whether China is a real threat and whether the security paradigm is the reason why the EU arms embargo on China stays in place.

During the lifting discussions in 2004-2005 China passed the Anti-Secession Law with 2896 favourable votes and 0 against in order to show, that China considers Taiwan as part of the mainland. The EU regarded it as a warning that the lifting of the embargo would increase the instability in Taiwan Strait. Furthermore, since the end of 1990s, China’s defence budget has every year tremendously increased by a two-digit number. Recently Beijing announced that in 2014 the defence budget is 131.57 billion dollars, which is 12.2 percent of an increase compared to the last year. The experts have been calculating that probably in reality there is a lot of military spending in addition which is not recorded in the budget. Since in the world only the US spends more than China on defence, it is definitely a sign for the EU to be alert – China wants not only to modernize its technology, but also learn to produce it by itself. President Xi has shown that it is not in his plan to focus on domestic development over the military expenses and the claims over the South China Sea are still valid (Martina, Torode, 2014).

Some of the interviewed Chinese experts perceive that the question about China’s security threat in Asia is exaggerated by the US, who wants to have a determining role in the Asian
affairs (Song Ying), and explain that they need the bigger defence budget just for modernizing their military and it is needed for keeping the neighbourly relations peaceful (Wang Yong). “Even if China was not modernizing its military, the neighbours would still feel the threat from China. It is just a mental perception that such a big country must be a threat” (Chen Shaofeng). In addition, increasing defence budget is meant for protecting the Chinese marine cargo ships, which imports and exports make about 50 percent of the world marine cargo. China’s economy is still mainly export-driven and that is why business comes first (Song Ying).

However, some of the Chinese experts, like Fan Shiming and Zhang Jian, admitted, that it is rational for the EU to keep the embargo in place, since the security issues in East Asia are coming more and more problematic instead of harmonious and there are increasing disputes between China, Japan and the ASEAN countries. The saying, that China has so many internal problems and they do not have any energy left for external disputes, is not a convincing explanation. Like Zhang Jian has put it: “The more domestic problems, the stronger the incentive for the Chinese government to play an intensive foreign play.” The country receives nationalistic credits and political capital, when the politicians are strong in international affairs. With China’s sustainable economic growth issues, problems with ethnic minorities and state-society relations, hard image in international relations would only benefit the government. The conflict over the Senkaku/Diaoyu islands is a great example, how China can get into conflict even over a few small islands and rocks and how this issue has brought thousands of Chinese to protest against Japan. Thus, just the factor that China is modernizing its army may lead to the ‘security dilemma’ – a situation, where China’s neighbours consider that the Chinese army is built against them and without a real threat the countries start an arms race and creating conflicts.

In terms of security issues, the EU and China would actually be able to cooperate on that area much more effectively than for instance China and the US, since Europe does not have that many, if hardly any, overlapping spheres of influence in East Asia or in any other part of the world (Holslag, 2011: 298). The EU has been cooperating with China in the project of Galileo satellite system, which is the alternative to the American GPS, and the Galileo project is one of the proofs that the EU has been interested in increasing its involvement in the Asian security balance (Casarini, 2008: 72). Thus, in China’s eyes, if the security paradigm was the justification to the existence of the arms embargo, it stands for a fact that the West has formed
a united position against China, and the US is the leading side in emphasising this issue (Wang Yong).

When the lifting of the embargo was last time discussed in the EU, the proponents were keeping in mind also the economic gains they could reach by getting better access to the Chinese market. It could be argued that the profit is even bigger today, but the EU has remarkably changed its stance towards the security issue in China in comparison to the period of 2003-2005. The EU’s standpoint is that China’s military modernization is going very fast and creating imbalances and security dilemmas in the region for the Philippines, Japan, India and the US. Selling weapons to China in that situation would not make too strong policy statement (Mathieu Duchâtel). However, the EU countries do not have security or military ties nor allies or geopolitical interests in East Asia, and that factor raises questions, whether the security concerns are Europe’s own worries or are they more belonging to the US. Many interviewees agreed that the EU countries share the same consent with the US, who is part of East Asia’s security balance and has quite many security allies in East Asia, which is why the US needs their European partners to keep the arms embargo against China in order to delay the development of the Chinese military (Fan Shiming, Zhang Qingmin). As Mathieu Duchâtel has put it: “We [the EU] see the security in Asia through the lens of the US“.

Bersick agrees: “Though the EU-China “strategic partnership” is not strategic in the military sense, the issue of lifting the European arms embargo against China shows that hard security issues have entered EU-Asia affairs” (2008: 111). Jennifer L. Erickson also shares the same opinion that the main actor in preserving the security paradigm around the arms embargo is the US. Although the US’ rhetoric is mostly built around protecting the human rights, it can be easily perceived that the main fear the US has is about its security and power position in Asia. The US is also afraid of the China-Taiwan ongoing tensions, which might get worse, when the EU lifts the embargo (Erickson, 2011: 223).

The EU, however, is still presenting the human rights paradigm as the main justification of the arms embargo, like to EU high representative proved as well by saying: “I do not believe there is a security paradigm inside the EU. The EU does not see security threat in China“.
5.4 Which factors might lead to the abolishment of the EU arms embargo on China?

To begin with, then most of the publications and also the interviewees of this thesis do not foresee the lifting of the arms embargo in near future (Fan Shiming, Zhang Jian, Zhang Qingmin, Mathieu Duchâtel, Zhu Tianbiao, the EU high official). The issue remains complicated, since the arms embargo is not a case between the EU and China only, but there is a triangular relationship, where besides the latter two the US is also playing a significant role. From the previous analysis it becomes clear that the EU justifies the arms embargo publicly more with the human rights paradigm, but in reality it seems that it is more the security paradigm that the EU has adopted due to the strong relations with the US. I have analysed the European Commission Communications and noticed that the issues with human rights in China became less and less mentioned in the EU’s documents as the time passed on after 1989. Moreover, the arms sales ban has not been mentioned, except from the Communications of 1995 and 2006, where the embargo was brought up in one sentence. The documents prove what Mathieu Duchâtel also said about the arms embargo case in the interview:

“At first it was a political paradigm, now it is a security paradigm. The EU said in 2005 that they lost the decision process to the US. It is more the US decision, not our decision. Then the issue was frozen. Now the EU is also regarding the security balance in Asia and we see the security in Asia through the lens of the US.”

According to the path dependence theory, there could be a change in an old policy only as an aftermath of an external shock or a remarkable change in the exit costs. In the chapter of theoretical framework it was also mentioned, that politicians usually keep in mind two factors, when they need to make important decisions. Firstly, the politicians look for the fastest gain and often need to form alliances in order to maximise the chances of success. Secondly, they also need to be careful about the risks that arise with decision-making and keep in mind their good public image. Here is a matrix to illustrate that reasoning.
<table>
<thead>
<tr>
<th>Political pay-off/risk</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term</td>
<td>Q4: Low priority (gradual change)</td>
<td>Q3: No Go</td>
</tr>
<tr>
<td>Short-term</td>
<td>Q1: High priority (disruptive change)</td>
<td>Q2: Low priority (conditioned change)</td>
</tr>
</tbody>
</table>

Quadrant Q1 stands for the paradigm change due to an external shock, which in this case is Tiananmen incident. In Q2 the political gains can be achieved quickly, but there is a high political risk coming along and Q2 in this situation stands for Chirac’s and Schröder’s pursuit to push through the lifting of the embargo. The economic gains they could have got after the abolishment of the embargo were important enough to take the risk of losing public support or ruining relations with the US.

However, then China adopted the Anti-Secession Law and the issues with Taiwan were brought up again. There have been also continuous disputes over the Senkaku/Diaoyu islands and the South China Sea. Due to these factors, the EU has understood the security risks from China and that initiated a shift towards quadrant Q3 and this position towards the arms embargo on China – long-term gains and too high political risk – is still remaining inside the EU.

China is also often accused of human rights violations, but these issues have not caught wide public attention, because they are size-wise not that significant problems and the Chinese government keeps these as invisible as possible. Thus, even if the Dalai Lama question comes up now and then, the normative power risks can be still regarded as relatively low. Q4 stands for a gradual change in a paradigm and this would suit the most for the EU for lifting the embargo, if only the normative power paradigm kept the embargo in place. Through negotiations the EU and China could even come to an agreement. However, the ban cannot be abolished gradually, it is either there or not, and the normative paradigm seems not to be the main factor hindering the changes in the embargo issue.

Thus, most potentially the EU could abolish the embargo if there were specific conditions and the gains were higher than the political risk. Historically it has been seen, that Social Democratic governments in France and Germany have been less concerned about the US and its security paradigm. Conservatives, in contrast, have been much closer to the ideology of the US hegemony and have shared their security concerns about China and a great example of
that is the Conservative Party in the UK. Therefore the lifting of the embargo depends rather extensively on the parties that have power in France, Germany and the UK and on which alliances these governments can form. However, since China has rather become more aggressive than cooperative in its foreign affairs, the paradigm change cannot probably be seen in near future, even if the Social Democratic parties were in power. So in addition to strong alliances, a period without any major incidents from China is required as well.
6. CONCLUSION

This chapter sums up the findings of the research, explaining which EU paradigm is prevalent as the justification of the existence of the arms embargo on China and which factors might bring forth an end in the path dependence of the arms embargo case.

The question of lifting the arms embargo is complex since it is a mixture of political, military and human rights issues. In addition it is a great example of the difficulty of the EU foreign policy decision-making process and illustrates the development of the EU-China relations since 1989. For China the main task is to enhance the economy and the government is very careful with reforming politics and human rights situation, since the Soviet Union was a good example, showing what happens, when political changes take place too fast. For China economic rights are more important than political rights. Thus, there is a conceptual gap with the EU, who prioritizes democracy and human rights. However, even the EU itself finds it difficult to decide, whether to stand for its normative power or strong economic interests. One of the biggest controversies within the embargo issue is that the EU expects China to take some significant action, so that it would be worth the price of lifting the ban, but the EU has not set any specific conditions for China. That is another proof that the EU is acting based on the path dependence theory: it is safe to follow the old and well-known road in decision-making, even if it there is not too much logic behind it.

Besides economic matters the EU has recently started to focus more on political and security issues in China too. Due to the fact that the EU has not defined specific goals in foreign affairs with China, the US has more chances to interrupt and embed its own interests into China-EU relations. Another consequence is that China-EU relations are rather unbalanced: the high-tech knowledge is still transferred from the EU to China, but China has not granted replies to the EU’s political demands. Due to that the EU has also adopted more cautious approach towards further cooperation with China.

The EU is challenged by the issue of how to find consensus about the arms embargo among its own members and work out a clear vision of the EU’s role in China, which the former could be also capable of holding. The EU stands also in front of the challenge of how to agree with its other allies, like the US or Japan, on security issues of China and how the EU can stick with its own interests while also continuing warm relations with its old supporters. It seems that because of the allies the arms embargo for the EU is in reality mostly justified with the security paradigm not with the human rights paradigm, which used to be the main factor in
the past and what the EU is still using as the formal explanation for keeping the embargo in place. The human rights situation in China is not as severe compared to the Tiananmen crisis times in 1989 to justify the arms sales ban, which was also proved by the EU’s almost ready-made decision in 2005 to lift the embargo. But the momentum was lost to the US, who interfered and pressurised the EU to keep the embargo. The US’ main fear about China is that the latter might threaten the security balance in East Asia and the EU has adopted the same view. There is no sign, that the EU and China could get into a strategic conflict with each other and therefore the main reason for the EU to keep the arms embargo on China is the US. Another factor, which shows, that the EU itself does not see military threat in China is that the EU member states have continuously been selling dual-use defence items to China even under the arms embargo.

Is it possible to predict any changes in the EU’s security paradigm? It can happen only through specific conditions. Firstly, the politicians would be motivated to abolish the embargo if they got instant gains for lifting it. Secondly, it depends on political alliances and the parties in power. Historically it can be noticed, that Social Democratic governments in France and Germany have been approving the lifting of the embargo, while the Conservative Parties share more the US lens of China’s security threat. Thirdly, the risk of lifting the embargo has to be lower than now and that factor depends on China. Their strategy in the foreign relations with their neighbouring countries is continuously aggressive and does not show any signs for the US or the EU to change their security paradigm. The embargo could have become lifted in 2005, but the risks turned out to be too high. Since presently the gains for lifting the embargo do not seem to be that significant and the risks accompanying the abolishment have not decreased, the case remains frozen.
BIBLIOGRAPHY

Books and articles


Official Documents


**Appendix 1: List of Interviews**

1. **Li Qiang** – Professor at the School of Government, Peking University, Director of the Office of Humanities and Social Sciences, Director of the Centre for European Studies. Interview conducted on 04.03.2014.

2. **Zhang Zhirong** – Professor at the Department of International Politics in School of International Studies, Peking University. Research field: Chinese politics and diplomacy. Interview conducted on 11.03.2014.

3. **Song Ying** – Associate Professor at the Law School and Associate Director of the Centre for European Studies, Peking University. Research field: European Union Law. Interview conducted on 13.03.2014.
4. **Song Wei** – Associate Professor at the Department of International Politics in School of International Studies, Peking University. Research field: international relations theory, international organizations, Sino-EU integration process. Interview conducted on 13.03.2014.

5. **Wang Yong** – Professor at the department of International Political Economy, School of International Studies, Peking University. Research field: China-US relations, international trade and political studies. Interview conducted on 18.03.2014.

6. **Fan Shiming** – Associate Professor and Associate Dean of the School of International Studies, International Relations Research Institute, Peking University. Research field: image, perception, public opinion and communication in international studies. Interview conducted on 18.03.2014.

7. **Zhang Qingmin** – Professor at the Department of Diplomacy and Foreign Affairs Management, School of International Studies, and an academic committee member of the International Strategic Studies Center, Peking University. Research field: foreign policy analysis theory, Chinese foreign policy, diplomatic theory, contemporary Chinese diplomacy. Interview conducted on 20.03.2014.

8. **Mathieu Duchâtel** – Stockholm International Peace Research Institute, Senior Researcher and Head of the China and Global Security Project. Interview conducted on 20.03.2014.

9. **Zhang Jian** – Associate Dean and Associate Professor at the School of Government, Peking University. Research field: Comparative Politics, Chinese Politics. Research field: International and Comparative Politics and Political Economy. Interview conducted on 21.03.2014.

10. **Chen Shaofeng** – Associate Professor at the International Relations Research Institute, School of International Studies, Peking University. Research field: Security Studies. Interview conducted on 24.03.2014.

11. **Zhu Tianbiao** – Associate Professor and Associate Dean of the School of Government, Associate Director at the Centre for European Studies, Peking University. Research field: International and Comparative Politics. Interview conducted on 24.03.2014.

12. **The EU high official in China** – interview conducted on 26.03.2014.