

Address
by the Minister of Foreign Affairs of the Republic of Poland,
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at the conference on
“European Union-United States-China.
How to build transatlantic understanding
in relations with the emerging Asian power?”

Warsaw, January 11 2008

Ladies and Gentlemen,

In my opening address, I wish to dwell upon the main factors impacting the development of relations between the European Union, United States and China. I will focus in greater detail on issues confronting present-day China and I will outline the Polish position. In conclusion, I intend to formulate several questions which might be useful during the discussion.

Let me begin with the observation that the three powers mentioned in the title of this conference are co-shaping the world today. The United States, European Union and China are not equal partners. In many areas their interests are convergent, but in many others – they are diverse or even conflicting. Thirty years ago, after a period of upheaval and political-economic meanders, China embarked on a course of modernization and opening to the world. In a remarkably short period of time the country made a genuine “great leap forward”, becoming one of the leading global powers. China’s growing clout has become a challenge both to US policy and that of the European Union.

There is an obvious asymmetry in the triangle EU-US-China. To the United States, China is a political and economic partner, though – despite correct relations between the two – it is also increasingly becoming a political and military rival. To the Union, China is primarily an economic and trading partner and it is that area of contacts that has dominated the political sphere and, even more so, the marginal sphere of military contacts. China, too, mainly perceives the Union as a partner in commerce rather than politics, considering it a more or less cohesive coalition of states rather than a single entity. Unlike the United States, the Union has no military presence in Asia, though it is important to

China as a potential supplier of technologies. The Union, which adheres to the principle of democratic co-decision – alien to China – is, nevertheless, the easier partner, though less predictable.

The Chinese leadership tends to look upon the Union mainly in terms of Germany, France and Great Britain, treated as “the grouping leaders”. Beijing pursues a policy of playing the European countries and the US against each other. It feels most comfortable in a situation when the respective states compete for Beijing’s favors and a piece of the Chinese market, with Beijing playing the role of arbiter, who rewards the meek and admonishes the insolent. Thus, from China’s point of view, the development of a common Union foreign policy could turn the Union into a more demanding partner.

The bilateral links of the respective European states with China, and also with other Asian countries, carry greater weight than the relations of the EU as a whole. European countries have long competed among themselves – and with the US – for the Chinese market. The accessibility of that market is largely determined by political preferences of the Chinese partners, their assessment and evaluation of the economic and political benefits involved, and their attempts to obtain diversified sources of advanced technologies.

It is likely that Member States will be reluctant to transfer to Community institutions their prerogatives in the sphere of relations with China, which are so crucial to their economic interests. Admittedly, more and more decisions are being made in Brussels. Still, the growing role of national interests is evident when one considers the process of attaining compromise on the issue of import quotas on Chinese goods, or the embargo on arms sales to China. The embargo, imposed in consequence of the 1989 suppression of the democratic movement in Tiananmen, is a positive example of collaboration between the US and the Union, in line with Western principles and standards of conduct. In 2006, the Union did not lift the embargo, thus endorsing the American position.

Ladies and Gentlemen,

The United States, as global power, is simultaneously an Asian and European power. Through its political and military presence in Asia, it guarantees – as it does in Europe – the continent’s security and stability. Unlike Europe, Asia does not have a security system based on a common organization. NATO is such an organization in Europe. Meanwhile, in Asia, it is the bilateral alliances of the US with Japan, South Korea and Australia that have pivotal security significance. The American military presence in Central Asia and the

development of US-India cooperation is seen by Beijing as a policy of “encircling” China.

On the other hand, Washington is concerned by China’s growing arms spending and its rising political and economic profile in Asia and the Pacific. China’s ambitions found a spectacular expression at the 2005 Asia summit in Kuala Lumpur, to which the United States was not invited. Many experts feel China’s increasing clout is coupled with erosion of US influence. Meanwhile, Taiwan remains a potential flashpoint in the relations between the two states.

At the same time, China is a crucial trading partner of the US. Already in 2003 China was America’s third-largest trading partner and second-largest exporter to the US. However, US-Chinese trade is marked by a deep imbalance, with a huge deficit on the American side. On the other hand, China, as a major investor in US government bonds, is helping finance American debt.

The current American policy line is close to the concept of treating China as a “responsible shareholder”, formulated in 2005 by Deputy Secretary of State Robert Zoellick. It stipulates that the participation of a state in shaping the international order has to be coupled with responsibility for the condition of that order. In particular, Washington wants Beijing’s cooperation in countering the spread of WMDs, with special reference to persuading North Korea and Iran to abandon their nuclear ambitions.

Ladies and Gentlemen,

China’s dynamically growing might is both a chance and a challenge. – It is a chance, because China’s economic upsurge gives one-quarter of humanity an opportunity to enjoy prosperity. This offsets the deep inequalities and defuses tensions between different parts of the world, which impair relations between North and South. And it is a challenge, because globalization has intensified competition for access to markets and raw materials. China is gaining importance as a player in African and Latin American markets, where the Western powers used to hold sway.

It is noteworthy that, increasingly, the US and the European Union find themselves facing similar problems in their relations with China. In particular, this involves such issues as trade imbalance, access to markets and protection of intellectual property rights. Thus, it is in the common interest of both partners in the transatlantic cooperation to persuade China to deliver on its WTO commitments.

However, positions on both sides of the Atlantic are not that close on many other issues. Till recently, Brussels was much more cautious on such matters as revaluation of the Chinese currency, or the trade deficit. As concerns human rights – a subject of vital importance to both Western partners - the Union states took a much more nuanced position, placing greater emphasis on equal dialog. And on climate change – differences between Washington and Brussels are quite pronounced.

Yet it is in the common interest of the European Union and the United States to attract, stimulate and encourage China to become a responsible member of the international community. We both want a China that is integrated with the international political and economic system, founded on principles of democracy, human rights, competition and the free market, as well as active participation in solving regional and international problems. And this happens to be the goal of the strategic partnership that has linked the European Union and China since 2003. It involves cooperation in building a strong and effective international order and seeking solutions to the challenges that confront the world. To a large extent, these also are the objectives of the American China policy.

Ladies and Gentlemen,

Modern-day China, formally a communist state, is in fact a country of early capitalism, with restricted political freedoms. The recent 17th congress of the Chinese Communist Party reiterated that “ China absolutely does not intend to copy the model of Western democracy”.

China is “the world factory”, its fourth-largest economy, and it frequently disregards international rules of conduct. Between 1978 and 2006, over the time span of less than 20 years, China’s share of world trade surged from 0.8 per cent to 8 per cent, which has made the economy excessively dependent on exports. Internal stability hinges on a high rate of economic growth: it has to stay at the level of at least 7 per cent a year to generate enough new jobs so as to prevent social and political tensions. Environmental damage is increasingly serious and likely to have long-term impact. Considering the size of China – more a continent than a country – its internal problems become regional and international problems.

Various political and border issues remain unresolved in China’s relations with neighboring states. China is reluctant to share responsibility for world problems,

only to mention the conflict in Darfur or the human rights violations in Myanmar. The Chinese leadership supports anti-Western regimes and dictatorships, propagating the so-called Beijing consensus, or Chinese model of government, which allows economic and personal freedoms, but not political ones. Thus, it is the antithesis and challenge to the so-called Washington consensus, based on democracy and the free market.

It is hard not to wonder about China's military potential and the fast growth of its defense budget, which reached 46 billion USD last year – or 17.8 per cent up on the year before, though unofficial estimates put it much higher. Attempts by the Chinese military to obtain long-range strike capability away from its borders give cause for concern. That concern over a Chinese military threat has been voiced in a number of countries in South-East Asia.

Ladies and Gentlemen,

Any Polish cogitation on the international place of China can hardly omit a reference to the historic significance of June 4th, 1989. For Poles, that day marked a giant step forward along the path to full liberty. It brought hope for the advent of democracy and modernization of the Polish economy. Public energy released at that time was a driving force of our return to the Transatlantic community and accession to NATO and the European Union, which epitomize that community.

Yet for many Chinese and all those who supported the postulates of the students in Tiananmen Square, June 4th was a day of tragedy and dashed hopes. This dramatic divergence in the symbolism of the date brings into focus the historical context of the debate on the future of China and allows us to better understand the challenges that face the transatlantic community in its relations with the surging Asian power.

The history of the Polish systemic transformations has proved that there is no contradiction between building a democratic state and modernizing its economy. In fact, we are convinced that transformations in both these spheres, designed to extend freedom, complement and enhance each other. It is hard to imagine success in building a modern economy, fully integrated with the world economy, without the rule of law and observance of civil freedoms. We are not claiming that the Polish model of systemic transformations offers a magic formula for solving the complex problems of such a great country as China. However, we do believe that it can serve as an interesting source of inspiration.

Poland is in favor of upgrading the strategic partnership between the European Union and China. We are pleased with the effects of the EU-China summit last November. It is welcome news that high-level Economic and Trade Dialog is to be launched by the end of this year; it will address the problem of the growing trade deficit on the Union side. It is also crucial for Beijing to open up the Chinese market to European goods, grant European companies investment opportunities in China, create transparent rules of competition, ensure protection of intellectual property rights and allow the yuan to appreciate. We also support a rapid conclusion of the talks on a Partnership and Cooperation Agreement that will reflect the strategic partnership of the parties. The agreement will also regulate the economic and political contacts of the respective member states with China.

We are convinced that the world today needs a robust partnership between America and Europe. Considering the political and economic potential of the United States and the European Union, they are capable of jointly dealing with the most profound global challenges. And these doubtless include the growing economic might of China and the resultant, increasing international activeness of the Middle Kingdom. No major global problem can be solved today without China. – I could mention here the task of ensuring stable development conditions for the international economy, prevention of environmental threats, countering of WMD proliferation, stabilization of such conflict-torn regions as the Middle East and Africa, and security of energy supplies.

Poland feels that the US and the EU need to harmonize their China policies. In a community founded on free choice and competition, that is no simple task. Yet it is urgent, for there is no alternative to closer transatlantic cooperation. At the same time, we have to keep in mind the differences between the European Union and the United States when it comes to decision making and conduct of foreign policy.

The prospects for boosting transatlantic understanding in relations with China depend on the advancement of the European Union's common foreign policy. A common policy may at times require abandonment of narrow national interests – and that isn't always easy. But “not being easy” doesn't mean that something is impossible: the achievements of transatlantic cooperation to date should encourage us to tackle even the toughest challenges.

The forthcoming Olympic Games in Beijing reflect the respect of the international community for the Middle Kingdom. Yet they also indicate that China's growing world influence and prosperity carries with it greater moral responsibility. The transatlantic community should speak out, openly and frankly, about the need for China to respect human rights and freedoms.

Ladies and Gentlemen,

I hope that the conference debates will help you address at least some of the most essential questions and challenges facing both China and its partners:

- will future China be a great partner or rival in the scramble to obtain some of the shrinking world resources?
- will China's growing power constitute a threat to the security of the transatlantic community, including its energy security?
- what should be the strategy of contacts with China? What degree of coordination do we need? What is hindering such coordination and what is enhancing it?
- what would be the optimum formula of economic and trade relations with China?
- what are the possibilities of environmental cooperation?
- and finally: what values and interests should have priority in our relations with China?

I wish you productive debate.

Thank you for your attention.