CHAPTER 6

Conclusion

This concluding chapter will bring together the preceding chapters’ findings to unpack EU policy-making vis-à-vis China. As outlined in Chapter 1 of this manuscript, one is often confronted with various puzzling observations when observing the EU’s China policy. This book’s purpose was to offer insights that contribute to a better understanding of these puzzles, as it aimed to unpack EU policy-making toward the PRC by illuminating how member states, bureaucracies, and institutions shape the EU’s China economic policy. This book started with various observations regarding the literature’s specific and general inability to explain the EU’s China policy. Academic work on EUFP toward China is heavily policy-driven, with few works using theory (see Bersick 2015). Multiple IR theories can illuminate EUFP toward the PRC, including the BPM, neorealism, and institutionalism. However, problematic is that these theories assume universal applicability. Also, when scholars do use theory, there is a failure to unpack the policy cycle.

Given the limits of the existing literature, there is a need to explore the drivers of EU foreign policy toward China anew. I demonstrated this by investigating three policy-making stages—issue identification, decision-making, and implementation—in three different cases. I formulated hypotheses for each of the distinct stages of the policy-making process, and I stated the expectations about what to observe when the theories
were valid (see Chapter 2). These cases were the EU-China solar panel dispute (2012–2018) (see Chapter 3), the EU investigation into mobile telecommunications networks from China (2012–2014) (see Chapter 4), and the EU’s response to China’s rise in Africa via the EU-China-Africa trilateral cooperation initiative initiated by DG DEV of the European Commission in 2008 (see Chapter 5). The first two cases illuminated the evolving nature of Sino-European trade relations, the internal workings of EU trade defense policy, and, more generally, the current challenges to globalization and the international trading order. The EU-China-Africa trilateral cooperation case illuminated the EU’s internal workings against the backdrop of a new party entering the African stage with a focus on trade, investment, and infrastructure. Two aspects of this project made it a distinctive and novel contribution to the discourse. The first is the identification of scope conditions, bounding the applicability of various arguments about the determinants of EU foreign policy vis-à-vis China, focusing on the economics issue area. The second is my empirical work because I shed light on three understudied cases and proffer more evidence.

My analysis relied on multiple sources of data, including legal and policy documents, other empirical sources such as newspaper articles from main media outlets, over 100 semi-structured interviews, consultations, and conversations with a wide range of interviewees, and a considerable amount of secondary literature. The findings that I will outline below are not just relevant to those interested in the EU and China’s economic relations. One can use the scope conditions enumerated herein to assess other issue areas, delve into different stages of the policy-making process in these issue areas, and unpack EU foreign policy-making vis-à-vis other third countries and regions, and issues. The findings are germane to academics, business people, and policy-makers, and my case studies will strongly interest such audiences, too.

This final chapter summarizes the main findings of this book and expounds its relevance. Below, I will first evaluate the overall performance of my approach in the three cases. This discussion will be followed by a consideration of the theoretical implications of my study. Next, I will turn to the business and policy value of this book’s analytical and empirical findings. Furthermore, I will discuss the limitations of this study and the venues for further research. The final chapter of this manuscript ends with some closing remarks.
EVALUATING THE COMPETING MODELS

This book reveals what analytical tools best illuminate EU policy-making at various stages of the policy process. This section evaluates the three competing models, the BPM, neorealism, and institutionalism. As outlined in the introduction, there is a need to identify these theories’ range of applicability. When do they work and when do they not work? The findings of theory scope conditions are this manuscript’s most significant contribution. These scope conditions include issue areas and policy stages. This section predominantly focuses on two aspects. The first one is what theoretical approaches not just apply but apply best in different stages of the policy-making process. The second is why some approaches apply to multiple policy stages, and why some seem to work better than others in certain stages. For an extensive discussion of the three candidate theoretical models and the formulation of the hypotheses per policy stage, see Chapter 2.

Overall, the results of the performance of the hypotheses based on the BPM are mixed. Per the BPM, their agenda and interests drive EU bureaucracies when identifying an issue. The value of the BPM is limited in the issue identification stage of formal trade defense cases, including the solar panel case. On the one hand, Trade Commissioner De Gucht wanted to take a tougher stance on China, and impose solar measures. On the other, per the formal procedures, it is up to an EU industry to lodge a formal complaint of unfair trade practices, after which the formal process starts. The telecoms case was a special case because it was the first-ever ex officio move of the Commission. It was predominantly the Trade Commissioner acting on his initiative, and the real target of De Gucht was Huawei. This somewhat limits the explanatory value of BPM for the issue identification stage. De Gucht is not a bureaucracy, but he acted in a way befitting the bureaucracy leader, who brought his perspective to things. On a related note, also in ex officio cases, DG Trade needs to follow formal procedures.

In the EU-China-Africa case, we saw a dual development. In late 2006, DG DEV, predominantly then Development Commissioner Michel and Director Manservisi, made China in Africa an issue of critical importance for the EU because a new, big player with its vision on development became increasingly present on the African continent. The BPM has some value for this stage, as Michel and Manservisi also saw the trilateral dialogue as an opportunity for DG DEV to increase its political profile...
regarding Africa, and gain greater political autonomy within the European Commission, in particular concerning DG RELEX, which then was the Commission’s DG for foreign affairs.

The BPM in the decision-making stage emphasizes that the decision-making process is a bargaining situation where actors promote their interests by pulling and hauling, leading to compromised outcomes and the net result that decisions do not mirror any actor’s intentions in particular. In both the solar case and telecom networks case, the decision-making process was a bargaining situation. Driven by the perception that there was a need to invent new strategies in dealing with China to get a good outcome for Europe, De Gucht wanted to stay out of a formal rules-based approach and negotiate a deal with the Chinese side. In the solar case, De Gucht wanted to impose anti-dumping measures, but the pulling and hauling, including on the European side and with the Chinese, led to compromised outcomes. The Commissioner had an important role, and “where he stood did depend on where he sat,” a class BPM aphorism. There was state bargaining with an essential role for Germany, and Berlin changing positions to get a better result for them was critical. In the telecom networks case, we saw a similar bargaining situation on the European level and with the Chinese side, which led to a muddled settlement. To a large degree, the decisions did not mirror the intentions of any actor in particular. The “amicable settlement” was just what they ended up having, and the case needed to be settled before De Gucht’s term as a Trade Commissioner ended.

The explanatory value of BPM for the decision-making in the EU-China-Africa case is mixed. DG DEV had to deal with resistance, difficulties, and diverging opinions among other European actors. Also, it had to take the member states into account, and it had to be careful not to antagonize the African and Chinese partners. Both DG DEV and RELEX’s preferences correlated highly with their bureaucratic positions, aligning with the BPM approach. There was no bargaining game, particularly not between the Commission and the Council. The parties were “developing a policy line,” seeking engagement with the PRC on a sensitive issue (Interview senior EU official, November 26, 2015). The policy for dialogue and cooperation fit the preferences of many, but the forms, features, and tone of the trilateral dialogue were a blend of multiple actors’ preferences. There was no single policy-maker, which is, to some degree, in line with the BPM. At least in part, the policy outcomes can be seen as a solution to a problem, because the main idea was to give a
signal that Europe was ready to engage and to recognize that China is interesting for African partners rather than creating a scramble.

A BPM hypothesis argues that where a decision leaves leeway for the implementing body, the implementation should reflect delays, contradictory actions, duplications, and distortions of original purposes. When key bureaucratic actors leave, then policy implementation will reflect this. Policies come and go with the people that initiated them. In the EU-China-Africa trilateral cooperation case, the establishment of the EEAS in late 2010 changed the dynamics significantly, as the EEAS now became in charge of organizing the EU-China Summit and the EU-China Dialogue on Africa. The original idea was that this dialogue should be on development issues because the people that pushed for it were people from what was then DG DEV. They did not have any competences on security issues. However, after the EEAS became in charge of this dialogue, it became much more security-driven. Per the BPM, officials who were not involved in the decision game feel less obliged to implement the policy decision (see Allison and Halperin 1972). This is why this model works in this stage for this case.

The analysis of the telecommunications networks case revealed the implementation of some parts but not of others. Trade Commissioner De Gucht’s term ended, and his successor had different priorities. His Deputy Head of Cabinet, who drafted the four points of the settlement, also left. The European telecom industry was not supportive of a monitoring mechanism. Critical was also that the settlement was not legally binding. Thus, the legal power to enforce it was absent. In the solar case, the Commission had to monitor the implementation, as it concerns law enforcement. The monitoring included quarterly reports, trade statistics, and on spot verifications, which the Commission did, limiting BPM’s potential for this case in this stage.

In sum, why does the BPM work better in some stages or issue areas than others? An important factor is the availability of space to act. There are formal procedures in trade defense cases, for instance, in the issue identification stage and the decision-making stage. DG Trade needs to respect these procedures. In the EU-China-Africa trilateral development cooperation case, DG DEV could act. However, there was no obligation or legal duty to act for this DG. More space to act leaves more space for bureaucratic politics. We saw a dual development here, with one part being that Commissioner Michel and DG Manservisi saw the
trilateral dialogue as an opportunity for DG DEV to increase its political profile regarding Africa, and gain greater political autonomy within the Commission, in particular concerning DG RELEX (see Stahl 2018; Carbone 2011; Interview senior EU official, August 20, 2019). As indicated above, predominantly when there is more leeway, the BPM fits the policy implementation stage. Also, in the two trade defense cases, we saw bargaining throughout the entire case. This is why the BPM approach had some value for multiple policy stages. However, the Trade Commissioner himself predominantly drove this. All three cases revealed the importance of people in key positions pushing for a specific case, starting from the issue identification stage. Nevertheless, there were limits, for instance, with the member states eventually being the decision-makers in trade defense cases. Formal procedures still matter.

The second candidate approach neorealism appeared to work better in some policy stages (and cases) than in others. Per neorealism, the security, economic, and other interests of the most powerful EU member states influence what issues the EU identifies as the key EU foreign policy-making issues. The value of this explanation for the two trade defense cases was minimal. In case of unfair trade practices, it is up to the respective EU industry to file a formal complaint with DG Trade of the European Commission. Due to these procedures, the two TDI cases did barely reveal any evidence for support of realism in the issue identification stage. Regarding China’s rise in Africa and the response of the EU via the trilateral cooperation initiative, despite the most powerful member states (belatedly) having identified China in Africa as a topic of interest, in this particular case it was DG DEV that drove the initiative, limiting the value of neorealism in this stage for this case.

The decision-making stage illustrates the difference in explanatory value per policy stage. Per the neorealism hypothesis for the decision-making stage, the EU makes decisions per the security, economic, and other interests of the most powerful EU member states. Given traditional national interests, states have to assert themselves to defend their economic interests. Germany demonstrated this in the solar panel case. The solar case was an illustration of Beijing using key EU member states to push EU decisions to an outcome that was more in its interests (and those of one or two EU member states) rather than the EU’s interests as a whole (Farnell and Irwin Crookes 2016: 141). The EU member states have relative power during the final vote in a formal trade defense investigation. It was clear for then Trade Commissioner De Gucht that
the provisional solar measures would not survive the Council unless there would be a change. Then German Chancellor Angela Merkel changing her point of view and calling for a negotiated solution was critical, as in the slipstream of Berlin, other member states followed. Eventually, neorealism works best in this case. Trade defense case procedures shape a position where there is relative power for the EU member states with the binding voting procedures for the definitive measures, and eventually, Germany asserted itself and defended its economic interests.

Even in the “extreme” telecoms case where DG Trade did not launch a formal investigation, and no formal procedures that are part of such an investigation needed to be followed, neorealism had explanatory value for the decision-making. If DG Trade had not settled the telecoms case, there was a risk of triggering a fully-fledged TDI case, which was “not seen by the member states as a good idea” (Interview senior EU official, August 19, 2019). The EU member states wanted to preserve their good relationships with Beijing. Them not being in favor of a formal trade defense case contributed to shaping an environment where the European Commission had to settle with the Chinese side. In the EU-China-Africa case, the member states’ support meant that then DG DEV of the European Commission could go ahead with its idea and launch a framework on which later individual initiatives of the member states could build. Neorealism was present, but in the background.

Neorealism’s hypothesis for the implementation stage highlights that the most powerful EU member states exert pressure on the body implementing the decision to make it track with their security, economic, and other interests. In the mobile telecommunications networks from China case, the EU member states wanted to maintain good relations with the Chinese side. Many member states were reluctant to support imposing measures in the first place. Muddled settlements lead to muddled implementation, and the muddled settlement was, in part, the result of the position of the EU member states. On a related note, the Commission’s DG Trade must monitor the implementation in the solar case. There is no role for the EU member states because it concerns law enforcement. Eventually, the European Commission’s political level was tired of fighting the battle to maintain the measures. There was a lack of support among the Commissioners, and thus they were open to let them slide as they legislated to do in February 2017. The new German government that assumed office in March 2018 signaled that they wanted the measures to go, which was a huge catalyst. The Commission services
had been fighting an uphill battle from day one, due to the lack of EU member state support. Consequently, there is some neorealism in the background.

In the EU-China-Africa case, we did not see that the most powerful member states exert pressure on the body implementing the decision to make it track with their interests. However, the decision-making stage’s results affected the implementation stage due to its creation of a space where the (most important) EU member states could launch their initiatives for dialogues and cooperation with China in/on Africa (see also Hooijmaaijers 2018).

Evaluating the performance of neorealism leaves us wondering why this model works better in certain policy stages than in others, and why it sometimes works best compared to its competing models. In part, the explanation for this is the EU member states’ role in the policy cycle. In trade defense cases, there is no formal role in the issue identification stage. However, there is a role in the decision-making stage. Given traditional national interests, states have the opportunity to assert themselves to defend their economic interests. Even after the entering into force of the Lisbon Treaty, which intended to make the EU more efficient, and more coherent on the world stage, there is an essential role for the Council as a decision-maker in anti-dumping cases. This is why neorealism seems to work better than others in the decision-making stage. In the trilateral cooperation case, it was a DG DEV initiative. However, development cooperation is a shared competence of the EU and the member states (see also below).

Whereas the performance of the hypotheses based on the BPM showed mixed results, and neorealism seemed to work better in some policy stages than in others, overall, the hypotheses based on institutionalism performed relatively well in all three selected cases and all the stages. Per institutionalism, issue identification flows from the interests or priorities of who is in charge as defined by the rules; EU law and procedures determine the process and outputs of decision-making; the implementation of policies follows EU institutions. Institutionalism was not always the most dominant explanatory model. However, it virtually always contributed to a better understanding of each policy stage in each case.

What explains the performance of institutionalism in virtually every stage of every case study? Nearly every EU policy area has its own rules and procedures, and it is essential to take this into account. It is all
about competences, and EU law and procedures matter. The distribution of formal competences is critical to explain the nature of EUFP and the relationship between EUFP and the foreign policy of the member states (see Eeckhout 2011; Lenaerts and Van Nuffel 2011). Under the EU Treaties, the EU member states confer competences on the EU, and the EU can only act within the limits of its competences. Competences not conferred upon the EU stay with the EU member states, and competences are conferred upon the EU exclusively to meet the goals set out within the Treaties. This principle is essential for understanding the nature of EUFP. It indicates that the EU has no general, legal basis allowing it to act regarding external affairs. However, this does not mean that the EU has no specific external competences because various treaty provisions allow the Union to act internationally in a broad range of policy fields.

Consequently, when evaluating EUFP, one should never expect the EU to have an exclusive or all-encompassing foreign policy (Keukeleire and Delreux 2014). The distribution of the competences between the EU and its member states varies per policy field. There are three general categories of competences, including exclusive, shared, and supporting competences. Given the EU’s nature, this is of significant importance, as EUFP is multifaceted, multi-method, and multilevel (see Keukeleire and Delreux 2014). These rather abstract terms mean that EUFP entails a broad range of areas, including CFSP, CSDP, trade, and development. It combines several policy-making methods, some with the EU member states in charge, and others with the Commission. Also, it comprises the national and European levels, plus it occurs in an international context.

Multiple actors and institutional procedures produce EU decisions, norms, policies, and actions, depending on the respective issue area (Smith 2008). The different methods of policy-making include the intergovernmental method and the Community method. The EU’s CFSP is organized based on the intergovernmental method. The EU member states retain control over the development of the EU’s foreign policy via the European Council and the Council of Ministers’ dominant position and via the predominance of unanimity in decision-making (Keukeleire and Delreux 2014). The EU’s external action (including trade, development cooperation, humanitarian aid, association and cooperation agreements, enlargement, and sanctions), as well as the external dimensions of internal policies (energy, environment, climate change, but also health, which is of particular recent importance given the COVID-19 pandemic), are principally organized via the Community method. This method is
based on an institutional equilibrium between the Council, the Commission, the European Parliament, and the ECJ. Also, there is the possibility of majority voting for most decisions in the Council (Keukeleire and Delreux 2014: 15–16). The Council is a forum whose attendees express and represent the position of their member state’s executive. This is why institutionalism applies to multiple policy stages in economic cases, for instance, regarding the EU’s common commercial policy (CCP) and other cases, including in the field of development.

More specifically, regarding the three case studies, and related to these findings, different actors and procedures may be relevant in the various stages. Two examples illustrate this. In trade defense cases, there is a clear timetable of events. In the issue identification stages, the member states somewhat lack a formal role. Complaints have to come from the EU industry, after which the formal procedures with DG Trade in charge start. There is a role for the EU member states in the decision-making stage. The vote on the provisional decision is non-binding. However, the vote on the definitive measures in the Council is binding. In the EU-China-Africa case, then DG DEV was predominantly relevant in the issue identification and decision-making stage. However, when it comes to policy implementation, the creation of the EEAS in late 2010 changed the dynamics significantly, as they now became in charge of organizing the EU-China Summit and the EU-China Dialogue on Africa. This evolution meant that this dialogue became much less development-focused (see Chapter 5). On a related note, Africa policy is not an exclusive competence of DG DEV. The member states can establish and have their policies, dialogues, and cooperation frameworks with China on Africa. In the case of development policy, the EU is competent to carry out activities and conduct a common policy. However, in doing so, it does not prevent its member states from also carrying out activities and conduct a national policy (Keukeleire and Delreux 2014).

**Theoretical Implications**

This research has several important implications for the study of EU foreign policy-making vis-à-vis third countries, regions, and issues. This book’s main theoretical contribution is to specify the scope of the three selected theories. As highlighted above, these scope conditions include both issue areas and policy stages. Theories, including the BPM, neorealism, and institutionalism, assume universal applicability, which is
The findings of this book support a more scope related approach of theories that illuminate the EU’s policy-making vis-à-vis third countries. The issue, I argued throughout this manuscript, is not that the dominant theoretical models are incorrect or lack potential, but that there is an inadequate appreciation of the fact they do not apply equally well to all domains. The three candidate theories do not sufficiently illuminate all stages of the policy-making process, even when we focus on one issue area; that is, economics. When scholars use theory, there is a failure to unpack the policy cycle. The universal applicability of theories is a problematic assumption. This is one of the main theoretical implications of this study.

Another contribution I made is to breathe life into the use of theory to illuminate the EU’s China policy, as work on the Sino-European relationship often still is (too) policy-oriented (see Bersick 2015). Theories are useful tools. However, their exact value depends on how one uses them. This work contributed to bridging various traditions, which appeared to be illuminating. Scholars of public policy—which is a larger realm of study than EUFP—often draw their assumptions and conceptual toolkits for studying policy-making from their analyses of US administrations, which has developed independently of the EU studies (see Versluis et al. 2011). Nevertheless, from these scholars’ insights, one can derive the stages approach to analyze policy processes. Ultimately, integrating theoretical approaches from international relations with those used in public policy and administration contributed to a better understanding of the EU policy process, as shown in this manuscript. This is another theoretical implication of this book for the study of EU policy-making toward third countries, regions, and issues.

**The Business and Policy Value of the Analytical and Empirical Findings**

We now turn to the business and policy value of the analytical and empirical findings of this book. The implications of this book’s findings reveal that it is critical to consider that it is all about competences and that EU law and procedures matter. The competences and EU law and procedures shape a position for actors and allow them to act. Different European actors may be relevant and influential in the different policy stages. There still is and continues to be an essential role for the EU member states in EU foreign policy-making, including trade defense and development.
Feng Zhongping has pointed out that one lesson the Chinese learned from their bilateral relationship with the EU is that the PRC’s basis for establishing relationships remains the member states. He characterizes the relationship between the EU member states and the EU institutions as follows: It may be hard to achieve anything without the EU institutions, but without the member states, nothing could be achieved (Feng 2009: 66–67). There is truth in that, although there are nuances per policy area and stage of the policy process. Internal divisions and diverging interests on the European side remain, for instance, via the traditional North-South and East-West lines. Despite the name European Union, the reality is that often Europe is divided. Coherence continues to be a challenge in EUFP (see Keukeleire and Delreux 2014; Marangoni and Raube 2014; Thomas 2012).

It is critical to consider the (most powerful) EU member states’ role, given the substantial influence they have over the broader context of the relations between the EU and the PRC. Foreign policy often is a function of domestic policy. This means that understanding EU foreign relations (re)actions always has to start “at home.” EUFP is still in a nascent state, and its evolution is often enough slowed down by (some of) the member states. EU-China relations thus always have to consider the EU institutions and the (most powerful) EU member states. The same goes for understanding the EU institutions’ role, including the Council, the European Commission, the European Parliament, and the EEAS. The European Commission, for instance, cannot be seen as a unitary actor. Instead, it is an institution with different sectoral specializations and Directorate Generals that, over the years, have developed their own organizational identity, routines, sense of mission, and ideas of Europe (Carta 2013).

An illustration of the EU institutions’ relevance and the (most powerful) member states was visible in the solar case. Due to the Northern European member states’ demands, even after entering into force of the Lisbon Treaty, the Council remained an essential decision-maker in anti-dumping cases (see Chapter 3). The solar case also highlighted the tensions between some individual EU member states’ short-term interests in cooperating with the PRC and the formulation of a coherent EU strategy or to act cohesively to accommodate a re-emerging global power (see Farnell and Irwin Crookes 2016). For instance, Germany asserted itself to defend its economic interests in the decision-making stage of this case. This reveals the lack of strategic
thinking on the EU side and the difficulties of developing a plan, mainly when the member states prefer to pursue their interests. Internal European dynamics limit the potential of the EU to act cohesively.

This work illuminated the internal workings of EU trade defense policy, and, more generally, the current challenges to globalization and the international trading order. If a party wants to influence the way the EU identifies policy in trade defense cases, it is essential to consider that, in the case of unfair trade practices, industry parties can file a formal complaint, after which the Commission launches an investigation if all criteria are met. The industry includes in its complaint what a suitable proxy country would be. The reason for this is that they are believed to have extensive knowledge of the global market. Here is a clear opportunity for the European industry side to influence the issue identification. However, some industries know their way to the DG Trade offices better than others and are better organized. Two examples of industries that are relatively well organized are the European steel industry and the chemical industry. Thus, the EU has relatively many cases involving steel and chemical products (see also Wuttke 2017). Therefore, one of the takeaways for businesses from this manuscript is the added value for the European industry to organize themselves well.

Interest groups are empowered in trade defense cases, but they do not have the full force in shaping economic globalization because of other issues. Eventually, the member states have some relative decision-making power in these cases. Germany’s position is critical. It is Europe’s biggest economy, but it can also be seen as a swing state regarding anti-dumping matters, as Berlin has difficulties making up its mind on these issues. If a businessperson wants to know who should get his or her attention at the policy implementation stage, the Commission is a suitable candidate, as are the (most powerful) member states. There is a clear timetable of events in trade defense cases that makes it easier to target DG Trade of the European Commission, and the relevant member states when a decision is about to be made. These findings will help businesses do better government relations and be more aware of the business environment.

Whether the anti-dumping or subsidy cases are about Chinese solar, telecoms, or steel, the issue is generally the same. The question is not whether there is dumping or subsidies from the Chinese side, which mainly relates to the issue identification stage. Instead, the question is whether Europe wants to do something about this situation or not. This latter question involves decision-making. That is the ongoing debate
in Europe. In this debate, again, we see EU internal divisions. The Southern member states predominantly approach these cases from a political perspective and feel that dumping and subsidy practices are unacceptable. By contrast, the Northern EU member states predominantly consider these situations from a more economic perspective. They prefer to assess the overall effect of these unfair trade practices on the EU when taking a broad range of factors into account, including the manufacturers, consumers, and users. The European Commission plays a vital role in defining, promoting, and representing the common interests in the EU’s external action and the external dimension of internal policies (Keukeleire and Delreux 2014). The European Commission’s DG Trade predominantly feels it is working for the European industry. Italian nationals largely dominate the Commission’s anti-dumping club. They predominantly hold a more principled stance regarding dumping and prioritize the defense of the EU’s economic interests against external threats. However, the question is whether the Commission’s anti-dumping unit should prioritize the EU industry or the 500 million European citizens.

In the case of China, one can virtually always find dumping and subsidies. Particularly at the time of the TDI cases of this book, the reality was that if a country does not possess MES, basically that particular country always was found guilty. This was deliberately done so for China. The MES clause was a China clause. There is a general discussion of how anti-dumping rules are evolving. A new anti-dumping methodology was put in place in December 2017, and new trade defense rules became effective in June 2018. China remains crucial regarding these matters.

The case studies, including the one on Chinese solar, also revealed that it is difficult to make trade defense measures work. Firms will seek smart circumvention, and there is consumer demand for low priced goods. On a related note, a somewhat neglected dimension in these trade defense cases is the consumer perspective. Consumers prefer the cheaper the products, the better. It is worth emphasizing that the consumer will ultimately pay any increase in prices: “as always with Trade Defense Instruments, the consumer pays” (Interview senior industry association representative, 30 January 2018).

The business and policy value of this manuscript’s findings includes that Beijing links together different issues, as pointed out by Godement and Vasselier (2017). It is realistic to expect retaliatory actions in case of a dispute. Even if one’s business was initially not involved, there is
a chance of being dragged into this crossfire. An illustration of this was the Chinese action against German carmakers and Southern European wine in the trade defense cases discussed in Chapters 3 and 4. As put by a senior EU official, “While we firmly think this [an anti-dumping case] is law enforcement, the Chinese see it as politics which you can retaliate” (Interview senior EU official, August 19, 2019). The Chinese side knows exactly where to push and which sectors are critical for the European industry. For both policy-makers and business people, this is important to consider and anticipate when the possibility is there. Also, heightened tensions can lead to a more disorderly world, in which the EU and European countries may be affected, directly or indirectly.

In the solar case, we mentioned that for Beijing, a negotiated solution was face-saving (see Chapter 3). The EU unilaterally imposing measures is not. However, the notion of saving face is also relevant to the European level. EU member states want to be part of the winning coalition. Opposing a decision or policy may cost political capital for the respective member state. Also, European heads of state or government or ministers need to head back to their respective capitals and defend in their parliaments or announce to the press and their citizens that they gained something from a particular EU deal. Everyone needs to get home with the opportunity to announce at least some gains. This is the Brussels game. It is critical to take this into account when one wants to understand policy-making in Europe’s capital.

On the policy level, the three case studies revealed the struggles that the EU is facing regarding the global power shift toward the Asia Pacific in general, and China’s rise in particular (see Hooijmaaijers 2015, 2018, 2019; Keukeleire and Hooijmaaijers 2014; Mahbubani 2008). China continues to present a challenge to the EU, both internally and externally. Europe grapples with developing a strategy, a vision, and coherence to deal with these changes and challenges. In this light, the strategic partnerships that the EU launched around two decades ago continue to be a case in point and can predominantly be seen as rhetorical facades (see Hooijmaaijers and Keukeleire 2020; Renard 2011; Ferreira-Pereira and Vieira 2016).

The case studies analysis has also pointed out the differences in systems between Europe and China (see also Small 2020; European Commission 2019). These differences include Chinese state capitalism, SOEs, and the links or the assumed links between the Chinese state and Chinese firms (see Hooijmaaijers 2019). Early in his term as a Trade Commissioner,
Karel De Gucht came to two conclusions. First, he determined that a vast government subsidies program, including cheap electricity, financing, and property, was fueling China’s manufacturing dominance. Second, De Gucht believed Beijing was “stifling the usual trade complaints” from EU firms by threatening to shut them out of the Chinese market (Financial Times 2013). These are only a few of the many thorny issues in the Sino-European relationship that are likely to remain in the future (see Gabriel and Schmelcher 2018). This becomes, for instance, visible in the reality that dropping the ongoing telecoms investigation in 2014 (see Chapter 4) also meant that the opportunity for “a long-awaited (some would say overdue)” debate on the EU’s attitude vis-à-vis Chinese subsidies was removed (Farnell and Irwin Crookes 2016: 84). At least one European telecom firm regarded China’s export subsidies as a generic issue rather than a telecom specific issue. Thus, they found it more worthwhile to take them on a breach of China’s WTO commitments.

The lack of reciprocity continues to be an issue in Sino-European affairs (see Hanemann and Huotari 2018). Brussels wants Beijing to treat the European firms in China the same way that the Europeans treat Chinese businesses in Europe. This is, to a large extent, not the case. For instance, in 2013, industry association EU ProSun claimed that while the EU market was wide open for Chinese companies to exploit, the Chinese market was effectively blocked for EU solar panels. There were virtually no EU manufactured solar panels exported to the PRC despite their technological advantages. Even though China was beginning to grow its installed solar energy capacity, there were no realistic opportunities for EU solar panel manufacturers to export to China (EU ProSun 2013). Still, the EU’s toolbox to deal with the lack of reciprocity is relatively limited.

**Limitations of This Study**

As with most studies, there are certain limitations to this analysis. The first one relates to the case selection. Candidate case studies needed to be political economy related EU-China cases with sufficient data available, allowing for testing theories in three policy stages, to identify scope conditions. Moreover, cases could not be moving targets. Otherwise, analyzing the implementation of a decision would be problematic. This also means that the cases are sometimes “older” cases. Some practitioners already
considered the trade defense cases as “ancient history,” and the trilateral cooperation initiative dates back to 2008. Still, I selected the three cases because they meet the criteria listed above for candidate case studies. However, this does mean that I only touch upon the EEAS as a EUFP actor to a limited degree, predominantly in the EU-China-Africa trilateral cooperation case. Two of the economic cases selected in this book are trade disputes and defense cases, a particular area of the EU’s CCP. They relate to the EU’s external action, not the CFSP. Though, also here, we have to consider that candidate case studies must meet the criteria outlined above.

Second, China’s rise in Africa and the EU’s response is a rather broad topic with responses from various actors, including the European Commission, the European Parliament, and the Council. Also, the member states conduct their foreign policy toward Africa (and China) and can pursue their dialogues with China on Africa. For this book, the focus is on the DG DEV initiated EU-China-Africa trilateral cooperation initiative as a response of the EU to China’s rise in Africa because this fits this manuscript’s approach. Third, the policy cycle suggests a linear policy-making process. However, just like there is no exact beginning or end of a stage in this process, there is no exact moment where the policy-making activity proceeds from the one stage to the next (Versluis et al. 2011: 21–22). To some degree, this also goes for the selected cases. The solar and telecoms cases were part of one big political game and a situation that got heavily politicized. This means that both cases were not separate linear policy-making processes.

Fourth, it is worth noting that given the complexity and the wide variety of processes within the EU, it is not possible to come up with a common all-encompassing EU policy process theory. By contrast, theoretical approaches to the policy process of the EU should rather be seen as attempts to capture specific “parts of the beast,” for instance the behavior of actors within the policy cycle or the stages of decision-making (Versluis et al. 2011: 29). Fifth, due to some interview candidates declining to participate, not everyone that we wished to interview was interviewed. This led to less empirical data, as was hoped for in an ideal world. Nevertheless, every researcher has to deal with these limitations. To limit this reality’s adverse effects, we made a stronger push for data triangulation by requesting internal EU documents and approaching a wide range of interviewees on the government, academic, and business levels.
Although it is not a limitation as such, it is crucial to make some remarks regarding Brexit. The UK stopped being a member of the EU at 23:00 GMT on 31 January 2020, and a transition period was in place until 31 December 2020. However, at the time of the case studies, the UK was an integral part of the EU. The main analytical point of neorealism is traditional national interests (of the most powerful EU member states), which remains valuable with or without Brexit.

**Venues for Further Research**

This book’s findings and analytical framework are not just relevant to those interested in EU-China economic relations. One can use the scope conditions enumerated herein to examine other issue areas, delve into different policy-making stages in these issue areas, and unpack EU foreign policy-making toward other countries, regions, and issues. Regarding China, two potential new case studies include the EU-China bilateral investment agreement, and the new investment screening mechanism. However, the investment agreement will only become a candidate case after a deal on the CAI. This has not happened yet, and it remains unclear if an agreement is ever to be reached. The analytical framework developed in this manuscript that focuses on administrative dynamics, the most powerful member states standing up for their economic interest, and EU law and procedures as possible explanations, does have the potential to illuminate the investment screening mechanism, as in September 2017, the European Commission proposed a Regulation establishing a framework for screening of FDI into the EU. The proposal followed a move by Germany, France, and Italy that earlier that year sent a letter to the Commission, arguing that EU member states should have more scope to investigate individual takeovers and, where applicable, block them (see Hooijmaaijers 2019). The investment screening mechanism, which is fully operational since October 11, 2020, is formally not targeted at China but applies to all third countries. To fully fit this analytical approach, it needs to be in operation for a substantial amount of time to draw valuable conclusions for the implementation stage.

As was noted in the previous section, one “limitation” of this study is that it only touches upon the EEAS as a EUFP actor to a limited degree, with the selected cases being external action cases and not CFSP cases. Consequently, this is a potential venue for future research. The aim here could be to investigate the extent to which the BPM has explanatory
value, for instance, regarding the EEAS versus other DGs of the European Commission. This has potential as the EEAS was launched after the Lisbon Treaty to bring more coherence in EU foreign policy. Other venues for further research could be multiple, focusing on actors, policy fields, and third countries. Regarding actors and policy fields, the theory testing could, for instance, be projected on a CSDP case as the naval operation EUNAVFOR Atalanta, to see if regarding the CSDP bureaucracies involved BPM can be detected, or whether the key interests of the most powerful member states illuminate the policy-making. Focusing on CSDP bureaucracies and the EEAS could further contribute to the theoretical study of international bureaucracies (see Ellinas and Suleiman 2014).

The theory-guided research, as conducted in this manuscript, could focus on EU foreign policy vis-à-vis other third countries, including other emerging powers and EU strategic partners, to illuminate their relations with the EU. Russia would be a potential candidate, considering that it is a neighbor of the EU, a permanent member of the UN Security Council, a (former) EU strategic partner as well as the fact that it has different historical relations with for instance the Central and Eastern European countries, but also with the Big Three. India has potential given its different relations and background with the member states, the country’s status as an emerging power, and its strategic partnership with the EU (see Hooijmaaijers and Keukeleire 2020). As per the Withdrawal Agreement, the UK now officially is a third country to the EU, it is also a potential candidate. Last but not least, the US under the Trump administration would be another option for future research. This could also contribute to international comparative research. Moreover, scholars can use this approach on the multilateral level by selecting a multilateral case such as climate change.

**Closing Remarks**

This manuscript specified the conditions under which the BPM, neorealism, and institutionalism are more useful and pointed at their applicability limits. Based on a study of three political economy-related cases, it demonstrated what approaches not just apply, but apply best in various stages of the policy cycle, and why some models apply to several policy stages, and why some seem to work better than others in certain policy stages. The PRC continues to present a challenge to the EU, both
internally and externally, in virtually every policy field. The analytical framework developed in this book contributes to a better understanding of these developments. Those interested in EU-China affairs can apply this analytical framework to the three economic cases discussed in this manuscript and a wide range of other topics. These topics may be China-related but can also relate to EU foreign policy vis-à-vis other third countries. It is critical to consider the role of the EU member states, given the significant influence they have over the broader context of Sino-European relations. The same goes for understanding the role of the EU institutions themselves, including the Council, the Commission, the Parliament, and the EEAS. It is all about competences.

Notes
1. Opinions between industry sources and senior EU officials differ whether some parts of the deal were implemented because of the deal or whether this was happening anyhow (see Chapter 4).
2. The reality of these methods is more complicated than the Community method and the intergovernmental method categorization. Unanimity is required for some external action decisions, including trade agreements on FDI; and cooperation between EU member states’ policies is an appropriate method for development policy (Keukeleire and Delreux 2014).
3. At least three recent documents indicate a change in the debate on these matters. Germany’s main business lobby, the Bundesverband der Deutschen Industrie (BDI), recently started describing Beijing as a systemic competitor, the Commission’s 2019 strategic outlook called China a systemic rival, and a 2020 BusinessEurope report highlighted the systemic challenge in EU-China relations (BDI 2019; European Commission 2019; BusinessEurope 2020).

References
Allison, Graham T., and Morton H. Halperin. 1972. “Bureaucratic Politics: A Paradigm and Some Policy Implementations.” World Politics 24: 40–79.
BDI. 2019. China–Partner and Systemic Competitor. How Do We Deal with China’s State-Controlled Economy? Berlin.
Bersick, Sebastian. 2015. “The EU’s Bilateral Relations with China.” In The SAGE Handbook of European Foreign Policy, edited by Knud Erik Jorgensen, Asne Kalland Aarstad, Edith Drieskens, Katie Verlin Laatikainen and Ben Tonra, 615–633. London: SAGE.
BusinessEurope. 2020. *The EU and China: Addressing the Systemic Challenge*. Brussels.

Carbone, Maurizio. 2011. “The European Union and China’s rise in Africa: Competing Visions, External Coherence and Trilateral Cooperation.” *Journal of Contemporary African Studies* 29 (2): 203–221.

Carta, Catherina. 2013. “The EEAS and EU Executive Actors within the Foreign Policy-Cycle.” In *What Kind of Power and Diplomatic Action?*, edited by Mario Telò and Frederik Ponjaert. Farnham: Ashgate.

Eeckhout, Piet. 2011. *EU External Relations Law*, 2nd ed. Oxford: Oxford University Press.

Ellinas, Antonis A., and Ezra Suleiman. 2014. *The European Commission and Bureaucratic Autonomy: Europe’s Custodians*. Cambridge: Cambridge University Press.

EU ProSun. 2013. “Creating a Level Playing Field.” Available at http://www.prosun.org/en/call-for-eu-action/creating-a-level-playing-field.html.

European Commission. 2019. *Joint Communication to the European Parliament, the European Council and the Council EU-China–A Strategic Outlook*. Strasbourg, 12.3.2019 JOIN(2019) 5 final: European Commission and High Representative of the Union for Foreign Affairs and Security Policy.

Farnell, John, and Paul Irwin Crookes. 2016. *The Politics of EU-China Economic Relations. An Uneasy Partnership*. Basingstoke: Palgrave Macmillan.

Feng, Zhongping. 2009. “Zhongou Xuyao Jianshexing Jiechu [China and Europe: Constructive Engagement Needed].” *Ouzhou Yanjiu [Chinese Journal of European Studies]* 5: 59–67.

Ferreira-Pereira, Laura C, and Alena Vieira. 2016. “Special Issue: Strategic Partnerships of the EU. Conceptual Insights, Cases and Lessons.” *Cambridge Review of International Affairs* 29 (1): 3–208.

Financial Times. 2013. “Karel De Gucht: Frustrated and Outflanked.” July 31, 2013. Available at https://www.ft.com/content/aa79490a-f8f6-11e2-86e1-00144fcabad0.

Gabriel, Johannes, and Susanne Schmelcher. 2018. “Three Scenarios for EU-China Relations 2025.” *Futures* 97: 26–34.

Godement, Francois, and Abigail Vasselier. 2017. *China at the Gates: A New Power Audit of EU-China Relations*. London: European Council on Foreign Relations.

Hanemann, Thilo, and Mikko Huotari. 2018. *EU-China FDI: Working towards Reciprocity in Investment Relations with China*. Berlin: Rhodium Group (RHG) and the Mercator Institute for China Studies (MERICS).

Hooijmaaijers, Bas. 2015. “The Asian Infrastructure Investment Bank: Another Wake-up Call for the EU?” *Global Affairs* 1 (3): 325–334.
Hooijmaaijers, Bas. 2018. “China’s Rise in Africa and the Response of the EU: A Theoretical Analysis of the EU-China-Africa Trilateral Cooperation Policy Initiative.” *Journal of European Integration* 40 (4): 443–460.

Hooijmaaijers, Bas. 2019. “Blackening Skies for Chinese Investment in the EU?” *Journal of Chinese Political Science* 24 (3): 451–470.

Hooijmaaijers, Bas, and Stephan Keukeleire. 2020. “The BRICS Countries and the EU.” In *The Encyclopedia of European Union Politics*. Oxford: Oxford University Press.

Keukeleire, Stephan, and Tom Delreux. 2014. *The Foreign Policy of the European Union*, 2nd ed. Basingstoke: Palgrave Macmillan.

Keukeleire, Stephan, and Bas Hooijmaaijers. 2014. “The BRICS and other Emerging Power Alliances and Multilateral Organisations in the Asia-Pacific and the Global South: Challenges for the European Union and its View on Multilateralism.” *Journal of Common Market Studies* 52 (3): 582–599.

Lenaerts, Koen, and Piet Van Nuffel. 2011. *European Union Law*. London: Sweet and Maxwell.

Mahbubani, Kishore. 2008. *The New Asian Hemisphere. The Irresistible Shift of Global Power to the East*. New York: Public Affairs.

Marangoni, Anne-Claire, and Kolja Raube. 2014. “Virtue or Vice? The Coherence of the EU’s External Policies.” *Journal of European Integration* 36 (5): 473–489.

Renard, Thomas. 2011. “The Treachery of Strategies: A call for True EU Strategic Partnerships.” *Egmont Paper* 45.

Small, Andrew. 2020. *The Meaning of Systemic Rivalry: Europe and China Beyond the Pandemic*. London: European Council on Foreign Relations.

Smith, Michael E. 2008. “Researching European Foreign Policy: Some Fundamentals.” *Politics* 28 (3): 177–187.

Stahl, Anna Katharina. 2018. *EU-China-Africa Trilateral Relations in a Multipolar World. Hic Sunt Dracones*. Basingstoke: Palgrave.

Thomas, Daniel C. 2012. “Still Punching Below its Weight? Coherence and Effectiveness in European Union Foreign Policy.” *Journal of Common Market Studies* 50 (3): 457–474.

Versluis, Esther, Mendeltje van Keulen, and Paul Stephenson. 2011. *Analyzing the European Union Policy Process*. Hampshire: Palgrave Macmillan.

Wuttke, Jörg. 2017. “The Dark Side of China’s Economic Rise.” *Global Policy* 8 (S4): 62–70.