





POLICY PAPER

Navigating the US-China Rivalry: The EU's Approach

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Background

The rivalry between the United States (US) and the People's Republic of China (China) is a complex and multi-dimensional issue that has been evolving over several decades. The relationship between the two countries has been marked by periods of cooperation as well as competition and has significant implications for global politics and economics.

After World War II, the US emerged as a great power, defining the military, financial, economic, cultural, and ideological pillars of the international playing field. Additionally, the US and the European Union (EU) began to develop a close and cooperative relationship, based on a shared commitment to democracy, free markets, and the rule of law. This relationship was institutionalised in the North Atlantic Treaty Organisation (NATO) in 1949.¹ Simultaneously, in China, Mao Zedong's Communist Party emerged victoriously in a civil war against the nationalist government, which led to the establishment of the People's Republic of China (PRC). Under Mao's leadership, China underwent a series of social, economic, and political changes, aimed at modernising the country and strengthening the role of the Party.²

The current rivalry between the US and China can be traced back to the end of the Cold War and the emergence of China as a major global power. In the last few decades, China has transformed from a poor developing country to a significant economic power. Since the Great Recession of 2008, the relative power of the US has been declining. Consequently, today, a rising power, China, is challenging and threatening to displace the ruling hegemon, the US, in several areas. This includes trade, technology, and military power. Both sides are accusing each other of unfair trade practices, intellectual property crime, and military aggression. This hazardous dynamic has put both great powers on a path of possible systemic rivalry.³

While President Obama (2009-2017) recognized China's growing economic and military power, his administration also sought to engage with China on a range of issues, including climate change, global trade, and nuclear non-proliferation.⁴ Conversely, during the Trump administration (2017-2021), the US took a much more confrontational approach to China. President Trump launched a trade war to reduce the US trade deficit and to address what he perceived as unfair trade practices by China. The Trump administration also took steps to limit China's access to key technologies and increased the US military presence in the Pacific region to counter China's growing military power.⁵

According to the present Biden administration (since January 2021), China poses a real threat to American interests and values. His administration continued Trump's more confrontational policy of containing China's development through various measures, including export controls, investment blockades, and visa restrictions.⁶ Secretary of State Blinken summarized the US policy concerning China

¹ Lundestad, G. (2003). *The United States and Western Europe Since 1945: From "Empire" by Invitation to Transatlantic Drift*. Oxford University Press.

² Breslin, S., & Xiao, R. (2018). China and global governance. In T. G. Weiss & R. Wilkinson (Eds.), *International organization and global governance* (2nd edition, pp. 325–335). Routledge.

³ Allison, G. T. (2018). *Destined for War: Can America and China Escape Thucydides's Trap?* Scribe Publications.

⁴ Patman, R. G., & Southgate, L. (2016). Globalization, the Obama administration and the refashioning of US exceptionalism. *International Politics*, 53(2), 220–238.

⁵ Jentleson, B. W. (2017). Global governance, the United Nations, and the challenge of trumping Trump. *Global Governance*, 23, 143-149.

⁶ Biden, J. (2022, October). *National Security Strategy*. The White House. <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

in three words, “invest, align, compete”⁷. The US wants to protect its values and institutions while maintaining and improving its competitive advantage over China. This administration signed into law the Innovation and Competition Act of 2021 to improve the US's position in the technological competition with China. This act provided subsidies and tax credits for companies that manufacture chips in the US and announced restrictions on the sale of semiconductor technology to China.⁸ However, President Biden has stressed that the US wants to avoid conflict and seek cooperation in fields of common interest such as climate change and weapons of mass destruction.⁹ Further, this administration has urged its European allies to coordinate their policies toward China more closely with those of the US to counter China's economic and security policies.¹⁰

President Xi Jinping also sees the US as a strategic competitor. Since 2013, he has been adopting several strategies in response to the ongoing rivalry with the US.¹¹ China has launched various initiatives, such as the Belt and Road Initiative, to expand its economic influence by investing in infrastructure projects across Asia, Europe, and Africa.¹² Additionally, the country has been embroiled in territorial disputes in the South China Sea and East China Sea, leading to heightened tensions with the US and neighbouring countries. To counter these threats, China has been investing in new weapons systems and technologies, expanding its military capabilities.¹³ His strategy aims at protecting and enhancing China's power and influence in the region and beyond.

The EU has also been caught up in the US-China rivalry, as it has strong economic ties with both countries. While, traditionally, the EU is a close ally of the US, there have also been periods of tension in the US-EU relationship. Trade and foreign policy have occasionally caused friction between both. For example, there have been disagreements during Trump's administration over issues such as US tariffs on European steel and aluminium, as well as the US withdrawal from the Paris Climate Agreement and the Iran Nuclear Deal.¹⁴

Despite being each other's biggest trading partners, the EU and China have experienced a deterioration in their bilateral relations over the past year due to various factors such as China's counter-measures to EU sanctions, economic coercion, and positioning on the war in Ukraine.¹⁵ Despite the challenges, the EU is dedicated to engaging and working together with China to tackle global and regional issues, such as climate change.¹⁶ As a result, the EU continues to view China as a partner for cooperation and

⁷ Blinken, A. (2022, 26 May). *The Administration's Approach to the People's Republic of China - United States Department of State*. United States Department of State. <https://www.state.gov/the-administrations-approach-to-the-peoples-republic-of-china/>

⁸ US Congress. (2021, June 8). *United States Innovation and Competition Act of 2021*. <https://www.congress.gov/bill/117th-congress/senate-bill/1260>

⁹ Biden, J. (2022, October). *National Security Strategy*. The White House. <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

¹⁰ Carlson, B. (2023). Navigating Stormy Seas in US-China Relations. *Policy Perspectives*, 11(1).

¹¹ Wang, Y. (2019). *China's new concept of global governance and action plan for international cooperation*. Centre for International Governance Innovation.

¹² Breslin, S., & Xiao, R. (2018). China and global governance. In T. G. Weiss & R. Wilkinson (Eds.), *International organization and global governance* (2nd edition, pp. 325–335). Routledge.

¹³ Layne, C. (2018). The US–Chinese power shift and the end of the Pax Americana. *International Affairs*, 94(1), 89–111.

¹⁴ Jentleson, B. W. (2017). Global governance, the United Nations, and the challenge of trumping Trump. *Global Governance*, 23, 143–149.

¹⁵ European External Action Service. (2022, April 1). *EU-China Relations factsheet*. https://www.eeas.europa.eu/eeas/eu-china-relations-factsheet_en

¹⁶ Christiansen, T., Kirchner, E., & Wissenbach, U. (2018). *The European Union and China*. Bloomsbury Publishing.

negotiation, an economic competitor, and a systemic rival, in line with its current approach set out in the "Strategic Outlook" Joint Communication of 12 March 2019.¹⁷

Considering the possible, significant economic and political implications of an escalation of the US-China rivalry for the interconnected global system, it is in the EU's best interest to foster cooperation and dialogue between these two powers. In this policy paper, we will have a look at: 'How can the European Union effectively mediate and facilitate dialogue between the United States and China to mitigate ongoing tensions and prevent escalation?'

Current State of Play

In recent years, the US-China tensions have further been escalating, with the trade war initiated by the Trump administration contributing significantly to this.¹⁸ The two countries are also competing to lead in emerging technologies such as 5G, artificial intelligence, and quantum computing. The US has been restricting Chinese tech companies' participation in its market, while China has been investing heavily in its tech industry to become a global leader.¹⁹ China's territorial claims in the South and East China Sea have also been a source of tension between the two countries, with the US accusing China of militarising these disputed areas.²⁰

The US has been critical of China's human rights record, particularly in its treatment of Uyghur Muslims in Xinjiang and its crackdown on pro-democracy protesters in Hong Kong. This has led to the imposition of US sanctions on Chinese officials and companies for their role in these abuses, further straining the relationship between the two countries.²¹ In August 2022, US House Speaker Pelosi visited Taiwan, leading China to suspend climate talks with the US, cut off military communication, and sanction Pelosi. China's live-fire drills and ballistic missile launches around Taiwan led to the G7 objecting to China's military activity.²²

In November 2022, President Biden and President Xi agreed to reopen communication channels on contentious issues such as climate change and the war in Ukraine²³, but these efforts seem to have failed since 2023.²⁴ The US shot down a suspected Chinese spy balloon in February, leading to the cancellation of the US Secretary of State's visit to Beijing and raising concerns about already strained US-China

¹⁷ European Commission. (2019, March 12). *EU-China Strategic Outlook: Commission and HR/VP contribution to the European Council (21-22 March 2019)*. https://commission.europa.eu/publications/eu-china-strategic-outlook-commission-and-hrvp-contribution-european-council-21-22-march-2019_en

¹⁸ Steinbock, D. (2018). US-China trade war and its global impacts. *China Quarterly of International Strategic Studies*, 4(04), 515-542.

¹⁹ Danilin, I. V. (2022). The US-China Tech War: A Dawn of New Geopolitics?. *Technological Innovation and Security: The Impact on the Strategic Environment in East Asia*, 101-119.

²⁰ Wood, J. R. (2021). China's maritime strategy and national security in the South China Sea. *Intelligence and National Security*, 36(3), 444-450.

²¹ Pompeo, M. (2021, 19 January). *Determination of the Secretary of State on Atrocities in Xinjiang - United States Department of State*. United States Department of State. <https://2017-2021.state.gov/determination-of-the-secretary-of-state-on-atrocities-in-xinjiang/index.html> and Pompeo, M. (2021, January 15). *Designating PRC and Hong Kong Officials After Widespread Pro-Democracy Arrests in Hong Kong - United States Department of State*. United States Department of State. <https://2017-2021.state.gov/designating-prc-and-hong-kong-officials-after-widespread-pro-democracy-arrests-in-hong-kong/index.html>

²² Hart, B., Lin, B., Funairole, M., Lu, S., Price, H., & Kaufman, N. (2023, 13 January). *Tracking the Fourth Taiwan Strait Crisis*. ChinaPower Project. <https://chinapower.csis.org/tracking-the-fourth-taiwan-strait-crisis/>

²³ The White House. (2022, 14 November). *Remarks by President Biden in a Press Conference*. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/11/14/remarks-by-president-biden-in-a-press-conference-bali-indonesia/>

²⁴ Carlson, B. (2023). Navigating Stormy Seas in US-China Relations. *Policy Perspectives*, 11(1).

relations.²⁵ China's alleged support of Russia in its war against Ukraine has further increased tensions between the US and China.²⁶

In the last few years, the EU has made several efforts to promote dialogue and mitigate tensions between the US and China. The EU played a crucial role in the trade war, aiming to minimise the negative impact on its economy. To mediate between the two superpowers, the EU stressed the significance of multilateralism and the rules-based international order to resolve conflicts. When the US imposed tariffs on the EU's steel and aluminium exports, the EU responded by imposing retaliatory tariffs, contending that the US's actions were unjustifiable and in violation of the rules of the World Trade Organization (WTO).²⁷

Additionally, the EU advocated for the reform of the WTO by strengthening its dispute settlement mechanism and modernising its regulations to better reflect the changes in the global economy.²⁸ Concurrently, the EU commenced negotiations for new trade agreements with other nations, including Australia, New Zealand, and the Mercosur countries in South America.²⁹ However, the EU has also been negotiating trade deals with both the US and China to promote free trade and reduce tensions. For example, the EU signed a Comprehensive Agreement on Investment (CAI) with China in 2020, which aims to improve market access and create a level playing field for European companies in China.³⁰

The EU has also been trying to ease the tensions between the US and China in the tech war. Its efforts are focused on advancing digital sovereignty and protecting European values and interests. The EU has been working to develop and implement regulations for the tech industry that promote competition, protect consumers' privacy, and ensure fair and ethical use of technology. Additionally, the EU is investing heavily in research and development in cutting-edge technologies, such as quantum computing, to stay competitive with other global powers. While the EU's efforts are often overshadowed by those of the US and China, the EU remains an important player in the tech war, advocating for a more balanced, ethical, and secure approach to technological development.³¹

China's human rights record has been a matter of concern for the international community for years, particularly concerning issues such as religious freedom, ethnic minority rights, and political dissent.³² In recent years, the situation in Xinjiang, where China has been accused of committing human rights violations against the Uyghur minority, has come under particular scrutiny. The US has taken a strong stance on this issue, with the Biden administration imposing sanctions on Chinese officials and companies accused of involvement in human rights abuses in Xinjiang. Additionally, the US has issued

²⁵ Sanger, D. E. (2023, 13 February). Balloon Incident Reveals More Than Spying as Competition With China Intensifies. *The New York Times*. <https://www.nytimes.com/2023/02/05/us/politics/balloon-china-spying-united-states.html>

²⁶ Chiacu, D., & Lynch, S. N. (2023, 26 February). China lethal aid to Russia would come at real cost, U.S. says. *Reuters*. <https://www.reuters.com/world/any-china-lethal-aid-russia-would-come-real-costs-us-says-2023-02-26/>

²⁷ Goulard, S. (2020). The impact of the US–China trade war on the European Union. *Global Journal of Emerging Market Economies*, 12(1), 56-68.

²⁸ European Parliament. (2023, March 20). *Trade policy review, including WTO reform initiative | Legislative Train Schedule*. <https://www.europarl.europa.eu/legislative-train/theme-a-stronger-europe-in-the-world/file-wto-reform>

²⁹ European Commission. (2023, March 15). *EU Trade agreements*. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en

³⁰ European Parliament. (2020, 30 December). *EU-China Comprehensive Agreement on Investment (EU-China CAI)*. <https://www.europarl.europa.eu/legislative-train/theme-a-stronger-europe-in-the-world/file-eu-china-investment-agreement>

³¹ Odgaard, L. (2021). Europe and the US-China Tech War: Enhanced Competition in the post-Trump Era. *Robert Schuman Centre for Advanced Studies Policy Papers*.

³² Foot, R. (2000). *Rights beyond borders: The global community and the struggle over human rights in China*. OUP Oxford.

travel warnings to American citizens regarding Xinjiang and has encouraged US companies to conduct due diligence to ensure their supply chains do not use forced labor from Xinjiang.³³

As for the EU, it has also taken serious measures in response to these concerns. Along with the US, UK, and Canada, the EU has imposed sanctions on Chinese officials involved in human rights abuses in Xinjiang. In addition to sanctions, the EU has called for an independent investigation into the situation in Xinjiang and has issued guidelines for companies to conduct due diligence in their supply chains as well.³⁴ The EU has also been active in pressing China on human rights issues through diplomatic channels. As mentioned above, the ratification of the CAI has been delayed due to concerns over human rights. In response to these concerns, the EU has been seeking commitments from China to respect labour rights and to allow greater access to Xinjiang for independent observers.³⁵

The territorial disputes between China and the US primarily centre around the South China Sea, which is an area of significant economic and strategic importance due to its abundance of natural resources and location as a key shipping route. China has claimed sovereignty over nearly the entire South China Sea, including islands and territories that are also claimed by other countries such as Vietnam, the Philippines, and Malaysia. The US has been critical of China's claims and has been conducting freedom of navigation operations in the area to challenge China's territorial claims and demonstrate its commitment to ensuring freedom of navigation in the region.³⁶

The EU has generally taken a more neutral stance in the territorial disputes between China and the US, although it has expressed concerns over China's growing assertiveness in the South China Sea and its impact on regional stability. The EU has advocated for a peaceful and diplomatic resolution to territorial disputes and has supported the rules-based international order, including the United Nations Convention on the Law of the Sea (UNCLOS), which provides a framework for resolving maritime disputes. The EU has also been involved in negotiations for a Code of Conduct in the South China Sea between China and the ASEAN (Association of Southeast Asian Nations) countries. The Code of Conduct would establish guidelines for behaviour in the disputed areas and could potentially help to reduce tensions and prevent conflict. The EU has expressed support for this initiative and has offered to provide technical and legal assistance to facilitate the negotiations.³⁷

The EU has hosted several high-level meetings between the US and China to discuss issues such as trade, human rights, and climate change.³⁸ However, the effectiveness of the EU's mediation efforts have been limited by the increasingly confrontational approach taken by both the US and China. Thus, while all parties claim to keep communication channels open, the effectiveness and results of such communication undoubtedly call for improvement.

³³ United States Department of State. (2021, January 19). *Determination of the Secretary of State on Atrocities in Xinjiang*. <https://2017-2021.state.gov/determination-of-the-secretary-of-state-on-atrocities-in-xinjiang/index.html>

³⁴ Emmott, R., & Brunnstrom, D. (2021, March 22). *West sanctions China over Xinjiang abuses, Beijing hits back at EU*. Reuters. <https://www.reuters.com/article/uk-usa-china-eu-sanctions-idUSKBN2BE2LF>

³⁵ European Parliament. (2021, May 20). *MEPs refuse any agreement with China whilst sanctions are in place*. <https://www.europarl.europa.eu/news/en/press-room/20210517IPR04123/meps-refuse-any-agreement-with-china-whilst-sanctions-are-in-place>

³⁶ Council of Foreign Relations. (2022, May 4). *Territorial Disputes in the South China Sea*. <https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea>

³⁷ European External Action Service. (2021, November 21). *South China Sea: Statement by the Spokesperson on recent incidents*. https://www.eeas.europa.eu/eeas/south-china-sea-statement-spokesperson-recent-incidents_en

³⁸ European External Action Service. (2021, 2 December). *EU-U.S.: Joint Press Release by the EEAS and Department of State on the Second High-Level Meeting of the EU-U.S. Dialogue on China | EEAS Website*. EEAS. https://www.eeas.europa.eu/eeas/eu-us-joint-press-release-eeas-and-department-state-second-high-level-meeting-eu-us-dialogue_en

In this policy paper, I would like to argue that the EU can more effectively mediate and facilitate dialogue between the United States and China to mitigate ongoing tensions and prevent escalation. First, the EU should promote multilateralism by encouraging the US and China to work together through international organisations such as the United Nations (UN). The EU can also advocate more strongly for the use of multilateral approaches to resolving disputes and conflicts between the US and China, rather than unilateral actions that could escalate tensions further.

Second, the EU should promote the idea of interolarity, a mix between interdependence and multipolarity. Both great powers are strongly interconnected. Further escalation would be destructive for the US, China, and the rest of the world. By raising awareness about the inter-polar world, the EU can also promote greater cooperation between the US and China on issues of global importance, such as climate change, international trade, and security.

Finally, the EU should promote a global open door policy by encouraging both the US and China to embrace free trade and open markets. This could involve advocating for the removal of barriers to trade and investment between the two countries, as well as promoting greater economic integration and cooperation.

Policy Recommendations

#1 Reviving multilateralism: an EU seat in the United Nations Security Council (UNSC)

The best way to deal with great powers is by embedding them in a multilateral system. In the past, higher authorities have proven to be successful mediators in resolving international disputes.³⁹ Due to its universal character and legitimacy, the UN is the most suitable forum to establish dialogue between the US and China. However, multilateralism has been in crisis for years. The US is shifting away from the UN while China is seeking more rapprochement.

During the Cold War, communist and Western countries did not cooperate, causing western disengagement from the UN. Decolonization deepened the crisis, as new states joined and the Western allies became a minority.⁴⁰ The US remained in a less multilateral mood for decades, with Bush Jr.'s unilateral invasion of Iraq and Trump's "America First" agenda boycotting multilateral institutions.⁴¹ Biden recognises multilateralism's importance but sees China as a competitor, while China aims to maintain economic growth and stability through an UN-centred multilateral strategy.⁴² It is therefore important to make the UN more attractive to the US again without side-lining China.

Multilateralism can be revived by the EU becoming a permanent member of the UNSC and thus being given veto power. Since the EU and the US are highly interconnected in economic and military terms, the US would have a strong Western ally in re-establishing the skewed balance that arose after the Cold War. This would draw the US closer to the UN again without posing a threat to China. Additionally, the EU having a substantial role in the UN system would strengthen the institution from within. Built on the foundations of integration, peace, and cooperation, the EU is the ideal catalyst to revive multilateralism. As a security community, the EU member states cannot imagine a disagreement within the EU being

³⁹ Allison, G. T. (2018). *Destined for War: Can America and China Escape Thucydides's Trap?* Scribe Publications.

⁴⁰ Weiss, T. G. (2009). What happened to the idea of world government. *International studies quarterly*, 53(2), 253-271.

⁴¹ Stokes, D. (2018). Trump, American hegemony and the future of the liberal international order. *International Affairs*, 94(1), 133-150.

⁴² Wang, Y. (2019). *China's new concept of global governance and action plan for international cooperation*. Centre for International Governance Innovation.

settled with the military use of power anymore. Over the years, the EU has gathered experience in dealing with different cultures on a smaller scale. In this way, the EU defends the values and functions of the UN.⁴³

A more significant role for the EU within the UN is not a fantasy. Steps are being taken towards a more joint approach by EU members. In 2018, eight EU members formed the “EU8” and started publishing joint statements in the UNSC. They have since united on several matters, including France and Germany jointly presiding over the Council in 2019.⁴⁴

However, it should be noted that proposing an EU seat in the UNSC, in itself, will not resolve US-China tensions. The EU could contribute to a positive atmosphere in which cooperation and understanding are key by facilitating a constructive dialogue between China and the US. In this conversation, the EU should raise awareness about the perception of the other and try to find a *modus vivendi*. The EU could help to prevent UN paralysis, as seen during the Cold War, by discussing the different perceptions and motivations of the US and China.

Being number one in the world has become part of the American national identity. The US sees itself as exceptional and does not want a peer competitor to threaten the existing world order.⁴⁵ However, China's Grand Strategy, for now, is not inherently revisionist or expansionist. China wants to change the balance of power from within the system. It is building up its military just like all the other great powers. Furthermore, China is still underrepresented in many institutions. Seen its size and economic growth, it is normal that it wants to gain more global influence. It does not want to export its model of society, besides to what China considers as its national territory.⁴⁶

The international system does not have to be mutually exclusive. Just because the US is a strong player on the international stage does not mean there is no room for China to pursue its ambitions within the international system. The US should not try to contain China out of fear that the rising power would overthrow the ruling hegemon. Through this understanding, the EU should encourage the US and China to respect each other's sovereignty. In this way, the EU as a permanent member can try to find a *modus vivendi* so that those two great powers are not set on a path to a permanent systemic war anymore.

#2 Stressing the importance of interolarity

Today, the world is more globalised than ever. People living in different states are interconnected, thus interdependent, in various economic, financial, sociological, cultural, and political fields. Borders have become less relevant since developments or events in one place increasingly have an impact on other parts of the world.⁴⁷ Globalisation serves as a transmission belt of crisis, as seen during the Great Financial Crisis of 2008, the Covid-19 crisis, the consequences of the Suez Canal blockage in 2021, the food crisis aggravated by Russia's invasion of Ukraine, etc.

⁴³ Dworkin, A. & Gowan, R. (2019). *Rescuing multilateralism*. European Council on Foreign Relations. https://ecfr.eu/publication/rescuing_multilateralism/

⁴⁴ Staunton, E. (2019, March 12). *The UN Security Council in a post-Brexit world: France and Germany take the lead*. The Conversation. <https://theconversation.com/the-un-security-council-in-a-post-brexit-world-france-and-germany-take-the-lead-113078>

⁴⁵ Patman, R. G., & Southgate, L. (2016). Globalization, the Obama administration and the refashioning of US exceptionalism. *International Politics*, 53, 220-238

⁴⁶ Kastner, S. L., Pearson, M. M., & Rector, C. (2020). China and global governance: Opportunistic multilateralism. *Global Policy*, 11(1), 164-169.

⁴⁷ Lesage, D., & Vercauteren, P. (Eds.). (2009). *Contemporary global governance: Multipolarity vs new discourses on global governance* (No. 9). Peter Lang.

During the Cold War, it seemed like there were only two great powers still standing, the US and the Soviet Union (SU). This illusion of bipolarity came to an end when the SU collapsed in 1991. This led to an exceptional period of unipolarity, where the US was seen as the dominant power in the international system. However, this illusion of unipolarity was short-lived, as the world began to witness the rise of other great powers, such as China, Russia, and India. These rising powers ushered in a new era of multipolarity.⁴⁸ Nonetheless, during the nineties, Fukuyama wrote “The End of History” like there was only one viable model to organise society and we would all adopt that.⁴⁹ However, China and Russia were not simply going to copy the US’s model. The likeliness of going back to unipolarity or bipolarity is low because today, these great powers have to operate in a highly interconnected world. That is why the EU should stress the notion of interpolarity, a combination of interdependence and multipolarity.

None of the great powers can hope for autarky. They depend on trade with others. This mitigates against falling into a new bipolarity. Rationally speaking this economic interconnectedness would not lead to a World War because of the destructiveness for both sides. “Rationally speaking”, but states may not always act rationally.

Crises are best managed diplomatically. Multilateralism is the way we should deal with this multipolar world. The EU has established a well-respected position within international relations. This allows the EU to have an important voice in international institutions. By antagonising each other, the US and China are preventively shutting doors to talk about issues they have a common interest in. The EU should bring the great powers together around the table to cooperate on concrete affairs such as climate change, environmental degradation, and global health. In doing this, the EU can make use of platforms such as the UN (as explained above), the G20, etc.

By stressing the existence of interpolarity, the EU can show the US and China that war would be self-destructive. It is to their own advantage to work together to mitigate the risks of future health, climate, and financial crises, since these issues do not stop at the border of a country but have the potential to strike the entire world. Their rivalry drags away political energy and time from global problems that urgently need to be addressed. In these critical times, having a functioning rule-based international order is important. The US and China are both important stakeholders of the international system. In pursuing their economic interest, they will both benefit from these multilateral institutions.

In the last few decades, the EU has seen the US-China competition shifting to rivalry. The EU has the potential to turn this trend around so that both great powers stop antagonising each other. If the EU can start the talks between the US and China, history might not repeat itself.

#3 Promoting a global open door policy

The EU is the most integrated regional organisation in the current world order. This political and economic integration process resulted in significant economic and normative power and welfare for the EU citizens. The EU manifests its power in the market and sets standards for the international community.⁵⁰ Other parts of the world with organisations such as MERCOSUR and ASEAN are also striving for this kind of regional integration and cooperation.⁵¹

⁴⁸ Aktunç, D. (2022, March 27). *The International Systems: Unipolarity, Bipolarity and Multipolarity*. Arcadia. <https://www.byarcadia.org/post/the-international-systems-unipolarity-bipolarity-and-multipolarity>

⁴⁹ Fukuyama, F. (1989). The end of history?. *The national interest*, (16), 3-18.

⁵⁰ Chen, S., Kangning, X., & Jun, S. (2012, April). Normative power Europe and European economic integration. In *International Studies Association Annual Conference*.

⁵¹ Mattheis, F., & Wunderlich, U. (2017). Regional actorness and interregional relations: ASEAN, the EU and Mercosur. *Journal of European Integration*, 39(6), 723-738.

Transparency and openness between member states made the EU the strongest regional organisation. Citizens, capital, goods, and services can move freely within the EU borders, making the EU a key player in innovation and economic prosperity. The architecture of the EU should be a model for how to think about the geopolitical future of the world order. Every EU state is like a province of the single market. Decisions are being taken on a supranational basis. This “foreign policy” is actually a special kind of domestic policy. The EU integration process can serve as a clear example of how removing barriers can benefit an entire community.

Both the US and China are important trading partners of the EU. These great powers are also trying to engage in different free trade agreements to enhance their own economic position.⁵² A global open door policy can facilitate the exchange of ideas, technology, and expertise between the US, China, and other parts of the world, which can promote innovation, economic growth, and job creation. This can help reduce the perception of China as a competitor to the US and instead promote a more collaborative approach toward economic development.

Again, the EU could make use of a multilateral forum like the WTO to promote this kind of policy. It is important to focus on reforming the WTO, strengthening dispute settlement mechanisms, addressing non-tariff barriers such as regulatory divergence and standards, fostering inclusive trade policies that also benefit developing countries, promoting transparency, and engaging in constructive dialogue with other WTO members. These measures can help restore the WTO's relevance and effectiveness in addressing modern trade challenges.

Moreover, implementing these measures can also draw the US closer to the WTO again. The US has been critical of the WTO in recent years⁵³, but many of the concerns it has raised about issues such as intellectual property protection and subsidies can be addressed through the proposed WTO reforms. Additionally, promoting inclusive trade policies and engaging in constructive dialogue can help build trust between the US and other WTO members. This could encourage the US to re-engage with the organisation. With the established trust, strong agreements can be made and barriers could be removed. By working together to address common trade challenges and promote a more effective and relevant WTO, the EU and the US can help strengthen the global trading system and benefit their respective economies.

Thus, it is important for the EU to translate its normative and economic power into political power. In 2016, the EU adopted the European Union Global Strategy (EUGS) stressing the importance of strategic autonomy.⁵⁴ With the EUGS, the EU wants to steer its own course, independent of the US. Promoting a global open door policy would allow the EU to play a mediating role in the US-China rivalry through international trade policy shaping. In the future, this global open door policy should be integrated into the EU's Grand Strategy. This ambitious idea could strengthen the EU's clout to determine international relations' geoeconomic and geopolitical future.

Conclusion

The EU's potential role in the US-China rivalry lies in reviving multilateralism, stressing the importance of interparity, and promoting a global open door policy. The UN, as the most suitable forum for dialogue between the US and China, can be made more attractive to the US by giving the EU a permanent seat within the UNSC. The EU can also facilitate a constructive dialogue between the two great powers

⁵² Song, G., & Yuan, W. J. (2012). China's free trade agreement strategies. *The Washington Quarterly*, 35(4), 107-119.

⁵³ Ekman, A., Poggetti, L., Jerdén, B., Seaman, J., Summers, T., & Szczudlik, J. (2020). Europe in the Face of US-China Rivalry.

⁵⁴ European External Action Service. (2016, June 28). *European Union Global Strategy*. https://www.eeas.europa.eu/sites/default/files/eugs_review_web_0.pdf

and raise awareness about each other's perception and motivation to prevent UN paralysis. Effective multilateralism is more important than ever, especially with the rise of nationalist and protectionist sentiments in many parts of the world and the increasing fragility of the existing international order.

The EU's position in international relations and its voice in international institutions allow it to stress the importance of interolarity and bring the great powers together to cooperate on concrete global issues. By doing so, the EU can prevent a permanent systemic war and show that war would be self-destructive in this interdependent and multipolar world.

The EU's integration process and open borders are an example of successful economic cooperation. The EU, the US, and other member states of the WTO should seek common ground in the reform to address modern trade challenges. Integrating a global open door policy in the EUGS can show the EU's aspiration to maintain peace and strengthen its geopolitical position. By focusing on the importance of cooperation and understanding between the US and China, the EU could help prevent a new era of great power competition and conflict that could have dire consequences for global stability and prosperity.

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