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The significance of perceptions and cultural  
engagement in the evolution of a European  
commercial and soft power diplomacy with the  
emerging Asian giants

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## 1. Topic Introduction

The focus of my submission is on external perceptions of Europe from the perspectives of the two new great powers in Asia: China and India. It spans over nine years of research. When the work started in 2006, the EU was in deep crisis just a year after the uncertainty that was unleashed by the rejection in France and the Netherlands of the then Constitutional Treaty. The Union's goals were questioned and the process of integration stalled. Given this apparent impasse, and the failure of debates within the EU to offer a way forward, it seemed worth investigating whether research into the perception from non-Europeans, specifically significant outsiders of Europe (namely China and India), could offer a new insight into the debate about Europe's future. This fundamental question later unfolded in various ways, especially in the wake of the financial crisis, which revealed underlying economic weaknesses and inadequate mechanisms of coordination within the European Single Market and specifically in the Eurozone. It was further underlined by the continuing shift of economic power globally, which gave a renewed relevance to understanding how China and India saw the EU and, more generally, the world, relative to their own expectations, as mutual interdependence between the East and the West continued to grow.

My work was also informed by on-going and new academic debates about the idea of the EU as a 'special' global actor in world affairs with a focus on the visions, values and principles of Europe's place in international relations (see Section 5). They were complemented by the view that as globalisation proceeds and mutates, the way in which different cultures view each other, both change and become of increasing importance to their interaction. Comprehending how 'others' view the complex combination of, above all, national and international politics, economy and culture, which is today's EU (the first such entity of its kind in modern political history) is indeed also a means to assess its actual, and even more its potential influence and place in world affairs. This obviously has a range of further implications for the nature and the scale of Europe's possible bilateral relationships with China and India and, therefore, also on its commercial and soft power policies (see Section 5 for a definition of the concept) towards both countries as well as towards Asia more widely.

A considerable number of studies on Europe's relation with China and India have, of course, also been undertaken in recent years (see Section 5). They have, however, overwhelmingly consisted of European (and other) views of the emerging Asian giants. Very little comparative work has been done on Chinese and/or Indian views of the rest of the world, and, specifically, of their evolution over time and relevance for Europe itself (see Section 5). When the first two publications of 2006 and 2007 were released, no systematic study had been made of how China and India perceive the EU and the idea of Europe more generally.

I concentrated my analysis on three central themes: first, the relevance of external perceptions for Europe and its global engagement; second, the rise of China and India, and the economic and geopolitical challenges this raises for the European Union; and third, the implications of all of this for Europe's politico-institutional framework in the relationship between the

member states and EU level initiatives. Indeed, a key research question was to consider whether the vantage point of the Chinese and Indian elites on Europe and their evolving bilateral relations with the EU could possibly induce a novel understanding of shared strategic priorities for the member states and for the Union as a whole (see Section 3).

This is particularly true in the economic realm, which has been so far the most dominant component of Sino-European and Indo-European ties (and generally of the EU's external presence in global affairs). Europe has been China and India's most important trading partner since at least 2004 and both countries have entered into so-called 'strategic partnerships' with the EU, since 2003 in the case of China, and since 2004 for India. These comprise a range of bilateral issues that include, aside from economic dialogues, the environment, science and technology, international security cooperation and education, although there have been some variations in scope and depth over the years (in 2013, the EU-China partnership encompassed more than fifty areas of cooperation against twenty-seven for the EU-India one). But cultural and political perceptions have also played a significant role in shaping interactions between Europe and the two emerging Asian giants. The research has critically shown that the way in which China and India saw Europe and the EU culturally greatly influenced their political and economic appreciations of the EU as an entity (see Section 7). It, for example, partly explained the deepened level of interaction between Europe and China when compared to that of Europe and India. It also highlighted the importance of further considering new concepts such as that of cultural diplomacy as part of my research (see Section 5).

Thus, the first two publications of my submission, "Contemporary Indian views of Europe" (2006) and "Contemporary Chinese views of Europe" (2007), sought to develop a fresh understanding of Europe's position as a global actor. They were initiated as joint research projects with Chatham House and the Robert Schuman Foundation (a French research institution) and were followed by a wider exercise in 2011, which brought in the Global Policy Institute and the Konrad Adenauer Stiftung with the publication "Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants". This addressed how Europe's financial difficulties following 2008, and the underlying issues of competitiveness, had affected Chinese and Indian perceptions. These publications were complemented by seven more, which focused on more specific 'case studies', especially with regards to exercising European hard power and/or soft power policies. They also considered the impact of China's rise in terms of the various power transitions now underway on the Eurasian continent, between Europe, China, the wider East Asian sphere as well as Russia, and the global geostrategic implications of these for the EU.

Today, at a time when analysts argue that China has already overtaken the United States on a purchasing power parity basis as the largest economy in the world<sup>1</sup>, and India could even become the third largest after 2030, it seems necessary to increasingly take into account the effect of such dynamics on bilateral ties, but also more substantially and more systematically, comprehend how it will affect the future balance of power and prosperity across the world.

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<sup>1</sup> According to the IMF, the United States lost its place to China in 2014.

Even more so, as it is increasingly likely that China's relative weight in the global economy could take on a similar (or even, as some forecast, higher) share than that of the EU, and that of the US, over the next decades. Though there are of course very significant challenges still pertaining for both China and India to achieve such economic dominance: China's GDP per capita will clearly remain at a much lower level than that of Europe and the United States for a very long period of time. India lies even further behind in terms of economic development. Some structural weaknesses have also been revealed in both countries, notably in China with an overdependence upon exports and a lack of domestic consumption raising questions over its ability to continue to sustain high-level growth.

The EU's commercial engagement and longer-term soft power policy response to these developments and risks is, therefore, of crucial significance for European interests, particularly when considering the increasingly regional nature of global economic interactions. But will Europe develop enough political, economic and, above all, socio-cultural cohesion to act as one for its strategic interests to be secured and its prosperity maximised? The research aims to provide a new contribution on all these issues by exploring the special relevance of external perceptions, and by assessing the EU's ability to act upon these new global realities. By bringing in new empirical findings, it also seeks to shed a different light on some of the recent academic debates underway on the nature of the EU and its global performance, in particular scholarly interests in the EU as a distinctive form of power (see Section 5). Most critically, it examines the need for closer EU level cooperation in a range of areas, relative to the rise of the Asian giants and Europe's global position including in the field of cultural engagement and diplomacy.

## 2. List of Publications Submitted

- A. *Contemporary Indian views of Europe*, Chatham House and the Robert Schuman Foundation, October 2006. (12,500 words)  
English and French language (distributed at the EU-India Business Summit in 2006 by the European Council).
- B. *Contemporary Chinese views of Europe*, Chatham House and the Robert Schuman Foundation, November 2007 (17,500 words).  
English and French language (distributed at the EU-China Business Summit in 2007 by the European Commission Delegation in China).
- C. *The strategic aspects of EU-China trade and monetary relations*, European issue No. 96, Robert Schuman Foundation Research Series, April 2008. English and French language (4,300 words).
- D. *Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants*, The Global Policy Institute, The Konrad Adenauer Stiftung

- and the Robert Schuman Foundation, October 2011. English and French language (18,000 words).
- E. *China's Strengths and Weaknesses*, Policy paper, European issue No. 235, Robert Schuman Foundation Research Series, April 2012. English and French language (2,700 words).
  - F. *The impact of China's economic situation on Europe*, Policy paper, European issue No. 376, Robert Schuman Foundation Research Series, December 2015. English and French language (3,000 words).
  - G. *France, European defence and NATO*, The Global Policy Institute, London Metropolitan University, Research Series No. 4, Forum Press, October 2008. English (10,500 words).
  - H. *India and the EU: What opportunities for defence cooperation?*, Brief Issue No. 24, European Union Institute for Security Studies (EUISS), July 2015. English (2,000 words).
  - I. *Chinese and Indian views of Europe and the role of culture in European external affairs*, Tilburg University and The European Cultural Foundation, Chapter in "The Dwarfing of Europe: a dialogue between China, India, Brazil and Europe", p. 45-55, March 2014. English (2,500 words).
  - J. *China-EU relations and the future of European soft power, A strategy for a European cultural diplomacy*, Published by LSE IDEAS (peer-reviewed), The London School of Economics and Political Science, July 2015. English (25,000 words).

### 3. Research Aims and Questions

I conducted my research both in Europe and in Asia with the aim of assessing the Chinese and Indian elites' perceptions of Europe, their evolution over time, as well as their implications for European member states and for the European Union as a whole. Five key issues were identified and served as research questions for the analysis:

First was to explore the significance of these views for Europe's commercial strategy as well as their impact upon the EU's internal and external functionalities. The commercial dimension has, of course, always been a key pillar of Sino-European and Indo-European relations, but its importance for the European Union greatly intensified since 2006, especially with China. This gave further importance to assessing not only the economic perceptions of Europe, but also the degree of strategic interdependence and longer-term compatibility between the EU and the two Asian giants. The initial publications (A and B) "Contemporary Indian views of Europe" (2006) and "Contemporary Chinese views of Europe" (2007) as well as the subsequent papers (C, D, E and F), "The strategic aspect of EU China trade and monetary relations" (2008), "Chinese and Indian views of Europe since the crisis: New perspectives from the emerging

Asian giants” (2011), “China's strengths and weaknesses” (2012), and “The impact of China’s economic situation on Europe” (2015) concentrated particularly on this question.

But an important aspect of the study was also to address the political and cultural dimension of bilateral ties, which became of increasing importance as the work evolved. This was because the conclusions of the two publications of 2006 and 2007 made it clear that perceptions are also an expression of political and cultural identity, particularly when considering Europe or the EU as a whole, relative to its component member states. Therefore, the questions arose: Is there, in the view of non-Europeans, such thing as a European model or a European cultural identity? Where does Europe stand geopolitically through the eyes of China and India and how do they see it evolving? Furthermore, China, and to a lesser extent India, have gradually put a greater emphasis on cultural diplomacy and external power projection, and thus, also, on the very question of power interaction. These developments made it necessary to concentrate part of my subsequent work on the issue of soft and hard power in Europe's engagement with the two countries with the publications (G, H, I and J) “France European defence and NATO” (2008), “India and the EU: What opportunities for defence cooperation?” (2015), “Chinese and Indian views of Europe and the role of culture in European external affairs” (2014) and “EU-China relations and the future of European soft power, A strategy for a European cultural diplomacy” (2015).

Second: could Chinese and Indian views of the EU as an actual or potential global actor, and their interpretation of European economics, politics, society and overall culture also be, to some extent, a reflection of how they see themselves globally, and specifically of their own evolving perceptions of their climb to global prominence? In other words: does the analysis, reveal at least as much about the observers as the observed? The research found that the divergences in how China and India respectively see themselves impact profoundly upon their contrasting long-term global strategic vision as well as upon Europe’s particular place in those ambitions: an insight which has been progressively developed in my work through “Contemporary Indian views of Europe”, in 2006, and “Contemporary Chinese views of Europe”, in 2007, through to “Chinese and Indian views of Europe since to crisis: New perspectives from the emerging Asian giants”, in 2011.

Third was to comprehend the relevance of such external views for Europe's perceptions of herself – both of Europe and the European Union since it is plainly impossible to meaningfully address the one without the other. As previously mentioned, the sense of a crisis, and that of a lack of unity within Europe, had been critical issues since the research started. One angle of the analysis has been, therefore, to question Europe’s global strengths and weaknesses relative to India and China and examine whether the initial findings could, at all, alter the way in which the EU and the member states respectively see their common and individual strategic interests.

Fourth, I aimed to understand what these results meant for Europe’s own institutional and policy-making evolution over the years as well as its ability to engage as an entity in world

affairs, and, specifically, on the Eurasian continent. What could be the impact of the rise of the new geostrategic order for European integration? This is not just because of the importance of trade relations between Europe and China or, even, Europe and India, but also because of China's own ambitions to re-emerge as the key power in East Asia and more widely Eurasia, as recently exemplified by the 'One Belt One Road' (OBOR) project. To deliver further growth and maintain political and social cohesion internally, China is, indeed, seeking ever-greater access to new markets with a special emphasis upon forging a deeper relationship with its immediate Asian neighbourhood. Its plan is to develop two 'Silk roads routes', one inland and one maritime, which would ultimately link it to European markets (see Section 7). Of particular significance was thus to consider whether a more coordinated European level engagement commercially and culturally could be a more successful mode of operating than the continuation of largely fragmented policies towards both China and India.

Last but not least, my work sought to identify new avenues for cooperation between Europe, China and India, based on the analysis of their perceptions and their implications for European integration. The publications (D, H and J) "Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants" (2011), "China-EU relations and the future of European soft power, A strategy for a European cultural diplomacy" (2015) and "India and the EU: What opportunities for defence cooperation?" (2015) specifically focused on this question. They concluded with a series of recommendations to fully exploit the strategic opportunities of greater European engagement in the new multipolar world order.

#### 4. How the Academic Outputs Form a Coherent Body of Work

The body of work submitted has been divided into three parts, which are thought as three distinct 'chapters' of the overall research. Based on the initial assessment of perceptions of the Indian and Chinese elite set out in the first 'chapter', the work evolved in two major directions: first, to accommodate new external developments (in particular the crisis of 2008 and its implications for Europe and for Chinese and Indian perceptions of it), and second, to further examine and respond to a set of key findings coming out from the analysis. The consistent use of a similar methodology (see Section 6) across the full body of work further allowed me to meaningfully address the question of perceptions in a comparable framework over the years. Indeed, central to the coherence of my analysis has been the assessment of Europe's capacity to face up to the challenges posed by the Asian giants, as revealed by their evolving perceptions of Europe and future interests.

The first 'chapter', with the two publications "Contemporary Indian views of Europe" (2006) and "Contemporary Chinese views of Europe" (2007), thus sets the initial framework and the approach, since much imitated (see the discussion in Section 5), of looking at Europe from the outside, especially from China. These studies concentrate, most specifically, on the first



central theme of my research (see Introduction): the relevance of external perceptions for Europe and its global engagement. They provide a state of play and analyse the differences between Indian and Chinese views of Europe. The third paper in this chapter, “The strategic aspects of EU China trade and monetary relations” (2008), constitutes a specific case study given the significance of EU-China trade and its meaning for Sino-European ties based on the findings of the first outputs. It most critically underpins the importance of commercial engagement for EU-China relations.

The second ‘chapter’ puts a particular emphasis on my second key theme: the rise of China and India and the implications this raises for Europe. Indeed, it explores the impact of the acceleration in the movement of the world centre of gravity towards Asia precipitated by the Western financial crisis with the publications “Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants” (2011), “China’s strengths and weaknesses” (2012) and “The impact of China’s economic situation on Europe” (2015). Based on the conclusions of the first chapter, the work evolved to integrate these new realities and analyse the evolution of Chinese and Indian perceptions in this framework. Here, I focused not only on the EU’s standing and its global role but also on the substantial challenges that both countries, and China specifically, still face. “China’s strengths and weaknesses” provides a deepened analysis of the commercial implications of the crisis for China herself and, thus, also for EU-China ties. As in the first chapter of the research, China was taken as the most relevant case example to explore the significance of perceptions in EU commercial strategy towards the Asian giants, given the breadth and speed of the country’s economic rise relative to India. But this second chapter also sheds a new light on the importance of soft power and cultural engagement relative to hard power cooperation. It concludes with the recommendation to, on the one hand, develop, and better co-ordinate, European cultural engagement with China, and on the other hand, support a more coherent security and defence engagement with India. These two themes are then addressed in further details in the third ‘chapter’.

The publications “France, European defence and NATO” (2008), “India and EU: What opportunities for defence cooperation?” (2015), “Chinese and Indian views of Europe and the role of culture in European external affairs” (2014) and “EU-China relations and the future of European soft power, A strategy for a European cultural diplomacy” (2015) form the last part of the research. They build on the previous works, as we have seen, and constitute the final iteration studies of the submission’s central thesis. They examine, in particular, the new opportunities for European cooperation with China and India and concentrate most specifically on the last central theme of my analysis: whether the vantage point of the Chinese and Indian elites on Europe and their evolving relations with the EU could induce a novel understanding of shared strategic priorities for the member states and the EU. They ask not only whether the new global realities alter the way the world sees us, but also, does it influence the way in which we see ourselves?

The first publication in this ‘chapter’ focuses on the ultimate example of European hard power co-ordination, and of policy formulation between nation states rather than at EU level: defence (an area of particular significance in the Chinese and Indian perceptions of Europe as a power). It addresses the question of a European pillar within NATO, and the potential for closer cooperation between Britain and France, the only two nuclear European states. This is clearly of great relevance to both India and China as nuclear powers and growing global defence spenders. The second publication then explores the potential for greater cooperation in defence in the context of India's emerging new capabilities, an area where new policy responses could be found for Europe’s commercial engagement with the country. By contrast, the last two papers analyse the growing significance of culture in the evolution of EU commercial and soft power diplomacy with the Asian giants. The assessment focuses on the question of EU level cultural engagement with China and India in the light of the debate about the future role of the European External Action Service (EEAS) created in 2010. This reflects a growing recognition of the economic rewards that could be available and the political context in which these could be maximised to further develop European cultural actions externally. They represent in-depth studies into the extent to which European foreign policy can continue to be substantially an intergovernmental process or should rather develop towards a tighter co-ordination at EU level in specific areas.

## 5. Conceptual Framework and Critical Appraisal of Literature

When the work started in early 2006, very little academic research had been conducted into external perceptions of Europe. Only two specific policy papers had been published on the subject: “The EU seen from China: a key partner?” (Hervé Dejean de la Bâtie, 2003)<sup>2</sup>, by the French Institute for International Relations; and “Global views on the European Union” (Ortega, 2004)<sup>3</sup> by the European Union Institute for Security Studies. The question of perception was addressed in Dejean de la Bâtie’s paper through the review of policy statements and official documents assessing China’s diplomatic strategic interests in Europe and the European Union. Ortega’s paper focused on a wider framework to consider Europe’s global role by including contributions of leading academics and diplomats from South Africa, Senegal, Brazil, Japan and China. His study followed from the adoption in December 2003 of the European Security Strategy, which had claimed a global role for the European Union and had been confirmed by the then draft Constitutional Treaty in October 2004. In this particular context, Ortega’s work aimed to assess Europe’s perception as a new international actor in the making. Together, these papers formed the initial basis for my idea that a new and fruitful insight into European foreign policy could be obtained by systematic assessment of external perceptions of Europe, especially from India and China.

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<sup>2</sup> Dejean de la Bâtie (2003), *L’Union européenne vue de Chine: un partenaire majeur?*, IFRI.

<sup>3</sup> Ortega (2004), *Global views on the European Union*, EUISS.



It seemed also clear that in 2006 the existing literature had under-explored the question of Europe's place in world affairs as considered through the eyes of others. When conceptualizing European foreign policy, many had preferred to discuss the failures of Europe's external actions<sup>4</sup>, whilst others primarily focused on assessing the EU as a new form of power in international relations: in particular the EU as 'a normative power', a 'quiet superpower' or an 'emerging power'<sup>5</sup>. In his 2002 article detailing the concept of 'Normative Power Europe' (NPE), Ian Manners introduced a new dimension to the study of European policy by seeking to "move beyond the debate over state-like features through an understanding of the EU's international identity" and its "ability to shape conceptions of 'normal' in international relations"<sup>6</sup>. By this, he meant that European foreign policy should be assessed as working "through ideas, opinions and conscience"<sup>7</sup> as a valuable addition to the more traditional notions of civilian and military power politics. He drew the conclusion that norms and principles form a core part of Europe's identity and role in international affairs, for example, in the abolition of the death penalty, an area in which the EU has been specifically championing the advancement of international standards. Manner's paper thus started a new conceptualization of Europe's global role by emphasizing the importance of "placing universal norms and principles at the centre of the EU's relations with its Member States and the world"<sup>8</sup>, and by questioning European institutions and policies both in terms of actions and impacts.

Also in 2002, Andrew Moravcsik challenged the conventional view that Europe's global influence was declining. According to him, Europe is a 'quiet superpower' and has emerged as "the most ambitious and successful international organisation of all time, pioneering institutional practices far in advance of anything viewed elsewhere"<sup>9</sup>. Moravcsik's approach does not assume zero-sum interstate rivalry but rather views the fundamental social interests of states as variable. In fact, he argues that the most striking change since 1989 has been the trend toward greater economic interdependence and ideological homogeneity in the developed and developing worlds, which has led to a convergence of interest amongst most great powers. This trend has created significant advantages for Europe evidenced notably by the spread of European integration in its region and of multilateral norms worldwide<sup>10</sup>. From his analysis, Moravcsik concluded that Europe's global role cannot be assessed through the assumption that the rise of one great power inevitably equates to the decline of another. In

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<sup>4</sup> For instance, Zielonka (1998), *Explaining Euro-Paralysis: Why Europe Is Unable to Act in International Politics*, Palgrave; Kagan (2003), *Of Paradise and Power: America and Europe in the New World Order*, Knopf.

<sup>5</sup> To name just a few, works in this regard include Manners (2002), "Normative Power Europe: a contradiction in terms?", *Journal of Common Market Studies*, 40:2, Whitman (2011), *Normative Power Europe: Empirical and Theoretical Perspectives*, Palgrave; Moravcsik (2002), "The quiet superpower", *Newsweek*, June 17; Leonard (2005), *Why Europe Will Run the 21<sup>st</sup> Century*, Fourth Estate; or also on the EU as a 'super-state', Haseler (2004), *Super-State: The New Europe and Its Challenge to America*, Tauris.

<sup>6</sup> Manners (2002), *Ibid*, page 239.

<sup>7</sup> Diez and Manners (2007), "Reflecting on Normative Power Europe" in Berenskoetter and Williams (eds.), *Power in World Politics*, Routledge, page 175.

<sup>8</sup> Manners (2002), *Ibid*, page 241.

<sup>9</sup> Moravcsik (2009), "Europe: The quiet superpower", *French Politics* Volume 7, N° 3/4, page 407.

<sup>10</sup> *Ibid*, page 408.

fact, the rise of other powers – notably the economic success of China – has not undermined Europe’s rise; it has enhanced it<sup>11</sup>.

Building on Moravcsik’s work, and the idea of the EU’s distinctiveness found in the literature dealing with Europe’s place in world affairs<sup>12</sup>, led me to consider the view that the EU provides a new approach to democratic institutions through collective decisions engaging individual nation states and, therefore, has a vital role to play in the development of a more pluralistic system of world governance (Foucher,2009)<sup>13</sup>. Europe was defined as an ‘emerging power’ and as the only example of multilateralism, which has succeeded at regional level and where national states contribute to a common project<sup>14</sup>. From that perspective, Foucher argued that the European interest is ultimately to contribute to a more pluralistic organisation of the world through its normative power as well as in reforming global order.

These three approaches underline and inform many aspects of my research on external perceptions of the EU. As in the case of Normative Power Europe, I sought to critically question and assess European policies in terms of their impact. To do so, I drew on Manner’s conclusions acknowledging the key relevance of ideas and opinions (by focusing in my work on external views) in order to move beyond more traditional assessments of Europe’s power couched solely in military or economic terms. My research also built on the conceptual basis of Europe as a ‘quiet superpower’ and ‘emerging power’ in as much as the rationale for my considering Chinese or Indian views of the EU was precisely the growing relevance of both China and India as emerging powers and, therefore, the interaction between, in particular, China and Europe as two powers in transition.

However, most of the previous studies already cited that had considered the EU as a ‘normative power’ or ‘emerging power’, were not examining whether the EU was regarded as such by third countries outside of Europe. These concepts triggered much scholarly debate and analysis around the EU, but they did not, when considering what sort of power and actor the European Union was (and has been) in the world, specifically investigate the impact and effectiveness of Europe and the EU’s performance on the images it projects externally. This is despite the fact that the EU self-identification as power and external perceptions of the EU are in fact only two different aspects of the same object of analysis (Europe). This failure could, therefore, also lead to a gap between what the EU considered itself to be and what others think it is, in particular key strategic partners such as China and India. This, thus, provided the momentum for my research into how others viewed and assessed Europe’s global performance. Research that was to be conducted through in-depth analysis of economic, political and cultural views through direct interviews with representatives of the Chinese and Indian elites (see below Section 6).

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<sup>11</sup> Ibid, page 419.

<sup>12</sup> See for example Lucarelli and Fioramonti (2011), *External Perceptions of the European Union as a Global Actor*, Routledge.

<sup>13</sup> Foucher (2009), *L’Europe et l’Avenir du Monde*, Odile Jacob. The submission’s publications “Contemporary Indian views of Europe” (2006) and “Contemporary Chinese views of Europe” (2007) are quoted p. 38 and 109.

<sup>14</sup> Ibid, page 134.

The idea of my work also drew from the review of existing literature on Europe's cultural identity and geopolitical stand. Here, the well-known “Soft Power: the means to success in world politics” (2004) of Harvard Professor Joseph Nye proved of key relevance since it had already underlined the importance of perceptions and cultural engagement as a driver of foreign policy formation at nation states level as a complement to the more traditional ‘hard power’ approach to international affairs. As Nye later argued in 2011, “with soft power, what the target thinks is particularly important and the targets matter as much as the agents”<sup>15</sup>. By ‘soft power’ is meant the ability to attract and co-opt rather than coerce, in other words to shape the preferences of others<sup>16</sup>. It is not a form of idealism but simply a form of power contrasting with ‘hard power’ (the use of military and economic means to influence the interests or behaviour of other political bodies, including through coercive measures). In fact, soft power can be used for both zero-sum and positive-sum interactions. It is based on at least three sources: cultural engagement, political values and foreign policies (where they are seen as legitimate and having moral authority)<sup>17</sup>. Whether power resources such as the cultural one can produce a positive or attractive outcome also depends on the context and timing. This is important since foreign policy is not just about the defence of one’s security and interests in the world through traditional ‘hard power’ means, it is also, as we have seen above, about the promotion of immaterial interests and values.

The focus of my submission was here to specifically assess the relevance of cultural engagement for external views of Europe as a component of European attractiveness. My research does not, therefore, advocate an analysis of soft power in its full sense nor does it seek to analyse the range of European soft power tools, which would have meant to include other forms of external actions such as, for example, civilian operations. It essentially considers one aspect of soft power, which is commonly less widely reviewed in academic debates: cultural engagement through the prism of Chinese and Indian views of Europe. Moreover, the initial empirical findings of the research based on these Chinese and Indian cultural perceptions of Europe further led me to explore the very question of developing a form of cultural diplomacy at EU level to complement existing national initiatives.

‘Cultural diplomacy’ may be seen as a tool of soft power and a key element of public diplomacy. Public diplomacy can itself be defined by how a nation’s government and society precisely engage with external audiences with the view to improve the foreign perceptions of that country<sup>18</sup>. The concept of cultural diplomacy I used for research is based on Milton Cummings’ work: “the exchange of ideas, information, art, and other aspects of culture amongst nations and peoples in order to foster mutual understanding”<sup>19</sup>. There are at least

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<sup>15</sup> Nye (2011), *The Future of Power*, New York, Public Affairs, page 84.

<sup>16</sup> Nye (2004), *Soft Power: The Means to Success in World Politics*, Public Affairs, page 5.

<sup>17</sup> Nye (2004), *Ibid*, page 11.

<sup>18</sup> See also David Cross and Melissen (2013), *European Public Diplomacy: Soft Power At Work*, Palgrave Macmillan.

<sup>19</sup> Cummings (2009), *Cultural Diplomacy and the United States Government: A Survey*, Cultural Diplomacy Research Series, Americans for the Arts, Washington.

three reasons why a country, or a group of country (Europe), could wish to develop such cultural diplomacy and why it is, therefore, discussed in my analysis of external views of Europe. As Gijs de Vries, former EU-antiterrorism coordinator pointed out, one is precisely to maintain or improve a country's image abroad. The second is to exercise influence in support of foreign policy priorities. Cultural projects externally can open channels of dialogue and understanding notably where other forms of diplomacy may be difficult to operate or find its limits at time of political difficulties; and the third lies in the economic significance of cultural matters<sup>20</sup> since they are often used to promote wider commercial interests. Ultimately, the goal of public diplomacy and, thus, also cultural diplomacy, may be to gain soft power for the countries that engages in it<sup>21</sup> so as to influence the way in which they are perceived externally.

The analytic value of considering cultural engagement as part of Europe's soft power is based on the fact that it can have direct implications on the content and formation of external perceptions and, thus, on the impact and effectiveness of Europe's foreign policy actions. This has, in fact, long been the rationale behind countries recognising the significance of public and cultural diplomacy at national level for their interactions with other global powers. It has also become an increasingly important component of international relations as many emerging powers, and above all China, are increasingly taking it into consideration as a means of projecting their own interests. The nature of the bilateral relationship between China and the EU is, indeed, also influenced by the importance that China attaches to cultural diplomacy – a strategic assessment of culture as part of China's external development, which is significantly impacting its perceptions of Europe (See Section 7). Moreover, although the notion of cultural diplomacy is often neglected in scholarly debates on EU foreign policy, it has had its own role in laying the very foundations for European integration. As Nicholas Cull put it, “the architects of the original European project paid great attention to public opinion at home and abroad when devising the predecessor organizations of the EU. It began with listening”<sup>22</sup>. Hence the importance, already noted (Section 3) of addressing again the sort of expectations that Europe was raising and of questioning how cultural engagement and perceptions could have an impact on its global influence<sup>23</sup>.

As will be further detailed below, a dedicated body of research on perceptions of Europe and the EU emerged in the wake of my first submission studies “Contemporary Indian views of Europe” (2006) and “Contemporary Chinese views of Europe” (2007), which confirmed the relevance of my initial work. In particular, “The external image of the European Union” by Lucarelli (2007) financed by the EU 6<sup>th</sup> Framework Programme and the Italian Ministry of Foreign Affairs, a study which was in part informed by the findings of “Contemporary Indian

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<sup>20</sup> De Vries Gijs (2008), *A Europe open to culture*, Paper for the international conference “New Paradigms, New Models – Culture in the EU External Relations”, Ljubljana, page 14.

<sup>21</sup> David Cross (2013), *European Public Diplomacy: Soft Power At Work*, Palgrave Macmillan, page 7.

<sup>22</sup> Nicholas Cull (2013), Foreword to David Cross and Melissen (eds.), *European Public Diplomacy: Soft Power At Work*, Palgrave Macmillan.

<sup>23</sup> My work was further underpinned by, in particular, the publications “Occidentalism, a short history of Anti-Westernism” (Buruma and Margalit, 2002) which examined the way in which the West was perceived by other cultures and “The Quest for a European Identity” and “*Was ist Europäisch?*” which explored the very idea of what it means to be European (Dodd, 2002; Muschg, 2005).

views of Europe”<sup>24</sup>. In her publication, Lucarelli also highlighted the lack of research in the field and the limited amount and availability of sources<sup>25</sup>. Her approach consisted of exploring four target groups (the political elite, the press, public opinion and the civil society) with the involvement of a range of other academic institutions<sup>26</sup>. She concluded that there was limited knowledge of the EU amongst civil society and citizens at large and notably stressed the difficulty of grasping truly detailed perceptions of the EU through the use of mass opinion polls. This finding confirmed my decision to continue to concentrate on qualitative one-to-one interviews with representatives of the Chinese and the Indian elites (and not to engage with the wider public through surveys) to allow for in-depth discussions and the accumulation of detailed material with which to inform the analysis of Chinese and Indian perceptions (see the methodology in Section 6 for more details). Other academic work such as “How External Perceptions of the European Union are shaped: Endogenous and Exogenous sources” by Tsuruoka (2008) made further reference to “Contemporary Indian views of Europe” and “Contemporary Chinese views of Europe” as being amongst pioneering works for the examination of external views, which Tsuruoka then saw as a new field of academic research for European Foreign Policy<sup>27</sup>.

The creation of the consortium project, entitled ‘Chinese views of the EU’ in June 2009 funded by the European Commission's 7<sup>th</sup> Framework Programme, which gathered the University of Nottingham, Chatham House, Leiden University, Jacobs University Bremen and two Chinese counterparts (the Renmin University and the Chinese Academy of Social Sciences) aimed to complement scholarly research on external views of the EU by using the same focus as my work “Contemporary Chinese views of Europe” (see above, Section 4). Indeed, it built on the assessment made in the latter (which had been distributed by the European Commission during the EU-China Bilateral Summit held in Beijing in 2007), that it was crucial for Europeans to study more closely how the Chinese people view the EU, so as to enable European member states and EU institutions to devise for themselves an appropriate response to the economic and geopolitical rise of China. This consortium project, however, involved a much wider investigation pool than mine, since it made use of surveys and sample interviews on overall knowledge of the EU amongst the general public in China<sup>28</sup>. The outputs consisted of a series of thematic policy papers notably on citizens’ attitudes towards Europe, media influences, as well as opinions of the Chinese government officials on the EU<sup>29</sup>.

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<sup>24</sup> They were used extensively in the chapter on India (especially the part on political and economic elites) and referenced page 27, 34, 201, 202, 207, 216, 221, 329, 336.

<sup>25</sup> Apart from a few studies (making reference to “Contemporary Indian views of Europe” amongst others like Ortega’s work previously noted).

<sup>26</sup> The research group included the University of Pisa, Sciences-Po Paris, the European University Institute, the University of Florence, the University of Bologna and the Fudan University.

<sup>27</sup> See also later on Holland and Chaban (2015), “EU external perceptions: from innovation to an established field of study”, in Erik Jorgensen, *The Sage Handbook of European Foreign Policy*.

<sup>28</sup> The findings were based on 3,000 public surveys held in 2010 in six cities.

<sup>29</sup> See Dekker and Van der Noll, “Chinese citizens’ attitudes towards the European Union and their origins” (2011) or Dong, “Opinions of the Chinese Government officials on the EU and China-EU relations: the policy implications” (2011).

This trend in research on the EU was further echoed by, for example, researchers at New Zealand's Canterbury University who conducted a number of studies on Asian perceptions of Europe over the period of my research: particularly, "The EU through the eyes of Asia" (2007)<sup>30</sup> and "The European Union and the Asia Pacific Media, Public and Elite Perceptions of the EU" (2011).<sup>31</sup> These papers informed academic research on external views of the EU from a range of countries, using again public opinion surveys and media analysis as well as interviews.

However, in this new wave of research very little comparative analysis had been done on how views of Europe evolved over time and what this meant specifically for Europe's strategy. This omission was particularly apparent for China and India. Hence, I decided to focus my third publication in the series "Chinese and Indian views of Europe since the crisis" (2011) on this particular area and to contrast in one publication Chinese and Indian perceptions and their implications for European interests (see also Section 6).

My research further built on and was informed by a range of new sources as the work unfolded, especially those exploring and questioning the accelerating shift in the world's centre of gravity towards the East after the 2008 crisis. Here, a few academics touched upon the fact that as globalisation evolves, the way in which different entities or cultures perceive each other becomes of increasing importance not just to their interactions but also to the understanding of global geopolitics (for example, Moïsi, 2010; Howorth, 2015)<sup>32</sup>. Others more specifically explored Europe's future place in the world by focusing on the need to think more strategically at EU level as individual member states' influence relatively declined (Cohen-Tanugi, 2008; Hassner, 2011)<sup>33</sup> or to 'reinvent Europe' in this evolving global context (Leonard, 2011; Foucher, 2013)<sup>34</sup>. Though a key question is whether Europe will evolve towards greater political cohesion and ability to act as *one* on a wider range of issues, or whether it will remain a limited grouping of countries with strongly different nationalisms, political cultures, and foreign policies. In other words, what is Europe's power-conversion capability? (Nye, 2011)<sup>35</sup> My submitted work aims to contribute to this body of scholarly research by the comparative analysis of Chinese and Indian perceptions of Europe.

Finally, my research drew from the assessment of several academic contributions on more dedicated themes, which I have explored as part of my submission (see also the full list of main literature consulted in Appendix C). For example, on the question of culture and

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<sup>30</sup> Holland, Ryan and Chaban (2007), University of Warsaw, the work focused on perceptions from China, Japan, Korea, Singapore and Thailand.

<sup>31</sup> Holland and Chaban (2011), Routledge.

<sup>32</sup> Moïsi (2010), *The Geopolitics of Emotions, How Cultures of Fear, Humiliation and Hope are Reshaping the World*, Anchor; Howorth (2015), "Europe and America face the emerging powers", forthcoming in Riccardo Alcaro (2016), *The West and the Global Power Shift*, Palgrave.

<sup>33</sup> Cohen-Tanugi (2008), *Une stratégie européenne pour la mondialisation*, Odile Jacob; Hassner (2011), *Un Monde sans Europe?*, French Economic Council on Defence.

<sup>34</sup> Leonard (2011), *Four Scenarios for the Reinvention of Europe*, ECFR; Foucher (2013), *European strategic interests: Choice or necessity?*, Robert Schuman Foundation.

<sup>35</sup> Nye, Jr. (2011), *The Future of Power*, Public Affairs.



European identity, the publications: “Europe from the Outside: Expectations of Europe’s external cultural relations” (EUNIC, 2014) and “European external cultural relations: Paving new ways” (Lisack, 2014), which specifically considered the role of culture for Europe’s external position. Of similar interest, particularly for the submission’s third chapter, has been a dedicated body of work on EU-China ties and diplomacy (Men, 2014)<sup>36</sup> highlighting the significance of China as a test case, notably for developing greater European cultural actions (Reiterer, 2014)<sup>37</sup>. This underpinned my initial findings and thus helped refine the focus of my publication on EU-China cultural engagement in 2015. By contrast to the analysis of European cultural attractiveness and soft power, the issue of defence and hard power policies drew from a wide-range of academic works on European security and defence (for example, Howorth, 2007; Giuliani, 2008)<sup>38</sup>. Most specifically, my analysis of European defence cooperation in 2008 was informed by work questioning the need to reinforce European defence capabilities, including through greater intra-European industry cooperation and across member states (Moustakis, 2006; Bentégeat, 2008; Kamp, 2008)<sup>39</sup>. It was further complemented by specific research into EU-India defence ties (Sibal, 2012; Saint-Mézard, 2015)<sup>40</sup> to consider possible cooperation in this field (see also Section 7).

A series of sources and literature on China and India then helped support and inform the findings for each country: of particular note was the renewed interest in considering Chinese global views of the world and its expectations (for instance, Hutton, 2008; Leonard, 2008)<sup>41</sup> given China’s increasing influence globally and ever-growing economic clout, notably in Asia (Price, 2007; Godement 2011)<sup>42</sup>. This particularly confirmed my focus on Chinese views of the EU. As Harvard Professor Westad argued, this is especially relevant since a sense of centrality in human affairs is a crucial element of the Chinese mind-set<sup>43</sup>. This is also the rationale behind the work of some, sometime controversial, Asian thinkers who consider that the West should ‘wake up’ to the inevitable rise of China in the development of the new multipolar order (in particular, Mahbubani, 2008)<sup>44</sup>. This assessment was also valid for India, though on a different scale (Baru, 2011)<sup>45</sup> and had been associated with the notion of India as the new special Asian partner of the United States (Mohan, 2005; Jaffrelot, 2005; Racine,

<sup>36</sup> Men (2014), “EU-China relations and diplomacy”, *European Foreign Affairs Review*.

<sup>37</sup> Reiterer (2014), “The role of culture in EU-China relations”, *European Foreign Affairs Review*.

<sup>38</sup> Howorth (2007), *Security and Defence policy in the European Union*, Palgrave; Giuliani (2008), *Comment relancer l’Europe de la défense?*, Robert Schuman Foundation.

<sup>39</sup> Fotios and Petros (2006), “An examination of the European Security and Defence Policy: Obstacles & Options”, Conflict Studies Research Centre, Defence Academy of the United Kingdom; Bentégeat Henri (2008), “The steps needed to move ESDP from theory to fact”, *Europe’s World*; Kamp (2008), *After the Summit: Long-Term consequences for NATO*, NATO Defence College.

<sup>40</sup> Sibal (2012), “India’s defence ties with Europe”, *Indian Defence Review*; Saint-Mézard (2015), *The French Strategy in The Indian Ocean and the Potential for Indo-French Cooperation*, S. Rajaratnam School of International Studies. See also Tardy (2014), *Fighting piracy off the coast of Somalia*, EUISS.

<sup>41</sup> Hutton (2008), *The Writing on the Wall, China and the West in the 21<sup>st</sup> Century*, Abacus; Leonard (2008), *What Does China think?*, Public Affairs.

<sup>42</sup> Price (2007), *China and India: Cooperation and Competition*, Chatham House; Godement (2011), *Europe’s relations with China: Lost in flight*, Transatlantic Academy Paper Series.

<sup>43</sup> Westad, (2013) *Restless Empire, China and the world since 1750*, Vintage Books.

<sup>44</sup> Mahbubani (2008), *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*, Public Affairs.

<sup>45</sup> Baru (2011), “West, Rest and China”, *Business Standard*.

2010)<sup>46</sup> as a key theme of Indian foreign policy. This fully underpinned the initial results of the interviews I conducted in India and thus informed my understanding of the country's geopolitical priorities and expectations (see also Section 7). Others rather insisted on India's lack of focus on Europe as a geostrategic partner (Jain, 2005; Chaudhuri, 2015)<sup>47</sup>, but all together influenced the work as it evolved to include the latest insights into the analysis of Indian and Chinese attitudes towards Europe.

## 6. Methodology

My approach has revolved around qualitative and interview-based research. In-depth interviews were conducted for each set of publications with a selected list of elite practitioners in Asia and Europe. I chose to focus my work on such interviews at the very beginning of the research since it aimed to fill in a gap in the literature by the collection of new and detailed material, suited to in-depth analysis that would enable a better comprehension of Chinese and Indian views of Europe. In identifying external perceptions of Europe at the elite level I have sought to enhance the understanding of the conduct of Indian and Chinese foreign policy towards the EU, their impact on Europe, and Europe's policy-making reactions.

The working assumption was that elite interviews would bring more in-depth research material to the assessment of a wider array of geopolitical and cultural issues than would have been the case with, for example, a focus on public opinion analysis. As Michael Brecher had already argued when considering Indian views of the world, "the rationale for including élite images among the inputs of a foreign policy system is a simple truth: decision markers act in accordance with their perception of reality, not in response to reality itself". He later concluded that "in any event, all decision-makers may be said to possess a set of images and be governed by them in their response to foreign policy problems. Indeed, élite images are no less 'real' than the reality of their environment and are much more relevant to an analysis of the foreign policy flow."<sup>48</sup>

My focus on interviewing decision-makers enabled the drawing out of core sets of recommendations (which was a feature of each of the publications) for the fostering of the bilateral relations between the EU, China and India. This focus allowed for a deepening of the analysis towards possible avenues for the development at EU level of responses to Chinese and Indian perceptions. The strength of this approach was the conducting of interviews with significant elite representatives in several fields: geopolitical and academic experts, and

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<sup>46</sup> Mohan (2005), *Crossing the Rubicon, The Shaping of India's New Foreign Policy*, Penguin; Jaffrelot (2005), "L'Inde, nouvel allié asiatique des Etats-Unis", *Etudes*; Racine (2010), "L'Inde: émergence ou renaissance?", in *La Renaissance de l'Inde*.

<sup>47</sup> Jain (2005), "India, the European Union and Asian Regionalism", *Asia-Pacific Journal of EU Studies*; Chaudhuri (2015), "India leaves Europe for last", *Hindustan Times*; See also Ramesh (2005), *Making Sense of Chindia*, India Research Press.

<sup>48</sup> Brecher (1968), *India and World Politics: Krishna Menon's View of the World*, London, Oxford University Press, Toronto, Bombay, page 298.



business, media, and cultural decision-makers. The first were identified as primary geopolitical actors including members of national parliaments, foreign ministries and government officials and leading academics in the field. The second (decision makers from the private sector) included official business networks, chambers of commerce and representatives of leading EU companies based in both countries. Finally, media and cultural elites were identified including foreign affairs journalists, key locally and Europe-based correspondents, and primary cultural actors of leading institutions.

I had, of course, also contemplated the possibility of simultaneously proceeding through a selection of one-to-one interviews and a list of questions, which could have been emailed to a wider range of experts for written responses. But such an approach tends to get a rather low response rate. I considered it, therefore, more practical and, indeed, satisfactory to concentrate on the in-depth interviews, since they allowed, whenever relevant, to challenge in real time the interviewees' answers and thus, enabled a deepening of the discussion through direct engagement, thanks also to the very nature of the interaction, i.e. the use of the Chatham House Rule (see below for more details). This was particularly significant, for example, with Chinese experts, who under this arrangement were prepared to explore both official, and their more personal views of Europe and future expectations for the Sino-European relationship<sup>49</sup>. Obviously time was also a factor, since the interviews lasted over two hours each, thus really allowing for in-depth exchanges and giving the possibility to raise specific or sometime controversial issues of a political or cultural nature within Sino-European or Indo-European ties.

This methodological choice became an important component of the research in order to identify shortcomings and look for alternatives in the current EU-India and EU-China relations as well as in Europe's current geostrategic approach to world affairs. It overall provided sufficient results to assess and compare Chinese and Indian perceptions and set out some recommendations for the EU. This was not just because of the level of experience of the experts and representatives I talked to in India, China and Europe (see the full list of interviewees in Appendix B), but also because of their general readiness to answer in very great detail, which enabled me to gather specific and targeted insights and commentaries on their perceptions of Europe and their countries' respective relationship with the EU.

While these insights provided a very valuable basis for the work, they cannot be taken as complete representations of Chinese and Indian perceptions. The other limitation of my approach lies in the fact that perceptions may, by nature, be biased by the relative interests of specific elite groups. They are inevitably subjective insights (whether Chinese, Indian or European perceptions of Europe, or even European insights into Chinese and Indian views), but it is also, I am convinced, all the more vibrant and immediate for that. Although the subjective component of perceptions may be seen as a challenge to the method I used, its

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<sup>49</sup> For example, the discussion I held with Chinese Ambassador Wu Jianmin in Beijing in 2007 was subsequently followed by other interviews in Europe, which provided through the possibility of repeated encounters valuable inputs into EU-China relations and their evolution.

adoption was precisely because the research focused on the qualitative aspect of perceptions across a range of leading and preeminent expert figures of the Chinese and Indian elites, to consider the EU and its relevance in world affairs from a new perspective, and not one really previously pursued. Moreover, as it progressed, the research benefited from other sources of information, based on more quantitative inputs including polling data (see Section 5). This material for example confirmed my initial findings regarding the importance of cultural interactions for the future development of EU-China relations.

The reliance of my research on elite interviews also meant that, by its nature, it could not be completely systematic, let alone constitute any sort of quantitative review (based for example on survey methodologies, or the analysis of polling data). The research does not, therefore, comprehend perceptions from general or targeted public opinion groups, including notably specific non-government organizations. This would have required large-scale sample surveys, which were both beyond the resources available and may well have provided only additional insights into spontaneous images of the EU.

My analysis does not also include any systematic media review or assessment of news item on how the Indian and Chinese media have perceived the EU or European decision-making over time since the research started. This would have represented, again, a completely different basis for research requiring the daily or weekly monitoring of leading papers and television channels with possible language barriers specifically in the case of China. The findings are, therefore, limited to the understanding of a significant snapshot of leading representatives of the Chinese and the Indian elites. The list of interviewees provided in Appendix B is not exhaustive and comprises merely those whose contributions were most significant and who are generally considered to be amongst the most acute and active authorities in the relevant fields. Though with the benefit of hindsight, a greater disparity of views (to include for example the youth or various start-up entrepreneurs in the economic sector) would have further enriched the analysis when considering, in particular, future economic prospects as seen from China and India. This could be an avenue for future research in the field, concentrating on selected subgroups and issues of, for example, a strictly economic or social nature for EU-India and EU-China relations.

I selected all the interviewees for their expertise in academia, business and international affairs jointly with a panel of experts from Chatham House and the Robert Schuman Foundation for the first two publications submitted “Contemporary Indian views of Europe” (2006) and “Contemporary Chinese views of Europe” (2007). These panels notably involved the then Head of Asia at Chatham House, the President of the Robert Schuman Foundation, its research director, as well as key experts in European and international affairs. The selection was then triangulated on the expertise of European and Asian officials of national foreign offices across Europe and academics, amongst which the London School of Economics, the German Council on Foreign Relations, the EHESS, the French Institute for International Affairs, the European Commission Delegation to India and China and the representation of

Sciences-Po University in Beijing. More than thirty interviews were conducted for each of these two initial publications.

A majority of the interviewees were, of course, Indian and Chinese experts, especially on the EU, with the rest comprising European experts operating in India and in China as well as EU-based authorities on India, China and European external relations. A balancing effort was made when selecting interviewees based on their field of expertise, with economics taking only somewhat of a precedence over politics and culture. So though it was clearly necessary to emphasize specifically the trade and geostrategic dimensions (with academics, private businesses and diplomats) to reflect the vital importance of these for relations between Europe and China and India, I considered it also essential that the cultural dimension, as well as the very question of cultural identity, be raised, in order to give a proper overall context without which current and future bilateral economic and political relations cannot be properly understood.

The subsequent publications, “Chinese and Indian views of Europe since the crisis: New perspectives from the emerging Asian giants” (2011) and “EU-China relations and the future of European soft power” (2015), followed a similar methodological pattern both in terms of selecting interviewees and the attention given to representing opinions from economic, political and cultural sources of strategic relevance for the research. Each selection was again peer-reviewed by a panel of experts, where applicable from the Konrad Adenauer Stiftung through the director of its London office, the president of the Robert Schuman Foundation, his director and head of research, the director of the Global Policy Institute and the director of LSE IDEAS. Both publications were based on a range of thirty to forty interviews. The names of the representatives interviewed are stated in Appendix B.

As previously mentioned, all interviews were done under the Chatham House Rule, be it with Indian, Chinese representatives or with European experts. This meant that their comments and the content of the interviews were not directly quoted within the text unless otherwise expressed or requested by the interviewees (the professional position was given but with no reference to the actual names). A common overall pattern was also used for each one-to-one discussion: first, I concentrated on generic questions focusing especially on the meaning of Europe and its future prospects; second, more specific questions were asked relating to the country considered and its geopolitical, economic and cultural links vis-à-vis Europe; and third, the discussion evolved with addressing contemporary issues targeted to the commentators interviewed by taking into account their field of expertise (see a sample of questions in Appendix D). Thus, the interviews referenced throughout the publications provide information about EU programmes, China, India, and, above all, Chinese and Indian perceptions of Europe.

For the other publications – namely “The strategic aspects of EU-China trade and monetary relations” (2008), “France, European defence and NATO” (2008), “China’s economic strengths and weaknesses” (2012), “Chinese and Indian views of Europe and the role of

culture in European external affairs” (2014), “The impact of China’s economic situation on Europe” (2015) and “India and the EU: What opportunities for defence cooperation?” (2015) – I followed, again, the same methodology: a set of interviews conducted under the Chatham House Rule and an in-depth analysis based on available academic literature and economic and press sources. The same framework was used as it had proved to offer a valuable way into gathering Chinese and Indian insights. Indeed, the initial findings of the research had been widely reviewed<sup>50</sup> and even incorporated into some academic syllabus such as that of UCL (the Catholic University of Louvain) or Sciences-Po Paris<sup>51</sup>. With these papers, I concentrated my analysis on those selected ‘case studies’ in the economic, defence and cultural fields, which constituted as the work evolved a further iteration of the central thesis: considering European defence as a key component of European hard power coordination and European culture as a key component of soft power development, and the implications these may have for Europe’s global position *vis-à-vis* China and India. Therefore, for these six works, most of the interviews were targeted to select those economic and business, defence and diplomatic and cultural elite representatives considered as the most relevant ones in the questions I was seeking to pursue. Altogether over hundred and sixty separate interviews were conducted to produce this complete submission (see Appendix B).

The research was also approached through the assessment of existing literature and policy statements (see section 5) and by press and Internet-based research into the various EU programmes forming part of the EU-China and the EU-India bilateral relations, as well as in-depth analysis of the existing expert contributions and other publicly available sources on China and India itself and their relationships with the EU. Only information found on official websites was used. Economic and commercial assessments were further derived from trade and other public data especially from Eurostat, the European Commission, the International Monetary Fund, the OECD, the Chinese official Customs statistics, the European Chamber of Commerce in China, the Indian Ministry of Commerce and Industry, as well as analysis made available for the purpose of the research from the French, British and German treasuries. All sources have been indicated within the text, or in endnotes, for each publication submitted.

A significant amount of fieldwork was undertaken, especially in India during April 2006 and in China during August and September 2007, as an adjunct to the one-to-one interviews. This allowed for the gathering of much relevant information and literature sources on specific aspects of EU-China and EU-India relations, especially of a political and geostrategic nature. As the research unfolded, further trips across Europe, mainly in France, Germany, Belgium

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<sup>50</sup> They were quoted or used notably by the House of Commons Foreign Affairs Committee, the French National Assembly, the House of Lords and a range of academic experts and researchers (see, for some examples, Appendix A). I was asked to give evidence to the Foreign Affairs Committee of the French National Assembly on the European context of Sino-French relations and Chinese views of Europe based on the findings of the publications (April 2013).

<sup>51</sup> “Contemporary Indian views of Europe” (2006) and “Chinese and Indian views of Europe since the crisis” (2011) within the Course Seminar ‘The European Union, Between Multipolarity and Multilateralism’, UCL, 2013-2014. The work “Contemporary Chinese and Indian views of Europe since the crisis” (2011) was also incorporated in Sciences-Po’s Master of European Affairs, for the course on ‘How the rest of the world looks at Europe, The rise of a multipolar world and its implications for Europe’ launched in 2012-2013.

(Brussels) and the United Kingdom, provided another valuable complement, giving access to a range of economic and diplomatic sources and interviews (all of which are listed, where applicable, in the body of each publication).

Furthermore, the research methods and initial findings were examined and tested along the process by taking part to a range of expert's workshops and seminars as contributor and guest-speaker, such as: 'The European Strategy Forum' on China-EU relations in Ponte de Lima (Portugal) on 17-19 May 2007, 'Building a new world order: The EU and the emerging powers' in Brussels on 8-9 October 2009 (under the banner of the Egmont Institute and the Austrian Institute for European and Security Policy), 'The EU and the BRICS in the wake of the Eurozone crisis' in Birmingham on 7 June 2012 (organised by the European Commission delegation in the United Kingdom and the Aston Centre for Europe), 'The dwarfing of Europe: A dialogue between Brazil, India, China and Europe' in Amsterdam on 22-23 May 2013 (held by the European Cultural Foundation and the Tilburg University), 'New cooperation models for European external cultural relations' in Brussels on 20 February 2014 (organized by the German Institute for International Cultural Relations), or 'The 6<sup>th</sup> EU-India Forum' in Brussels on 11-12 May 2015 (held by the European Union Institute for Security Studies and the Indian Council of World Affairs). The contributions made during the workshops provided a further addition to the research because they allowed for specific recommendations to be tested by peers and academics experts over the sessions. They also enabled to focus on more targeted policy and research options, notably for the last two publications presented for submission: "EU-China relations and the future of European soft power" (2015) and "India and the EU: What opportunities for defence cooperation?" (2015).

All of this helped refine the analysis as the work evolved since the question of perceptions became of greater significance for academic and policy debate. Taking into account the new literature which was further released over time, between 2006 and 2015, on the Sino-European relationship and, to a lesser extent also, on the Indo-European one, the research thus deepened in at least two directions: Firstly, it sought to continue to provide a new contribution to the field in the second 'chapter', with the publication "Chinese and Indian views of Europe: New perspective from the emerging Asian giants" (2011) by focusing on a particular time period (the three years after the beginning of the financial crisis of 2008), by assessing specifically the evolution of perceptions since the onset of the research, and, most critically, by seeking to present, and compare, at the same time, the views of Chinese and Indian representatives (see also Section 5). Secondly, the subsequent works, which constitute the final part ('chapter' three) of the submission, not only built on the initial findings of 2006 and 2007 and the significance of perceptions, but also, as we have seen, explored new research questions as part of the debate over soft and hard power options, an issue of ever-growing relevance for Europe's developing relationship with both China and India.

## 7. Summary of Key Results across the ‘Three Chapters’ of the Submission

### **Chapter One: The Initial Framework of Chinese and Indian Perceptions of Europe and the Importance of Commercial Engagement (publications A, B and C)**

(A) I found, through the analysis of “Contemporary Indian views of Europe” (the subject of the first publication of 2006), that the economic and political relationships between Europe and India are best defined in a bilateral framework with individual member states, rather than with the European Union as an entity, to the overall detriment of both India and the EU. This is still the case today, ten years after, given the lack of progress in achieving greater engagement, an issue which will be further addressed in the third chapter of this submission. Suffice it to say now that Prime Minister Modi only visited EU institutions in March 2016 for the 13<sup>th</sup> EU-India Summit, which though annual in principle, had been stalled since 2012<sup>52</sup>. This is particularly significant since all the Indians I interviewed for the work made no distinction between the European Union and Europe as a whole. For them, the EU is the only collective sense in which they view Europe and Europe has no collective identity other than as the EU. This also extended, for example, to their not considering either Russia or Turkey to be European countries.

Though India was one of the first countries to establish a diplomatic relationship with the EU, through a visit of several European-based Indian diplomats to the then EEC in 1961, the first summit between India and EU, which marked the true start of serious bilateral relationship, only took place in June 2000, which culminated in the so-called ‘strategic partnership’ entered into in September 2005, a year before the first submission’s study. Until then, all exchanges had been primarily defined by the accord signed in 1994, which barely took matters beyond general trade points. But how much progress did these developments represent? A majority of the Indian representatives I talked to in 2006 considered that the overall effectiveness of India’s cooperation with the EU had remained patchy. In Indian diplomatic circles, there was a growing feeling that the European Union had chosen to favour authoritarian China over them, the world’s largest democracy<sup>53</sup>. Europe’s own divisions were seen to push towards favouring bilateral relationships with the individual member states whilst, at the same time, India’s leading strategic interests were not converging towards those of Europe.

Like their EU counterparts, Indian strategic thinkers clearly conceived the future international order as a multipolar constellation of leading powers. But they saw these, in descending order of importance to themselves, as: the United States, China, Japan, Russia and only lastly Europe. In fact, after the US, East Asia stood as the second pillar of India’s external strategy, the so-called *Look East* policy. The East, in this context, was understood to be primarily, and overwhelmingly, China, but it also included Japan and, most significantly from the point of

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<sup>52</sup> Raja Mohan (2016), “Modi in Europe: Relaunching the EU-India strategic partnership”, Carnegie Europe, March 29.

<sup>53</sup> See also Rajendra K. Jain (2005), “India, the European Union and Asian Regionalism”, *Asia-Pacific Journal of EU Studies*.



view of Europe, Russia. Europe, by contrast, was seen to be lacking strategic vision and was simply unattractive to India, especially by comparison with the United States. Many Indian commentators, in fact, regarded it as 'socially and culturally protectionist' and as offering interest mostly on account of its 'exotic tourist appeal'. It, thus, remained of tertiary importance to most Indian interests<sup>54</sup>, a consideration, which is still true today: the first visit, since his election in 2014, of Prime Minister Modi to European member states (France and Germany in April 2015, subsequently followed by the United Kingdom in November 2015) took place well after his first international trips to, amongst others, Brazil, Japan, the United States, Australia and Fiji<sup>55</sup>.

This is particularly significant since, from an economic standpoint, the EU was already India's largest trading partner in goods and was therefore of primary importance. Nevertheless, despite this, Indian economic commentators did not again in practice, think about doing business with Europe, but with the individual member states: essentially with the United Kingdom, Germany and France (India's principal export destinations in Europe). Though this continuing bilateralism was already seen to threaten Europe's leading commercial engagement, as the Europeans, by contrast to the Americans, were playing against each other for greater trade and commercial opportunities in the Indian market. This was, moreover, intertwined with the Indian notion, which was oft mentioned by the geopolitical and economic experts I interviewed, of Europe's economic decline, and of the EU not being sufficiently forward-looking to be able to sustain the economic dynamism and entrepreneurship necessary for it to continue to be an attractive partner in the long run.

Others preferred to consider the European example as a source of inspiration for enhanced regional economic cooperation in Asia. This was more generally confirmed by their view of the euro as a constructive achievement. Indeed, the launch of the single currency in 1999 had been seen by them as a proof of buoyant political momentum because it had enabled the EU to define for itself a distinct characteristic, which through further expansion in the next twenty years or so, could mean that India would be dealing with a more unified regional bloc.

But all these findings should also be comprehended through the prism of India's own views of herself as an emerging economic powerhouse. Although, at the time of this first publication, the Indian economy had grown at a high speed (by 7.7% in 2005), huge obstacles remained. Several Indian intellectuals pointed out that they were still two Indian economies: the fast developing globalised sector and the rest, rural and ridden with poverty. India's ability to become a champion of the so-called Asian century<sup>56</sup> was very much linked to its future ability to moderate growth with social justice. Thus, if Europe faced problems in coming to terms with globalisation, as most geopolitical Indian interviewees expressed it, India's difficulties in

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<sup>54</sup> The address of the then Prime Minister Manmohan Singh, on India's 2005 Independence Day, did not even mention the EU in the list of its key strategic counterparties.

<sup>55</sup> Moreover, the Indian foreign ministry's 2015 report on the government's foreign policy, 'Breakthrough Diplomacy: New Vision, New Vigour', gave only 2 pages to Europe out of some 120 in total, compared to more than 14 for Africa alone.

<sup>56</sup> Jean-Luc Racine (2005), "Le bouleversement indien nous concerne directement", *Le Monde*, September 13.

shifting from protecting its own market to global competitiveness were clearly not negligible either. This maybe the reason why, though they felt that Europe's internal divisions impeded its external clout and its ability to emerge as a credible entity in the international arena, many Indian experts continued to believe that with better leadership, and in particular, a new generation which is more used to globalization, the EU could remain a key centre for power in the next century, a development which they would see as beneficial to strengthen a more multipolar world order.

From a cultural standpoint, Indian attitudes towards Europe and their assessment of the European Union also suggested an underlying estrangement between the two, despite the fact that Europe's diversity was deemed very comparable to that of India. Here, many European and Indian geopolitical commentators agreed that India and the EU were the two foremost examples of multiculturalism and multilingualism within an over-arching common civilisation with aspirations to deeper unity, which could, in principle, have provided a basis for greater partnership<sup>57</sup>. But this did not translate into a closer relationship, an issue, which will be assessed in greater detail in the results of the following chapters. Above all, the analysis of Indian perceptions of Europe concluded that Europe's image externally would inevitably be influenced by its capacity, internally, to respond to the challenges confronting it, economically and politically, especially in respect of implementing the necessary economic reforms to ensure greater competitiveness and job creation in the face of the dynamism of emerging Asia.

(B) With the second publication of the submission “Contemporary Chinese views of Europe” (2007), these initial findings were further explored. Indeed, the differences in views from China compared to that from India also informed the analysis on the degree to which these Chinese and Indian perceptions could reflect, not only their respective views of Europe, but also their own relative geopolitical, economic and cultural expectations and interests. Here, Europe was also seen by all the Chinese representatives I interviewed as lacking strategic vision and as suffering from internal discord. The EU was not perceived as a centre of political power, especially when compared to the United States. But most Chinese officials and geopolitical experts had a more sophisticated approach to Europe than equivalent Indian respondents and desired a more united European voice as part of their conception of a future world order. This included a clearer understanding of the EU in institutional terms and of its major member states, as well as what China defines as European civilization in general.

These sentiments were also evident in the oft-expressed claim that like their European counterparts, Chinese political thinkers considered future international relations in a multipolar framework, the framework, which they feel would alone be able to ensure the necessary stability and predictability for China's peaceful rise to regain a ‘proper place’ amongst the other great powers and regions of the twenty-first century. Although, in practice, their *Weltanschauung* remained in many respects essentially bipolar: the only player, which

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<sup>57</sup> See also, for example, the address by Prime Minister Manmohan Singh in acceptance of an Honorary Degree from Oxford University, 8 July 2005.



truly mattered for China was the United States and not Europe<sup>58</sup>. It was a common view amongst the Chinese political experts that the EU could become one of the poles of an eventual multipolar order but that the American factor would provide a long-term external constraint to any EU-China strategic partnership<sup>59</sup>. Subsequent analysis, however, found that these perceptions evolved towards a more nuanced assessment of Europe as a geopolitical actor, especially after the 2008 crisis and, most specifically, after the creation of the European External Action Service in 2010. This will be explored in more depth in the results of the submission's second chapter.

Overall, Europe appeared to most Chinese interviewees in the cultural and economic fields, as being 'more an idea than a power', because there were still twenty-seven individual Chinese policies beyond the strategic partnership that the EU was seeking with their country. But what was also most immediately interesting for them was the European experience of having employed economic integration as a means of overcoming political insecurities, which they considered as a potential source of inspiration for China's idea of greater economic integration across the rest of Asia, especially East Asia. Indeed, some saw this as addressing the apparent policy of encirclement, which they discerned in, for example, Japan's closer ties with India. For these respondents, China could follow 'a dream of peace with Japan'<sup>60</sup>. Here, the EU's greatest achievement (to have made war in Europe impossible, especially between France and Germany) was considered as very relevant.

What emerged, therefore, from the analysis was a very fragmented perception of Europe and the European Union: many Chinese strategic thinkers felt that a more united Europe would fit into China's concept of a so-called 'harmonious world', whilst some others tended to rather focus on China's shorter-term interests in favouring bilateral ties with individual EU member states. Though most agreed that ultimately the country would wish to develop a relationship with the EU as a whole, rather than with a collection of individual member states on issues, such as considering a bilateral investment deal, or even visa requirements outside of the Schengen area. Moreover, the research underlined that only the EU, as a whole, would be able to maintain a strong negotiating position with China over the forthcoming decades. There were at least three policy areas, which could determine Europe's future in this respect, as seen from China: First, Europe's progress on forming a common European foreign and defence policy (a view also shared by Indian geopolitical experts), second, the strengthening of the euro as a global reserve currency, and third, the pace and scope of further enlargement of the Union. Most Chinese commentators I interviewed in Beijing were indeed willing to wait and see if this expansion would occur in a manner that enriches rather than diminishes Europe's internal cohesion and external clarity of purpose.

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<sup>58</sup> See also Kishore Mahbubani (2007), "Charting a new course", *Survival*, IISS Quarterly.

<sup>59</sup> See also Pang Zhongying (2007), "On Sino-European strategic partnership", *International Review*, Shanghai Institute for International Studies, Volume 46.

<sup>60</sup> See, for example, Wu Jianmin, "A broad perspective on common interests", excerpt of a speech given during the Third Beijing-Tokyo Forum, *China Daily*, 30 August 2007.

This was especially so since China (as India) had every reason to take the European Union seriously. The EU had also been its first trading partner since 2004 and the importance of the European market for China had grown rapidly as the country became emphatically outward orientated. All the Chinese representatives had, for example, a very high regard for European technological capability. They strongly considered cooperation in this field to be more attractive and less difficult with Europe than with the United States, notably in the field of energy. This extended for example to China having participated in the International Thermonuclear Experimental Reactor (ITER) project since 2003. Like their Indian counterparts, they thought of Europe, and of the European Union, primarily, in economic terms. Overall, bilateral trade between China and EU had increased more than sixty-fold since 1978 to reach nearly €255 billion in 2006 (and nearly twice as much again in 2014 at €466 billion)<sup>61</sup>. In return, China has become the EU's second largest trading partner, after the United States, and the largest source of EU imports of goods. The EU was then, and continues to be, the biggest supplier to China of technology and general capital goods<sup>62</sup>. It was also seen by them as an integrated power in its ability to set standards and regulations with a global impact.

However, for most practical purposes, Chinese businessmen preferred to deal with individual countries in Europe, rather than with the EU institutions collectively. As with the Indian market, European companies were seen to be competing against each other in a manner that sometimes damaged the opportunities and profit margins for all. Prominent among the many examples cited in 2007 by some European and Chinese experts in this regard was the contract for the high-speed train link from Shanghai airport, which was won by a consortium led by Siemens, against a Japanese competitor but allegedly on tighter terms than anticipated, partly because the German company was also up against a French bid. It was argued that Europe would need to have 'champions' if it wishes to face up to the challenges that China, and the Chinese way of doing business, represents.

Thus, with its population of above 500 million, the European common market collectively was generally perceived by European and Chinese experts as a 'more natural partner' than the member states individually. Most argued that no single European country would, in the long run, have the capacity to remain amongst the top four economies globally, although Europe as a whole would retain its position as one of the world's largest. This was reinforced by varying degree of economic interdependence across the member states since only four countries accounted for over 50% of Sino-European trade in 2006 (Germany was already China's largest export market with a 29% share, followed by the Netherlands, Britain and France)<sup>63</sup>. Though the next phase of China's economic engagement with Europe seemed to be increasingly directed towards Central and Eastern Europe as a new base and gateway into the

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<sup>61</sup> European Commission estimates (Chinese statistics are consistently lower than US and European sources on account of the exclusion of re-exports through Hong-Kong).

<sup>62</sup> According to Chinese sources, China received over 40% of her total imports of such goods from the EU in 2006 (against 23% from Japan and 19% from the United States).

<sup>63</sup> According to Chinese statistics (Customs General Administration, Mainland China, *Trade Statistics with the EU* (then 25)).

European Union<sup>64</sup>.

From a monetary standpoint, most Chinese economic commentators regarded, like their Indian counterparts, the creation of the euro, and its development since its launch, as one of the EU's greatest institutional success. They also fundamentally considered the currency as the most important component of Europe's external power since it had become for them an established alternative to the dollar, one that provides substantial benefits in lowering cost both for its members and for its external partners. This assessment of the euro was clearly significant since China already held around 20% of its reserves in the European single currency.

Last but not least, the research found that contrary to Indian assessments, all the Chinese interviewees had a positive view of Europe culturally. For them, Europe remained attractive and was not fundamentally in decline. Although they felt that Europe and the United States were ultimately 'tied together', they, nevertheless, regarded Europe and China as the 'two core civilizations of the world', and therefore from this perspective saw America as 'marginal'. Seen from China, this alone could offer a unique common ground for understanding between themselves and Europe since it is the only civilization, which China recognises as comparable to its own. This finding was of particular relevance for the overall thesis, because of the implications it raises for Europe's soft power, its place in the world and the EU-China relationship (all of which will be assessed in the submission's final chapter).

(C) The subsequent publication, "The strategic aspects of EU-China trade and monetary relations" (2008), aimed to explore in greater detail the question of EU-China commercial engagement. Particularly since the emergence of China had become an unprecedented phenomenon<sup>65</sup> and the future of EU-China trade and monetary relations a key component of the global economy (by far outpacing Indo-European bilateral trade). In 2008, China had already overtaken Germany as the world's third largest economy and Japan as the world's leading holder of currency reserves. Though one of the main challenges for the European Union remained (and still does today) the growing scale of the trade deficit and the need for a more balanced relationship with China. In 2008 the EU sold more to Switzerland, a country of 7.5 million inhabitants, than to the Middle Kingdom, whilst the Sino-European trade deficit was widening by almost €17 billion an hour<sup>66</sup>.

The reversal of this trend was, therefore, a matter of urgency for Europe. Here, the establishment of a high-level discussion group between the EU and China in June 2007, complemented by the Sino-European summit in November the same year, led to the creation a new body for conducting a so-called High-Level Trade and Economic Dialogue to address the

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<sup>64</sup> Notably through China's investment in Hungary, which in 2006 hosted more than 3,000 Chinese firms. See, for example, Gong Gao (2007), "Hungary: Gateway to Europe for Chinese business", *China Daily*, September 3.

<sup>65</sup> See, for reference, Gnesotto Nicole and Grevi Giovanni (2007), *Le Monde en 2025*, Paris, Robert Laffont.

<sup>66</sup> See Peter Mandelson, European Commissioner for Trade, "Growing Trade, Shared Challenges", Speech for the EU-China Business Summit held in Beijing, 27 November 2007. The EU-China trade deficit amounted to 159 billion € in 2007.

growing deficit. This new framework was the first of its kind in the history of EU-China relations. As will be discussed in the next two chapters, this innovative mechanism was later expanded beyond the economic realm to create a High-Level Strategic Dialogue after the setting up of the EEAS in 2010 with a view to cover global issues of shared importance for both parties, and then, in 2012, a High-Level People-to-People Dialogue, including cultural interactions. Despite all these efforts and a reduction of the deficit down to 137 billion € in 2014, it still remains at significantly high level today, due notably to on-going barriers to market access in China which prevent further European exports. To become more balanced, EU-China bilateral relations do, also, still specifically need to address a range of other key issues, such as the defence of European norms and standards and the respect of intellectual property rights, all taking into account the imperative of securing China's future development as a consumer society.

Another factor, which explained the strategic significance of EU-China trade for the purpose of the analysis, was the fact that, at the same time, Asian economies had increasingly centralised their production within China as a result of Japanese and other Asian companies setting up there. The integration of trade in East Asia had intensified, with China now considered to be playing the role of final assembler for the region's industrial production, thereby taking over the other Asian suppliers of developed industrial economies<sup>67</sup>. These findings confirmed the idea that it is through the European Union as a whole, which is both the largest trading partner in the world and has the world's second currency, that Europeans will increasingly find the necessary resources to exert long-term influence over their economic exchanges with the Chinese giant.

The research also revealed in 2008 that the management of monetary relations between China and the Eurozone could result in a greater diversification of China's reserves in favour of the single European currency, given the weakness of the dollar. There were still, nonetheless, certain complexities inherent in the management of Sino-European monetary relations. Some anticipated that the forthcoming monetary order could take the form of a multi-currency<sup>68</sup>, or at least, tripartite, system, which would be accompanied by the rising power of the renminbi as a reserve currency<sup>69</sup>. Other European and Chinese economic experts I interviewed believed that diversification could instead occur through Chinese investments in emerging equity markets rather than just in currencies, including through its then new sovereign fund (the China Investment Corporation).

In any event, the analysis showed that the euro had become increasingly important globally and that this external recognition gave the single currency a responsibility at a regional and

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<sup>67</sup> "Revue régionale Asie", Network of French economic missions in Asia, No. 152, January 2008.

<sup>68</sup> This scenario has been more recently exemplified by Barry Eichengreen's publication "Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System" (2011), which foresees the advent of a 'multipolar' system of international currencies.

<sup>69</sup> The assumption was often considered in the light of proposals concerning the potential creation of an Asian currency unit by some interviewees, which could lead according to them, to a convergence of the yen and the renminbi.

international level that could not be neglected. The work recommended that the president of the Eurogroup could, for example, be given a mandate to represent the Eurozone externally on matters relating solely to exchange rate policies *vis-à-vis* its main partners<sup>70</sup>. It concluded with the consideration that on both issues (the trade and the monetary one), China represented a measure of the EU's ability to act as a regional economic bloc and manage a bilateral relationship of great strategic significance globally. The evolution of these challenges for Europe's commercial engagement and soft power diplomacy will be further detailed in the results of the next sections.

## **Chapter Two: The Significance of Perceptions after the 2008 Crisis and the Challenges Ahead for Europe and the Emerging Asian Giants (publications D, E and F)**

(D) By seeking to contrast, at the same time, Chinese and Indian assessments of Europe from the beginning of the 2008 crisis to 2011, the study “Chinese and Indian views of Europe since the crisis” (2011) drew out a series of new findings. In particular, it showed that despite the crisis, Europe's pre-eminent economic weight for China and India had been sustained and even reinforced in the case of Sino-European trade<sup>71</sup>. Bilateral trade in goods with China had, increased by 52%, from €259 billion in 2006 to €395 billion in 2010. This brought the relative EU share of China's total trade to 17%, with the United States only second at 13.6%. By contrast, the EU relative share of India's external trade declined from 19.5% in 2006 to 15.6% in 2010 with China becoming India's second trading partner<sup>72</sup>, after the EU, over the same period.

In relative terms, Indo-European economic ties represented only a fraction of those with China, amounting to 17% of total Sino-European trade. But despite these differences in scale, both Chinese and Indians economic commentators, when questioned about the crisis, focused first upon the same issue: the future of the Eurozone. This is because both had regarded, as we have seen, the creation of the monetary union as Europe's most significant single achievement and as the core of its future development. Opinions tended to differ, however, about Europe's ability to recover rapidly and efficiently from the effects of the crisis. Europe's economic difficulties<sup>73</sup> were seen by most Chinese interviewees as a consequence of a systemic and underlying lack of vigour in the European economy, although they also argued that Europe still had significant capabilities for creating a strengthened institutional framework and

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<sup>70</sup> See also “Coming of age, report on the euro area”, Bruegel, January 2008 and Subacchi Paola, “Exploiting Europe's strong potential: Governance, Institutions and Policies”, Chatham House Briefing Paper, January 2008.

<sup>71</sup> Both Chinese and Indian commentators considered the crisis to be ‘one of the Western mature economic model’ but they were nonetheless conscious of Europe's on-going primary significance for their trade.

<sup>72</sup> IMF statistics. Bilateral trade between India and China amounted to €47 billion in 2010 (70% of which from Indian imports from China).

<sup>73</sup> Government deficits for the EU-27 were of 6.4% of GDP for 2010 and the average government debt to GDP ratio was 80%.

economic base to cope with these problems<sup>74</sup>. They, in fact, considered that the political battleground in the coming years should be one of how Europeans achieve greater productivity and competitiveness internally and externally. These respondents also believed the euro's survival and it resuming its development as an international reserve currency to be in their interests and felt that the crisis could provide an opportunity to advance towards necessary fiscal integration within the Eurozone.

Most of them also favoured the creation of an integrated euro government debt market, through the issuance of new 'Eurobonds', and/or the conversion of a portion of outstanding Eurozone government debt into such instruments. The absence within the Eurozone of the scale and depth of the US Treasury market was, indeed, seen as the biggest single disincentive for China to undertake more reserve diversification into euros. This finding was also intertwined with the frequent comment in Beijing that Europe would not only continue to be China's largest customer, but that China could also soon become Europe's first customer in goods.

By contrast, Indian perceptions diverged in a number of important respects: the Indian respondents I talked to primarily perceived a sense of latent weakness and stagnation across the European economies. Unlike before 2008, they more rarely spoke of Europe and India sharing the problems of building up and managing a huge multi-lingual, multi-cultural, continent-wide internal market. They were, in fact, more pessimistic than the Chinese, assessing Europe's economic foundations to be less solid than they anticipated before the crisis. Several Indian strategists also did not see Europe as potentially playing a core part in their country's rise to prosperity and power. Most had, in fact, long been more sceptic about Europe's prospects in the mid-term, not least because they were more optimistic about the United States following America's acceptance of India's status as a nuclear weapons state (the Strategic Accord of 2006 followed by the waiver granted by the Nuclear Suppliers Group in 2008). The view that the Eurozone might fragment, or shrink, or merely condemn many of its members to prolonged stagnation without forcing more market integration, competitiveness and fiscal sobriety, was also sometimes mentioned but it was underpinned by a conviction that, particularly compared to China, India was less exposed, and had less in the game because Indian placements in euros were very limited. Most Indian analysts were, nonetheless, closely watching what was happening in the Eurozone<sup>75</sup>, not least because they felt the euro's continuation to be in their interests (though this view was, again, less strongly held than in China).

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<sup>74</sup> Such judgments also reflected a widely expressed ambition on the part of some Chinese commentators, matched to a somewhat lesser degree by their Indian counterparts, that their own long-term ambitions are indeed to have a 'balanced economy capable of the quality of life now prevalent in Europe.'

<sup>75</sup> One should not underestimate here the concern that the crisis triggered amongst the Chinese and the Indians economic experts I interviewed. Recent signs of overheating in China, notably in the property sector, had led some to wonder if the state stimulus plan launched in November 2008 with significant investments in infrastructure and social welfare to minimize the negative impact of lower exports would be a sufficiently good response to Western difficulties. Others were questioning China's exposition to currency losses with its enormous accumulation of state reserves, just above \$3 trillion in March 2011. Several Indian experts were also worried about a fall in American and European imports from India.



Moreover, as a result of the crisis, both India and China reinforced their tendency to encourage trade bilaterally with the individual member states, rather than engaging at EU level. Many experts I interviewed (European, Indian and Chinese alike), nevertheless, continued to see this as not optimal, either economically nor to a lesser degree politically. This was particularly true with regards to some Chinese geopolitical commentators' expectations of a stronger economic coordination between China and the EU when considering their respective mid-term strategy for growth, and which could make the partnership 'unique' reflecting the fact that both are in a profound transition. For other experts in India, Indian opportunities in European markets could be enhanced, notably relative to China, if the crucial negotiating level was indeed the European Union rather than the individual countries. They expected that the proposed EU-India Broad-based Trade and Investment Agreement (for which the negotiations started in 2007 and which are still ongoing) would significantly improve bilateral economic ties. However, contrary to China's assessment, this did not equate to Europe constituting a new priority for their trade. India had already entered into a range of free trade agreements for example with ASEAN and South Korea since 2009 and with Japan since 2011.

Another effect of the crisis for Sino-European and Indo-European commercial engagement has been the increase in investment flows into Europe, particularly from China. Alongside the buying of national sovereign debt in some European countries<sup>76</sup>, Chinese interests expanded to taking stakes in a number of European companies. Amongst the most prominent cases were the leasing at the end of 2008 by the China Ocean Shipping company (Cosco) of the container port of Piraeus in Greece for a thirty-five years period, and the acquisition in 2010 by Geely of Volvo cars in Sweden. Other investments, though smaller, of particular note were participations in dedicated business sectors (such as agricultural machinery or carbon-fibre production) to support Chinese export efforts. These developments raised a series of concerns amongst part of European public opinion, especially when the Chinese investor was a state-owned enterprise against which private companies could find it difficult to compete at a time of austerity and market stress. Here, most European economic commentators based in Europe and in Beijing felt that China should not be blamed for following its own economic interests as it should be up to Europe to have a more united position around its common interests in the field: for example, foreign companies investing in the European Union should not have unjustified advantages (including possible coordination through State related sources of funding) compared to European private companies. Moreover, several reports from the European Chamber of Commerce in China continued to highlight on-going constraints to market access in China and EU sourced FDI in sectors such as insurance, construction and telecommunications. Based on these findings, my work concluded that a more comprehensive approach to investment flows between China and the EU should be explored since investments did not reflect the scale of Sino-European commercial ties. In November 2013,

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<sup>76</sup> China bought, for example, €400 million of Spanish government securities in 2010, with similar operations undertaken in Greek, Irish and Italian papers. In 2011, China was still holding 26% of all foreign-held US treasury securities (\$1.2 trillion) amounting to 8.5% of the total American debt and was looking to diversify its future reserves, notably through investments into euros, a trend which the crisis accelerated.

both sides eventually launched the negotiations for a so-called bilateral Investment Agreement to improve the quality of economic and trade cooperation, which is still under review.

The EU also remained a primary destination for Indian FDI with the United Kingdom being the core destination<sup>77</sup>. But by contrast, this did not seem to generally translate into a greater convergence economically between India and the EU. In fact, Indian investments into Europe somewhat abated since the crisis of 2008. Moreover, whereas China was expected to be moving towards fostering a stronger middle class, which may eventually create a consumer economy with a greater focus on imports (a trend compatible with long-term European interests), India, principally for demographic reasons, was seen to be heading in the other direction, with a greater dependence on exports. Some analysts were in fact anticipating that Indian interests, essentially in the export of services, would not be conducive to and rather compete with European ones in the long-term<sup>78</sup>.

In the geopolitical field, most Chinese and Indians experts tended to have a more common assessment of the EU. They anticipated the Union to become more inward looking as it concentrated on solving internal economic tensions. The creation of the EEAS and that of the full-time Presidency of the European Council (both of which steps were, in part, promoted to allow a greater coherence of European policy-making and improved engagement, notably with the rising Asian giants) were nonetheless greeted by them with somewhat mixed reactions. Though some Chinese foreign policy thinkers considered the creation of the EEAS as an advance for Europe's global identity, they expected that it would need time for a more coherent and integrated European foreign policy, which they would welcome, to emerge. Their Indian counterparts were more inclined to await specific results from the EEAS of direct significance to them: a view, which was partly coloured by their perception of their own continuing diplomatic weakness since Delhi only deploys around 700 diplomats across the world.

In fact, prior to 2008, Indian foreign policy appeared to comprise only three principal themes<sup>79</sup>. First, there was India as one of the two great Asian powers leading the revival of the East in the face of the West – a theme associated with the notion of 'Chindia'. This had a strong cultural, as well as economic component, even though it underpinned some striking political achievements: notably the marginalisation of the Europeans at the Copenhagen summit on climate change in 2009. It was also a core part of India's *Look East* policy, which involved close relationship with, for example, the members of ASEAN and Japan. Second, there was India as increasingly part of a 'wider West', the world's largest democracy. American Republican foreign policy analysts had been particularly keen on this, but their enthusiasm was reciprocated, as we have seen, by India's perception of the United States

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<sup>77</sup> Tata, for example, became the largest single manufacturing company in the UK with around 45,000 workers. Altogether in 2010, Indian companies had emerged as the second-largest new jobs creator in Britain (see "UK Inward Investment Report 2010/11", UK Trade and Investment office).

<sup>78</sup> See François Pitti (2009), *Chine et Inde: vers une stratégie de marque*, En Temps Réel.

<sup>79</sup> See Jean-Luc Racine (2006), "L'Inde émergente: horizon élargi", in *Cahiers de Mars*, No. 187 and Jairam Ramesh (2005), *Making Sense of Chindia*, New Delhi, India Research Press.



retaining its leading global position. Finally, there was the notion of Indian particularism, a modernised version of the non-aligned policy of the post-independence era and the Cold War, which had expressed itself in India's increasingly close relationships, for example, with Brazil and the Republic of South Africa.

The principal effect of the 2008 crisis, in this context, appeared to have been the confirmation of a sense of Indian anxiety and inferiority with regards to China's rise. Although trade between India and China had continued to increase since 2008 and was projected to rise further following the establishment of a strategic bilateral economic dialogue in 2011, most Indians experts were quick to point out the political complexities they faced in this relationship. This was not just for them a sense of how far India was behind China with regard to economic development but also because China was challenging Indian interests, notably through investments in Bangladesh and Pakistan. Tensions also remained over the borders in the Himalayas. Nevertheless, all these developments did not make Europe more important for India: its engagement with Europe was (and still is) based on a case-by-case approach rather than any clear strategic lines.

By contrast, most Chinese strategic thinkers I talked to had a more nuanced geopolitical assessment of Europe. In particular, they did not see any long-term areas of significant contention with Europe in the political and security field compared to their relationship with the United States, since Europe does not have military interests in Asia. Moreover, they considered that what they saw 'as the European community method of competition alongside cooperation' encapsulated the sort of win-win interaction they favoured for international affairs. Although European powers were not seen as powerful on their own, Europe as a whole was perceived to be in a position to promote Europe's conception of governance globally. Though, as we have seen in the first chapter, it is ultimately in their cultural perspective that the roots of their optimism towards Europe's prospects lie.

Here, many Chinese commentators mentioned the enormous potential of cultural and educational exchanges to strengthen Sino-European ties. In 2010, there were over 120,000 Chinese studying in the European Union (in descending order of importance, mostly in the United Kingdom, France and Germany), a six-fold increase since 2000 and comparable to the numbers in the United States. There were, however, only some 20,000 European students in China, most of them engaged in relatively short-term programs<sup>80</sup>. The potential for expansion seemed therefore considerable. A few significant steps have been undertaken since then to increase the interaction of the education systems, such as the creation of the EU-China higher education platform in 2013 to support the mobility of students through a fine-tuning program. Of particular note is also China's intention to bring the total exchanges of students to around 300,000 by 2020 notably through the granting of scholarships. These developments are particularly significant since together the European Union and China represent over a quarter

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<sup>80</sup>“EU-China student and academic staff mobility: present situation and future developments”, joint study between the European Commission and the Chinese Ministry of Education, April 2011.

of the world's population with similar demographic trends of ageing populations<sup>81</sup>. China is expected to reach 330 million people over 65 years old by 2050, that is to say 24% of its population, against 28% in the EU by the same date. Expanding contacts between the younger generations on higher education programs on both sides was deemed therefore crucial by most European and Chinese interviewees to enhance common understanding and better assess how both societies will evolve culturally and economically.

My research overall concluded that the crisis had made it all the more vital for Europeans to recognize that their only prospect for engaging commercially and culturally in the long run with the rising Asian giants was by being more united, either through the institutions of the European Union, or through a closer co-operation of several member states in those areas, such as the Eurozone, where smaller groupings prevail. I found this more united approach should also focus on re-doubling the structural reforms necessary to make the single market more complete and competitive and on maximizing European employment and growth. In the political field, the co-ordination and further dissemination of the member states' research and analysis on both China and India at the EEAS level would also be a benefit for all involved. This is because a unity of analysis at a European level is a necessary step towards unified actions and a more coherent, long-term, strategic vision. This would not entail any additional resources but further coordination between the member states' foreign ministries and embassies and the EEAS, including the European Union delegations in the dedicated countries. This would, of course, be of particular benefit to those member states with limited resource and knowledge and would allow them, in turn, to engage more fully in joint initiatives especially in areas where intergovernmental co-operation is paramount. Finally, the analysis revealed that the EEAS should include at least two new themes in its strategic interactions with respectively, China and India: one to focus on EU-China cultural and diplomatic relations, and the second to consider a more concerted defence engagement with India. Indeed the only unequivocally positive assessment of Indo-European engagement was in defence, where many Indian experts advocated much closer collaboration, above all in the armaments industry (these recommendations will be explored in the next chapter).

(E & F) The two subsequent policy papers on China's economic rise and EU-China trade, "China's economic strengths and weaknesses" (2012) and "The impact of China's economic situation on Europe" (2015), provided further in-depth case-studies that focused on the significance of Sino-European commercial engagement as well as the challenges inherent in managing the bilateral relationship. These papers highlighted in greater detail that although China has achieved a spectacular economic take off, even despite the 2008 crisis, some significant hurdles remain for it to succeed in its ascension to power. China's great leap forward has been, indeed, exceptional in terms of degree and scale (in 1976, the country totalled 1% of the world's economy; in 2014, it amounted to almost 13%), mostly as a result of an economic policy that ruthlessly prioritised exports and fostered heavy investment. For example, with the creation of major Chinese industrial groups with a global vision, accentuated by a strategy to move upmarket both industrially and technologically in the

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<sup>81</sup> As opposed to India.

context of increasing Chinese investments abroad, the so-called national ‘go-global’ strategy. Domestic investments in new technologies, particularly in renewable energy and services, also confirmed a determination to strengthen the scientific and innovative capabilities of the Chinese economy.

But catching up does not go without major pitfalls: China’s economic development is still far too dependent upon exports and investments and will require greater refocusing towards consumption. There are also continuing social and geographical inequalities and uncertainty over the country’s capacity to sustain high value-added growth via innovation. The collapse of the Shanghai stock market at the end of August 2015 further brought to the fore the question of China’s swift economic development. This is particularly critical since Chinese growth decreased to 7% over the first six months of 2015, the lowest level since 2009. Some analysts<sup>82</sup> believe that the country might fall into recession if its official GDP growth was to drop below 5%. One European economic expert interviewed even felt that a crisis scenario should not be ruled out, pointing out the loss of credibility of the Chinese government and expressing real doubts over its ability to engage into fully effective measures to successfully manage the country’s vital economic transition, including reforming its State-Owned Enterprises. One thing remains certain: China’s image has changed since 2010 and every measure now points toward a long-term slowdown of its economy, though it is yet too early to gauge precisely the country’s ability to rise to the challenge of this ‘new normality’<sup>83</sup>.

The work concluded that the Chinese economy was most likely to experience a soft landing rather than a major crisis in the years to come. Wage increases, the continued urbanisation process, the progressive redirection of the economy towards services, as well as the strengthening of social protection measures could indeed foster consumption in the mid-term. The massive accumulation of foreign reserves is also enough to absorb the country’s outstanding external debt estimated at \$895 billion in 2014, although there has been increasing flows of capital out of the country recently. Moreover, the decrease in China’s GDP growth could be considered as virtuous: as a natural part of the normalisation process accompanying the upgrade of its economy, if the reforms necessary to correct the current imbalances are deemed effective. Though the EU Chamber of Commerce in China argues the window of opportunity to successfully roll this out is rapidly closing<sup>84</sup>: the working age population is declining fast which increases the burden of retirement pensions and health care spending on the country’s finances. At the same time, the economy needs to continue to grow to absorb the massive annual inflow of university graduates to labour force.

There are at least two main concerns for Europe in the mid-term: the trade impact and the financial implications of this long-term Chinese slowdown. It is expected that a 2% loss in the growth of China’s internal demand over two years could translate into more than 0.3%

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<sup>82</sup> For example, Willem Buiter in “Is China leading the world into recession?”, Citigroup, 8<sup>th</sup> September 2015.

<sup>83</sup> As announced in May 2014 by Chinese President Xi Jinping.

<sup>84</sup> European Union Chamber of Commerce in China (2015), *China Position Paper 2015/2016*, September 2015.

reduction in GDP growth in the Eurozone<sup>85</sup>, though the trade losses are likely to be more important given the impact on other emerging Asian countries and EU suppliers. Moreover, the situation varies within the EU itself. Germany is the most exposed of all the member states since the country accounts for over 30% of all Sino-European trade. But this contraction in trade could also be compensated, at least partly, by new drivers of growth favouring European imports in the Chinese market (notably in the healthcare and luxury goods sectors) if the protectionist trends, which continue to limit market access, do not intensify in the context of lower growth. Moreover, at least in the short term, the effect on raw material prices could be rather favourable to Europe. Though, above all, the most important issue, which is a very considerable one, is whether China will be able to sustain stable growth within an advanced economic model, which the increase in living standards and the development of a continent-sized consumer society demands. China's ability to solve its structural problems and speed up the re-adjustment of its economy will thus be decisive not only for the country's development and stability, but also for the interests of Europe, its principal commercial partner.

### **Chapter Three: The New Opportunities for Cooperation (publications G, H, I and J)**

Building on the results of the first two chapters, the last part of my research explored the role of soft power relative to hard power for Europe's engagement with the emerging Asian giants. (G) The first publication in this last section, "France, European defence and NATO" (2008) focused on the question of European hard power cooperation (an area which was found to be of key significance for China and India's assessments of Europe as a global actor). The work also coincided with the French Presidency of the European Union in 2008, which had brought back on the agenda the development of a stronger European defence identity. Indeed, the summer 2008 events in Georgia had reinforced France's case for a stronger more autonomous European defence capacity.

Here, the analysis revealed that for Europe's voice to carry further geopolitically, not only would it require unity, but also military clout. This was reinforced by the opinion polls, which showed greater military co-operation to be considered positively by most Europeans. According to Eurobarometer enquiries, 67 % of European citizens supported a more integrated defence and foreign policy at the European level. Perhaps yet more telling, around some 80% of EU citizens, including Britons, were in favour of Europe having the ability to decide upon deploying forces without the support of the United States. Security was already also a growing concern with more than 80% of the European public wishing to see the fight against terrorism jointly managed at a European, as well as at a national level.

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<sup>85</sup> See OECD forecasts (2015), *Puzzles and Uncertainties*, Interim Economic Outlook, September 16.

Since 1999, when the European Security and Defence Policy (ESDP) was formally created, much progress had been made both in institutional and in operational terms<sup>86</sup>. The EU had successfully conducted numerous civilian-military external operations<sup>87</sup>. But despite this, it was widely accepted in 2008 that the resources allocated to achieve them were not enough, notably to provide Europe with a modern, fully effective, rapid reaction and projection force<sup>88</sup>. The general assessment, especially in Britain and France, was also that of a shortage of capabilities<sup>89</sup>, for example concerning strategic air transport. Moreover, the increasingly unstable international context in which Europe found itself made remedying these deficiencies all the more pressing. Indeed, as new powers continue to emerge and as new issues, such as migrations, arise to complicate existing ideological, ethnic and cultural fault-lines, the EU will increasingly have to apply itself to the task of promoting a more stable international order.

All the European defence experts I interviewed for the work also agreed that the case for supporting inter-European defence industries had generally become stronger, especially given the United States' substantial technological superiority<sup>90</sup>. In 2006, defence expenditures accounted for 1.78% of the total GDP of the 26 EU member states who were part of the European Defence Agency against a ratio of 4.7% for the United States. As the EU will, in the future, increasingly have to develop more capabilities for external projection, including civilian and policing assets, providing these would nonetheless require harmonizing the financial efforts made by individual European member states on defence. This point was emphasized by the French President in August 2007 since between half and two-thirds of European spending on defence and security, depending on which measurements are used, came from Britain and France.

The two countries were also the only two nuclear powers in Europe, the sole EU members of the UN Security Council and the two EU member states with truly serious strategic capabilities. Drawing on the need to strengthen the ESDP, they committed themselves in 2008 to the development of new European military capabilities, which would simultaneously be available to NATO, in particular in the field of carrier group operations and helicopters, although a number of other issues, such as the setting up of a permanent strategic planning structure for the EU remained controversial and still unresolved. France and Britain then

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<sup>86</sup> In particular, through the subsequent creation of the Political and Security Committee and the Military Committee, and in June 2000 with the launch of the civilian dimension of ESDP. 'A Civil Military Cell' within the EU military staff was also set up in 2005. The adoption of the first European Security Strategy in December 2003 further provided the EU with a necessary political framework for ESDP in line with its global role. See, for example, Karen Smith (2014), *European Union Foreign Policy in a Changing World*, Polity.

<sup>87</sup> Giuliani Jean-Dominique (2008), "Comment relancer l'Europe de la défense?", Robert Schuman Foundation.

<sup>88</sup> The battlegroups, which had been jointly proposed in 2004, by Britain, France and Germany after the success of the 2003 Artemis operation in the Democratic Republic of Congo had reinforced European response capability but some doubts had emerged over their rapid deployability since none had then been actually sent on missions. See also Bentégeat Henri, "The steps needed to move ESDP from theory to fact", *Europe's World*, Summer 2008.

<sup>89</sup> See, for example, the speech by the French President, Nicolas Sarkozy to the 15<sup>th</sup> Ambassadors' conference on 27 August 2007.

<sup>90</sup> Moustakis Fotios and Violakis Petros (2006), "An examination of the European Security and Defence Policy: Obstacles & Options", Conflict Studies Research Centre.

further agreed to enhance the development of a combined maritime strike force, which could be expanded to include other European countries able and willing to take part. Above all, the research concluded that the 2008 French Presidency of the EU was, in fact, seeking to launch a process that could evolve over the medium term and include, in addition to initiatives at the level of the Union, also an accord between smaller groups such as France and Britain for specific enhancements of military capability. It was followed by the subsequent Lancaster House Treaty signed by the two countries in 2010 and the creation of a Joint Franco-British Expeditionary Force with land, air and maritime components, which could be made available at notice also for dedicated EU operations<sup>91</sup>.

(H) This European conventional defence case was also particularly relevant, as previously noted, for future Indo-European cooperation, since India recently embarked on a number of measures to specifically streamline its own indigenous defence capabilities within its general encouragement of the development of the country's economy. Probably the most prominent Indian reform in this direction has been the raising of a foreign direct investment cap from 26% to 49% in August 2014, and above that limit for state-of-the-art technologies. In this particular context, my policy paper "India and the EU: What opportunities for defence cooperation?" (2015), aimed to explore the case for defence as a commercial and strategic component for EU-India evolving relations.

India became the world's largest arms importer between 2010 and 2014, accounting for almost 15% of the global market, and was already ranked 6<sup>th</sup> in the list of top defence spenders globally in 2015 (above France, Germany and South Korea)<sup>92</sup>. Although its military budget amounted to only around 1.8% of the country's GDP in 2014 (against some 3.6% for the US and 2% for the UK), this is above that of China (1.4%) and is forecasted to continue to grow and could well overtake that of Russia and the UK by 2020<sup>93</sup>. Such increased defence expenditure is expected to go hand in hand with a reduction in the number of defence imports and a rise in domestic procurement. The belief is that the Indian private defence sector now has to lead the way because of the difficulties experienced by state-owned enterprises when absorbing new technologies and managing swiftly and effectively high-end quality production.

Many Indian and European defence experts I interviewed questioned whether India will in future continue to diversify its sources of supply and move further away from its more traditional armament partners, notably Russia, France and, to a lesser degree, the United Kingdom. Since defence cooperation between India and European countries is, in many respects, highly fragmented, such diversification could pose a particular risk to EU companies and potentially erode their position. Amongst EU member states, France was by far the closest defence partner for India, followed by the UK, Italy, Germany and Sweden (in

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<sup>91</sup> Its final major exercise took place in April 2016.

<sup>92</sup> Estimates from the International Institute for Security Studies, in *Military Balance 2016*. Accessed at <https://www.iiss.org/en/publications/military%20balance/issues/the-military-balance-2016-d6c9>

<sup>93</sup> See, for example, Mitra Sounak (2014), "India to be third-biggest defence spender by 2020", *Business Standard*, December 19 (according to estimates from IHS Jane's Defence Budgets).



descending order)<sup>94</sup>. This is not just because of the deal with France over the Rafale, or the 2005 sale of the Scorpene submarines or even the cooperation in the Mirage fighters and their upgrade. It is also because, as one Indian strategist commented, France is the only European country, which has around one million citizens in the Indian Ocean, and is, therefore, considered by Indian defence experts as the most natural European partner for them in military and security issues.

As previously evidenced from the research, India still engages with each European member states separately on a bilateral basis and does not have defence relations with the EU. But could this change? As pragmatic choices will continue to be at the core of India's defence imports and industrial strategy, a few Indian observers insisted that European countries can play the role of the more 'independent' partner<sup>95</sup> with less demands and a history of tested cooperation over the years. Overall, a key partnership could be developed which would form an integral part of India's strategy to diversify its suppliers, to avoid being tied too closely to one particular partner, and to pursue the economic benefits of eventually creating a defence export industry of its own. Both the EU and India would gain from identifying areas of potential cooperation in this way. Above all, my analysis revealed that the creation at a European level of a network tasked with sharing information on India's current and future defence developments, including changes in its defence industry and/or doctrine, could further help European governments and private manufacturers to advance their individual bilateral cooperation. It could also provide a good basis for the development of a European defence dialogue with India to complement the existing EU-India dialogues on security and counter-piracy, perhaps in a similar format to the *ad-hoc* defence and security dialogue, which has been formed between China and the EU since 2014.

The last publications in this final part focused on the second component of European external power: Culture as a soft power pool and how this relates to EU-India and EU-China relations. (I) The study "Chinese and Indian views of Europe and the role of culture in European external affairs" (2014) thus questioned their political views of Europe as a cultural entity and what this could mean for Europe's position and power globally. When considering the political dimension, the work concentrated on two aspects, which can be called the 'internal' and the 'external'. Indeed, the lens through which one views cultural compatibility and/or perceptions is partly related to whether one sees the world in similar ways.

Here, on a spectrum of relative differences, there is no question that the political debate in India is still partly coloured by a European institutional legacy, India being both a *Rechtstaat* (a country with a rule of law) and a democracy, although, internally, India's values and

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<sup>94</sup> Rajat Pandit (2014), "India's defence imports 40 times its export basket", *Times of India*, November 29. It remains to be seen whether Brexit will in future have any impact on Indian perceptions of Europe as a defence partner and on bilateral cooperation with the UK.

<sup>95</sup> This is particularly significant since the most recent and striking shift in India's defence partnerships has been the growing importance of the United States, especially with regards to strategic lift and high-technology hardware. See also Tellis Ashley (2015), *Making Waves: Aiding India's Next-Generation Aircraft Carrier*, Washington, Carnegie Endowment for International Peace.

priorities are increasingly diverging from Europe's. China is clearly in a totally different league in this regard, being furthest away by far from rating European examples or political values highly. China's 'own way' and its attitudes to law and democracy need no elaboration. But even though the contrast with China is the most acute in this respect, from an external standpoint, however, the way in which the Chinese and the Europeans look at the world seems in some respects closer. All the Chinese experts I talked to were, paradoxically, far more confident than the Indians that Europe will remain a major power in world affairs (as the research findings have shown), and, indeed, one of the two cultural poles of world civilisation alongside China. The fact that the political values of China and Europe are probably the furthest apart has in fact not prevented Europe's most comprehensive partnership with emerging countries to be with China. This is clearly a complex and multi-faceted paradox but one which underlines the critical aspect of cultural engagement to provide a longer-term platform of understanding outside of the strict economic and political realms.

At the time of this study, in 2014, Europe still did not rank very highly on the list of India's most significant international partners, despite the fact that the country had retained a very significant religious and ethnic diversity, which is plainly of great importance when considering its perceptions of Europe. Indeed, the European Union – comprising 28 member states, with 24 official languages and a population of some 500 million inhabitants – and the Indian Union, with 28 states, 22 official languages and a population of over 1.2 billion inhabitants – share the notion of 'unity in diversity'. For example, above 6% of Europe's citizens are Muslims, with the largest population in Germany and in France (together accounting for around 46% of the Muslim population in the EU), whilst some 14% of Indian citizens are also Muslims, with Uttar Pradesh accounting for 22% and West Bengal 14%. Yet so far, due in part to India's own pace of economic development and geopolitical priorities, all of this has not led to greater Indo-European cooperation in either the social or cultural fields. Indian young people are still much more attracted by the United States than they are by Europe. India's overall links with Europe are also fading socially, whereas those with the US are growing.<sup>96</sup> The research also confirmed this disconnect to be further underpinned by the perception of diverging demographics. Europe's difficulty is often seen by Indian geostrategic experts as being that of an ageing population, whilst more than half of the Indian population is less than 35 years old.

Most Chinese experts were, by contrast, more supportive of the idea that the EU could play a greater role as a political actor. Though American culture still attracts Chinese youth, many considered that only Europe shares with China a similar sense of cultural continuity. But the level of the bilateral relationship between China and the EU is also the result of the increasing importance that China attaches to developing its own cultural diplomacy, as demonstrated by the rapid spread of Confucius Institutes around the world over the past few years – which, so far, has not been met with comparable vigour by India. Since 2004, China has built more than 300 Confucius Institutes abroad, of which around one third are in Europe (its largest

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<sup>96</sup> See Jaffrelot Christophe (2005), "L'Inde, nouvel allié asiatique des Etats-Unis", in *Etudes*, No. 4034, pp. 309-320, Paris

concentration in the world). By contrast, India only has 59 cultural institutes worldwide and has focused primarily on Africa and Latin America<sup>97</sup>. Overall, the work concluded that the more China, India and the rest of the emerging world continue to grow in cultural importance in this way, the less dominant will become the US's cultural weight in the world and this should also bring about a revival of the importance of European culture, most notably in its relative diversity, with a range of social, economic and political benefits.

(J) Drawing on all these findings, the last publication of my submission "China-EU relations and the future of European soft power" (2015), therefore, assessed and explored the relevance of developing a proper form of European cultural diplomacy as part of Europe's external affair strategy. Here, I focused my analysis solely on China as a test case given its new emphasis on Eurasia and on culture as a means both of achieving global outreach and internal growth. This was reinforced by the deep perception, expressed by most of the Chinese experts I interviewed, of Europe as the cultural centre of the West, just as they see China as the cultural centre of the East<sup>98</sup>. This consideration seemed to take on an even greater relevance as China started to embark on its plan to develop the two new 'Silk Road' routes, which should link it ultimately to Europe. The research, thus, found that many Chinese strategic thinkers and cultural experts would welcome the possibility of a greater engagement in cultural terms including a formal dialogue with a dedicated external framework at the EU level complementing existing bilateral relations with the member states.

Moreover, the analysis revealed that if China and Europe become more attractive to each other, and increase each other's awareness of their respective perceptions, this could also positively influence their official relationship across the board, including dissipating existing mistrust in the economic and political spheres. The creation of the EU-China High-Level People-to-People dialogue (HPPD) during the 14<sup>th</sup> EU-China summit in 2012 turned achieving such a mutual cultural understanding into the third strategic pillar of the bilateral relationship. It is intended to be the first of its kind in a range of EU strategic partnerships outside of the West and the engagement with China seems likely so far, according to most European commentators, to be much more significant than that, for example, with India. China had itself already launched comparable consultations with the United States two years before and even earlier with Russia. But both China and the EU fundamentally share the notion of being evolving powers: China is undergoing profound changes and facing huge economic and social challenges in its course to re-emerge as a large-scale integrated economy that will bestride East Asia, while the EU is changing and has been pursuing unprecedented developments in the creation of a unique type of regional and monetary driven-integration to create a unified economy on a continental scale capable of bestriding Eurasia.

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<sup>97</sup> Out of India's 59 cultural institutes abroad, only 6 are in Europe. See also John Holden (2012), *Influence and attraction: culture and the race for soft power in the 21st century*, British Council.

<sup>98</sup> See also, for example, Odd Arne Westad (2013), *Restless Empire, China and the world since 1750*, Vintage Books.

Such questions naturally raise the issue of the degree to which China already deals bilaterally with the individual member states. China has indeed also implemented HPPD dialogues, covering culture, education, science, technology and youth exchanges, with a few European member states<sup>99</sup>. Dedicated Chinese cultural centres have further been set up in six EU member states, firstly in France in 2002, then in Germany, Spain, Denmark, Malta, and lately in Brussels in 2014. France took the lead in establishing a cultural centre in China (in 2004). Germany, Spain, Denmark, Italy and the United Kingdom have followed suit, forming together the main European cultural presence in the country. Yet there is no proper network of coordination across the national institutes, which tend to compete for audiences on the ground, with often a very limited reach outside of the main cities. Here, I found that any European initiative which could facilitate a shared knowledge and intelligence on existing cultural activities and trends in China for the member states and the EU, and which could further coordinate actions where applicable, would certainly be beneficial to all parties involved. Even more so, since the relevance of greater European-level cooperation in culture, and of a fully formulated European soft power policy, including external cultural relations, is being increasingly acknowledged politically, though its role vis-à-vis the member states externally has yet to be defined.

There is also every reason to act now as the interest in cooperation by key strategic partners, above all China, as evidenced by all the interviews conducted and material analysed, has risen to an all-time high. This is mostly because China is itself undergoing significant changes with a view to make creative and cultural industries a new engine for growth, especially in the context of the country's efforts to ensure a 'soft' economic landing. The direct and indirect economic rewards of enhancing the status of culture have, indeed, constituted a core focus of the Chinese policy over the last few years: The weight of cultural industries has grown by sixty times in less than ten years to total some €250 billion in 2012, amounting to 3.8% of China's GDP. The objective is to attain 6% of GDP in the mid-term. Such new focus on culture as a central driver for economic development is unique in terms of scope and scale, though China's efforts to expand its cultural influence internationally are not, as we have seen, an isolated case<sup>100</sup>. But it could be particularly meaningful for the Chinese if the ongoing shift towards fostering their internal market away from an export-led model is successful over the next few years triggering an increase in domestic consumption, including in cultural products. Many experts I interviewed saw significant room for improvement in that process: cultural consumption currently takes up to 7% of family expenditures in the country against around 30% in Western Europe and in the US.<sup>101</sup> A few European and Chinese observers thought that the Chinese promotion of the cultural industries was also meant to become a component of greater regional East Asian cooperation<sup>102</sup>.

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<sup>99</sup> See Wei Ding (2014), "Cultural exchange is irreplaceable in China-EU relations", *The Parliament Magazine*, October 5.

<sup>100</sup> Aside from India, both Russia and Brazil have also made further efforts in recent years to grow their network of language and/or cultural centres abroad.

<sup>101</sup> "Report on Chinese Creative Industry 2012-2013", *China Publishing Media Journal* (abbreviated version, revised and translated by the German Book Information Centre, Beijing, 2014).

<sup>102</sup> The dedicated programme initiated in 2014 by Japan, China and South Korea, to create an 'East Asia City of Culture', modelled on the European Capital of Culture launched 30 years ago by the EU, exemplified this idea.

These Chinese developments, however, contrast and compete with increasing budget restrictions in many Western nations, and particularly in European countries. Europeans should thus be more aware of all these developments and undertake the necessary policies to promote what is widely regarded as their primary asset: their culture, which remains one of their most fundamental comparative advantage in soft power globally<sup>103</sup>. Cultural and creative industries are also critical to Europe's economy and growth, totalling more than 4% of the EU's GDP. They are the third provider of jobs across the EU, well before the steel or the automobile industries<sup>104</sup>.

Overall, all European experts agreed that a greater cultural engagement could bring significant opportunities, despite the uncertainties associated with several unresolved issues, notably with regards to foreign investment. Though the prerequisite of a more united European approach to China should be, first and foremost, that of its value-added for European member states' national initiatives, in particular to help provide a better reach in accessing China's local development as well as engage with the wider region in East Asia. This also brought me to explore the question of Europe's cultural presence abroad and the extent to which Europe's global role could be further supported by a joint effort, notably in China. One idea, which I formulated based on the interviews I conducted, is the setting up of a European House for Culture there as a step towards a more unified and strategic European engagement. This would not be intended to replace existing cultural centres in the country but rather to complement them and offer a new space dedicated to European creativity. It would send a powerful message of commitment and cohesion, and would seek to cover discussions with East Asia more widely. It could form the blueprint for a much larger EU cultural presence abroad in other strategically key countries or regions. In Europe's neighbourhood for example, culture will have an increasingly critical role to play in facilitating, where relevant, eventual EU enlargement, and inter-faith and more general grass-roots dialogues. While it will clearly require a big effort for Europeans to co-operate together in an overall common EU framework in this way, the rewards would be concomitantly substantial, in the evident political and cultural benefits it will have for European soft power<sup>105</sup>.

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<sup>103</sup> See also Joseph Nye (2004), in *Soft Power: The Means to Success in World Politics*, Public Affairs

<sup>104</sup> Marc Lhermitte and Bruno Perrin (2014), *Creating growth: Measuring cultural and creative industries in the EU*, EY report.

<sup>105</sup> The European Parliament issued in March 2016 a report on "European Cultural Institutes Abroad" which took on the recommendation to create joint cultural centres to be called 'Europa House', for example in the Ukraine or in Iran. See "Research for Cultural Committee: European Cultural Institutes Abroad", European Parliament (2016), accessed at:

[http://www.europarl.europa.eu/RegData/etudes/STUD/2016/563418/IPOL\\_STU\(2016\)563418\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/563418/IPOL_STU(2016)563418_EN.pdf)

## 8. Conclusion and Original Contribution to the Field

The past ten years of the research have witnessed a gradual shift of economic power towards the East as well as the development of new global or regional arrangements in world affairs. The elevation of the G-20 to the status of on-going summit-level forum in 2009, the creation of the New Development Bank by the BRICS with headquarters in Shanghai in 2014, followed by that of the Asian Infrastructure Investment Bank (AIIB) in February 2016 all clearly exemplify this trend, one, which the two emerging Asian giants, and above all China, are more and more seeking to shape to their own expectations and aspirations. By focusing on the perceptions from China and India, the submitted works, thus, assessed the impact of this continuous shift as well as its meaning for Europe and the European Union. The work also analysed the risks and challenges of these new global realities and explored new areas for cooperation between Europe, China and India. It questioned how Europe could, in particular, rise to the challenges of China's transformation in the context of growing interdependent relations, all with a view to provide a fresh insight into comprehending Europe's current and future place in the world through the analysis of external views.

The external image of the EU is, as we have seen, a new topic in academic research. It is now being increasingly explored not the least because external perceptions have proven to be important factors in foreign policy<sup>106</sup>. The empirical findings I have assessed throughout this research have confirmed the general description that the EU has established itself as a significant power to be reckoned with, despite the difficulties of the economic and financial crisis as well as internal fragmentations. But these findings also challenge both the EU's perception of itself (notably in cultural terms with China) and the academic literature regarding the EU's global stance as a distinctive power promoting values and norms (see Section 5 above). Indeed, whether the EU is effectively seen as, for example, a 'normative power' by strategic external partners (China and India) is of critical importance to understand Europe's global impact.

The findings of my work have, I believe, illustrated how the analysis of the external image of the EU can contribute to the overall understanding of the EU's identity and role in world politics as well as to the wider academic debates about Europe's power. Here, the Chinese and the Indian elites only partly saw Europe as a normative power, and this only within the spectrum of trade or economic standards. Although the EU has retained a dialogue on human rights with both powers, it remains limited to exchanges of views and has not impacted Chinese or Indian conceptions of society. Moreover, although the political debate in India is still partly coloured by a European institutional legacy, internally, India's priorities are, as we have seen, increasingly diverging from that of Europe's. Similarly, interviews conducted with representatives of the Chinese elites clearly pointed out the differences between European and Chinese conceptions of, for example, democratic values and interests. Europe was not seen to

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<sup>106</sup> Suffice it to mention here the increasing number of research papers and books on the subject of external perceptions of Europe over the past few years. See for example, Lucarelli and Fioramonti (2011), *External Perceptions of the European Union as a Global Actor*, Routledge.



champion these norms in an effective or distinctive way. By contrast, the idea of Europe as a ‘quiet superpower’ and ‘emerging power’ was confirmed by the research, in as much as both Chinese and Indian interviewees believed they shared Europe’s conception of international relations as a multipolar constellation of powers. The Chinese experts felt that the world is becoming more diversified and recognised Europe as a key player in this framework. But neither the Indian nor the Chinese representatives I interviewed considered the EU to be a superpower in geopolitical terms. This has direct implications for the wider debates over the nature of the EU and its global strategic role. In fact, the research has shown that an analysis of external views of Europe should be closely considered in any future academic discussions of the impact and performance of European policies towards China and India, as well as, more generally, in debates over the distinctiveness of the EU.

The first part of my research, by examining the differences between Indian and Chinese perceptions of Europe, revealed a more positive and optimistic attitude towards European integration in China relative to India. This is reflected in the substantial, though different value added that can be achieved by closer co-ordination by Europeans of their national commercial efforts in both countries. It also underlined the contrasting long-term global strategic vision of the Chinese and the Indian elites. Again, this showed better prospects for a more coherent and widespread partnership with China compared to India. The second chapter then addressed the evolution of Chinese and Indian perceptions of Europe and the implications of the 2008 crisis. Whilst the EU’s standing and credibility has suffered, this is, again, more so with India than with China. The crisis has also led to greater potential difficulties for the Sino-American relationship, and has enhanced the Chinese desire to work more with Europe, just as it as generally encouraged the Indians to look more towards the United States.

Nevertheless, Europeans must not underestimate their own continuing strengths. Both China and India face substantial difficulties on their path to prosperity and power. Moreover, the anticipated shift towards a regional pattern of trade and away from ‘Washington Consensus’ style globalization, has not yet fully materialized, though China’s OBOR initiative notably continues to show that the Chinese would seem more open to such an evolution than the Indians. If the shift were to be confirmed, it would also be likely to make issues of cultural affinity even more important for Europeans in advancing beneficial economic relations with China and India. This is matched by some Chinese (apparently more ambitious) expectations of ‘a unique partnership’ with Europe, compared to some Indians’ notions of being a ‘bridge between Europe and Asia.’ But above all, the analysis found that a more coordinated engagement at EU level will be crucial for Europe’s ability to successfully tackle these challenges in the long run.

The above is particularly true with regards to hard and soft power options for Europe externally. Stronger European defence and security policies were, indeed, seen by the Chinese and Indian geostrategic experts I interviewed as key potential assets for Europe’s internal cohesion and external credibility. In some respects, the tragic terrorist attacks in Paris,

Brussels or London over the past two years have brought again to the fore the relevance of such greater coordination and the necessity for Europe to strengthen cooperation amongst its member states on hard security issues.

The research then concluded with the analysis of the increasing importance of cultural perceptions and engagement for Europe's evolving partnership with China and India in my final publication for the submission entitled "EU-China relations and the future of European soft power, A strategy for a European cultural diplomacy". This publication critically explored the possibility for Europe's developing external cultural action to streamline existing activities into a concerted EU level strategy complementing that of the individual member states.

The empirical findings of my work confirmed the need to assess cultural relations as part of Europe's external policies, particularly with regards to China. While China's own developing cultural engagement at the global level and the increasing competition of powers in the field, make it even more crucial for the EU to consider developing its own activities in a coordinated way. The relevance of the concepts I used for Europe's external action ('cultural diplomacy' and 'soft power') was indeed reinforced by the findings in as much as cultural diplomacy was seen by the experts I talked to in China and in India as a tool of European soft power and a potential power resource in bilateral relations, which could lead to more positive-sum interactions. In this context it is important to stress that the Chinese elites have considerable regard for European culture and civilisation, which they perceived as the only such unbroken human cultural tradition remotely comparable to their own. There is also an important additional dimension to cultural diplomacy in the fact that "the EU is known for its cultural diversity, and at the same time, is a community of values, which apply equally to its citizen. These European values, such as the respect for human rights, democracy and fundamental freedoms, are also represented by cultural products. These values underpin and represent 'European culture', amounting to more than the sum of the Member States' own individual cultures."<sup>107</sup> Cultural diplomacy can contribute to a more effective environment for foreign relations but also engender closer cooperation at individual and civil society level. This may be particularly true in the case of China. Although the EU and China have differences in political norms and values that are, as we have seen, clearly recognized, deep-seated divergences should not, in fact, be a reason for avoidance or non-action. The empirical results showed that despite existing ideological and cultural differences over human rights or democracy, if China and Europe could increase each others' awareness of their respective cultural perceptions, it could positively influence their official relationship, including in the economic or political spheres.

But the work also found significant weaknesses in the concepts of soft power and cultural diplomacy. First, because the direct benefits of cultural diplomacy are often difficult to

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<sup>107</sup> European Parliament (2011), Explanatory statement to the "Report on the cultural dimension of the EU's external actions" (2010/2161), accessed at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2011-0112+0+DOC+XML+V0//EN#title2>

measure, especially in quantitative terms. Second, because cultural diplomacy can be seen as an elusive notion. For example, the definitions of culture used by the member states for their own cultural diplomacy strategies sometimes differed significantly in terms of scope. The findings also revealed that the term cultural diplomacy was used interchangeably with other terms such as external cultural action or culture in external affairs. While the concept of 'soft power' is fundamentally limited by it not being value-based and can, therefore, be used for any "good or bad purposes" including twisting opinions or underpinning authoritarian values<sup>108</sup>. It is as such just a descriptive form of power and not a normative concept. Though it is important to recall here that my publication focused solely on the cultural component of soft power through the prism of external perceptions.

More generally, the research underlined Europe's need to further promote cultural diversity and intercultural dialogue, and focus on regions or countries of particular significance for its commercial and foreign policy interests, including its immediate neighbourhood in the Mediterranean region. This would open up a new frontline for Europe's engagement with the world, not just to show how Europeans take the issue of intercultural dialogue very seriously, but also because of the very strategic opportunities, which the EU now faces in the on-going development of a new multipolar order.

This final work ("EU-China relations and the future of European soft power, A strategy for a European cultural diplomacy") was presented during the last EU-China High-Level People-to-People Dialogue held in Brussels in September 2015 and has already translated into policy at EU level, since an EU Cultural Diplomacy Platform was set up in February 2016 and a joint communication entitled "Towards an EU strategy for international cultural relations" adopted on 8 June 2016 by the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy. It was confirmed by the European Council on 23 May 2017 recognising that "culture forms part of a strategic and cross-cutting approach to the Union's international relations", recommending the future development of a comprehensive step-by-step EU strategic approach in this field including Member States' contributions to complement the 2016 EU Global Strategy on Foreign and Security Policy. Of particular significance is that several of my findings, notably the recommendation to set up European Culture Houses in key countries and regions to promote Europe's cultural presence abroad, were retained within the final "EU Strategy for international cultural relations"<sup>109</sup>, the first of its kind to have been adopted on the subject by the EU.

All the publications submitted were reviewed or cited within a wide range of reports and policy statements, most notably from the House of Commons Foreign Affairs committee, the French National Assembly, European institutions, British and French newspapers (such as the Financial Times, *Les Echos*, *L'Express*, *Le Figaro*), as well as in numerous academic works and refereed journals relating to European Foreign Policy, External perceptions of Europe,

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<sup>108</sup> See Joseph Nye (2011), *The Future of Power*, New York, Public Affairs, page 81.

<sup>109</sup> Joint Communication to the European Parliament and the Council, *Towards an EU strategy for international cultural relations*, Brussels, JOIN (8 June 2016) 29 final, page 13.

globalization, or China and India-EU relations (see also Appendix B). Most of my submitted works were published in both English and French and constituted, especially for the first two publications, a joint Franco-British initiative with a view to explore a series of recommendations for European integration. Almost all of them were widely distributed through each country's parliamentary and governmental networks, academic institutions as well as through the relevant European Parliament committees, the European External Action Service, the European delegations in China and India, and defence and cultural practitioners, especially in Britain and France. This was particularly significant since the research has shown how urgent it is for Europe to find more unity of purpose at member states and EU level to maximise respective and future strategic interests. Indeed, the rise of the Asian giants will continue to constrain Europeans to think more in terms that breaks the bonds of the immediate or of the short-term, especially in the commercial and cultural fields: By 2050, the EU may only account for around 6% of the world population, and some 12% of the world economy (against a similar share for the United States and 16% for China<sup>110</sup>), whilst China's new Silk Roads' endeavour has the capability to significantly alter economic and social relationships across the whole of Eurasia. The sooner the Europeans fully comprehend all these developments, the sooner they will be able to adjust to find more confidence in their own scale and capacities, and what this means, not just for Europe's prosperity, but also for its values and culture.

#### 9. Indication of Future Direction of Research To Be Carried Out in the Field

There are at least three areas for further study to be pursued, which directly stem from the findings of my submission. The first relates to the issue of Europe's future trade position relative to a possible shift towards an increasingly regionalised global system. This is particularly significant in the context of renewed discussions over global governance representations and over the adequacies of existing structures, as questioned notably by China and the BRICS. These issues have recently been further reinforced by the acceleration of the Chinese OBOR project, the creation of the AIIB, and the on-going negotiation of a Transatlantic Trade and Investment Partnership between Europe and the United States. The questions, therefore, arise: How could such changes affect global trade relations and Europe's position as primary trade partner for China and India? How can the EU's model of economic integration at a continental scale influence developing global arrangements towards inter-regionalism? Should European member states unite further to be able to respond to these challenges through, for example, the strengthening of the Eurozone's governance or a further integration of the European single market?

The second direction for future work is Europe's evolving cultural and soft power diplomacy. This is especially relevant since the EEAS released a study in December 2015 on external

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<sup>110</sup> On a purchasing power parity basis.

perceptions of Europe from ten partner countries precisely to help devise the 2016 European Union's Global Strategy. The EEAS is now seeking new policy options to build up the EU's new public diplomacy. Future work in this area will, thus, focus on India-EU relations in order to reinforce the arguments for greater cultural cooperation and dialogues on security issues between the two. It would also focus, most crucially, on other dedicated studies to consider Europe's cultural diplomacy with other partners of key relevance for Europe's immediate interests, for example, the potential for greater EU-Russia engagement.

The third area of further research will assess the impact of Brexit on external perceptions of the EU from key strategic partners for both Europe and the United Kingdom, specifically from China and India. The central idea will be to consider in which field the external image of the EU may be affected by the UK leaving the EU as well as whether and how this would impact Europe's long-term interests with the two Asian giants. It would also consider the implications of these perceptions for the United Kingdom itself and its future relationship with the EU. This research will build on the present submission's findings as a base for comparison and exploring the economic, diplomatic and cultural impacts on Europe's global influence.

## Appendix A: List of My Other Publications and Reviews Relating to the Submission Topic

### **1. Other Non-Submitted Published Works**

- Book on national cultural policies across Europe, co-authored with Bernard Zürcher, Published by Flammarion, French language and Johan & Levi, Italian language, 2009 (65,000 words)
- ‘France and the United States seen from India’, in ENA Periodical *Hors les Murs*, October 2012, French language (1,400 words)
- ‘The EU seen from China, a key partner?’, Introductory chapter for “The EU-China relationship”, Editions Choiseul, *Le Monde Chinois*, n°20, Winter 2009-2010, French language (2,500 words)
- Chapter on Chinese and Indian views of Europe in ‘European identity: Historical and Geographical Foundations’, The French Geographical Society, May 2009, French language (3,200 words)
- ‘The 9th India-EU Summit and its implications’, in the India-France Association bulletin (AFUI) ed. by Jean-Luc Racine, CNRS/School for Advanced Studies in Social Sciences, August-October 2008, French language (1,300 words)
- ‘Europe’s duty towards China and India’, Opinion section, *Le Figaro*, 10 February 2012, French language
- ‘Europe is seeking to be attractive but India is looking Eastward’, Opinion section, *Le Figaro*, 13 October 2006, French language

### **2. Selected Media Reviews and Commentaries**

- France 24 (French TV, International News Channel), Review of “China’s economic strengths and weaknesses”, 5 April 2012
- *Les Echos* (business newspaper), full publication of “China’s economic strengths and weaknesses” (ibid.), France, 19 April 2012
- *Financial Times*, Europe Edition, Review of “Contemporary Chinese views of Europe” in ‘Europe in 2008, Asia can drive its global aims’, by John Thornhill, 2 January 2008
- *Euractiv*, Review of “The strategic aspects of EU-China trade and monetary relations”, 29 April 2008
- *L’Express* (economic and political magazine), Review in ‘China and Europe, when the economy has primacy over political relations’, 7 April 2008, article by Gael Vaillant
- *Le Figaro*, Economic section, article by Sophie Fay on “Contemporary Chinese views of Europe”, 7 January 2008
- Joint Letter published in *The Daily Telegraph* and in *Le Figaro* on Franco-British Defence cooperation ahead of the Franco-British Defence Treaty (Business for New Europe and Institut Montaigne), 2 November 2010
- BFM Good Morning Week-End, Special G20 broadcast, London, 4 April 2009
- France Culture Radio Broadcast, Franco-British models, Calais, 9 February 2007
- BFM, India Hebdo, Radio Broadcast on “Contemporary Indian views of Europe”, Paris, 8 November 2006
- France Culture, Radio Broadcast on Cultural funding in Europe, October 2006



### 3. Examples of Quotations by Governmental, Academic and Research Institutions

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- House of Lords publication, United Kingdom, volume n° 735, Motion 'EU: recent developments', referenced by Lord Taverne (Column 996), 16 February 2012  
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- French National Assembly, Parliamentary Magazine, n°892, 'India and Europe', Review on the publication "Contemporary Indian views of Europe", October 2006
- IPALMO Research report, High Patronage of the Italian Presidency and Ministry for foreign affairs, *What is in store for the future of Indo-Italian relations?*, 2007 (quoted p.1, p.9, p.34, p.36, p.38, p.39, p.44, p.81)
- International Affairs 84:1, *Searching for a new rhetoric on Europe's global role*, H. Mayer, Blackwell Publishing, 2008 (quoted p.2)
- Oxford University, *Europe as a global actor: empire by example?*, J. Zielonka, paper for the 2007 British International Studies Association annual conference, 2007 & in International Affairs 84:3, *ibid.*, 2008 (quoted p. 481)
- Odile Jacob Publishing, *L'Europe et l'Avenir du Monde*, Book by M. Foucher, 2009 (quoted and referenced p.38 and p.109)
- European Union Institute for Security Studies, Occasional paper n°77, *From Suez to Shanghai: the European Union and Eurasian maritime security*, J. Rogers, 2009 (quoted p. 35)
- Leuven Centre for Global Governance studies, Policy brief n°16, *EU-India relations*, Professor Dr Goddeeris, 2011 (reviewed p. 3 and p.11)
- Euroacademia global conference, *Europe Inside Out: Europe and Europeaness exposed to plural observers*, paper by R.Smolinska, College of Europe, 2011 (quoted p. 2, p.3, p.4, p.5, p.8)
- German Marshall Fund of the United States, *India and the European Union: Dim prospects*, by M. Guruswamy, The EuroFuture Project, 2012 (referenced p.6)

## Appendix B: List of Interviewees

Please refer to each individual publication submitted.

## Appendix C: Index of Main Literature

Artus Patrick, Mistral Jacques and Plagnol Valérie (2011), *L'émergence de la Chine: impact économique et implications de politique économique*, French Council for Economic Analysis

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## Appendix D: Sample of Questions Used for the Interviews

Targeted interviews with Chinese or Indian representatives:

### 1. The cultural dimension and future prospects.

- What does the idea of Europe mean to you?
- Is it best defined in cultural and geographical terms?
- With which European nation does China/India feel a particular cultural affinity?
- Are there any aspects of contemporary European culture that China/India sees as particularly attractive or unattractive?
- How would you like to see China's (India's) cultural endeavours evolve over the next five to ten years or so?
- What are the main issues that you think are important to boost long-term cooperation with major European and Chinese/Indian cultural institutions, and more generally?
- How do you see Europe evolving twenty years from now?

### 2. Geopolitics and Economic Relations.

- Has the European project lived up to the geopolitical expectations, if any, it has raised for you?
- How do you view the EU as an economic power?
- Would you rather deal with the EU as a bloc, or bilaterally with individual member states?
- How do you see China's (India's) economic partnership with Europe evolving?
- What sort of partner should Europe be for you?
- How do you see the evolution of European trade policy towards your country?
- How do you see the evolution of the Euro?
- Would you welcome an eventual monetary union in East Asia?

### 3. Contemporary Issues.

- What are the top three or four issues that you think are important when you consider Chinese/Indian relationships with Europe?
- To what extent has the recent economic crisis altered perceptions of Europe and the West overall?
- In particular, how do you view European policies towards Chinese/Indian investments into the European Union?
- In the light of growing trade between China and East Asia more generally, do you see your Asian relations requiring any regional co-operative structures analogous to the EU?
- In what terms does Europe matter for China/India and its future development?
- What do you think China's (India's) foreign policy with regards to Europe will be in the next twenty years or so?
- Is there any area in which you feel that possible co-operation between European member states can be improved towards China/India? If so, which ones?