China’s Scepticism of Clean Energy Champion Europe

Jonathan Holslag

China and Europe have highlighted clean energy cooperation as a key pillar of their future partnership. Particularly the European Union considers the fight against climate change as an important element in the development of its external relations and even as a source of “soft power”. But to what extent does Beijing recognise its European partner as a clean energy champion? This article will first present an overview of the Sino-European partnership on clean energy and explain the drivers of collaboration. Subsequently, it evaluates progress both at the level of technical cooperation and in negotiations for new international rules on climate change and clean energy.

It will demonstrate that Europe has already invested substantial means in the promotion of clean energy technologies in China. In the last years, it has provided nearly as much aid as it gained in revenues from exporting the relevant goods to the People’s Republic. But in spite of that, a review of statements by leading Chinese experts and officials shows that the latter has only selectively embraced the European Union as an international leader. Moreover, in the framework of global climate change negotiations, Beijing has become increasingly frustrated with the dichotomy between Europe’s ambitious discourse on the one hand, and the unwillingness to step up its efforts in comparison to the developing world on the other.

Europe will have to develop an internal consensus on whether it really wants to turn its green ambitions into soft power. If so, it should understand that even soft power depends on hard deliverables. It will have to strengthen its own knowhow, make a larger contribution to the curbing of emissions, finance technology transfers, and manage projects with developing countries like China in a coordinated way. A new kind of constructive strategising will be the key to building a mutually beneficial partnership with Beijing, as well as to turning clean energy technologies into a positive game changer for 21st century global affairs.

Jonathan Holslag is a Research Foundation Flanders (FWO) Fellow at the Brussels Institute of Contemporary China Studies (BICCS).
Motivations

What has motivated Europe to funnel substantial financial resources and time into the energy partnership with China? First, there is a sincere concern that the damage due to soaring energy consumption threatens both the international environment and the sustainability of China’s role as an important element in the world economic system. A German diplomat noted that, “More than five percent of our trade depends on the extent to which China succeeds in merging economic growth with environmental protection.”

Second, there is an element of enlightened self-interest in Europe’s position given that China is a leading export market for European clean energy technologies. Table 1 depicts the evolution of European exports of selected energy systems to China between 2002 and 2008. In that period, accumulated exports of solar power appliances amounted to 424 million Euro, wind power to 283 million Euro, and hydro power to 273 million Euro. Third, the fact that the EU is a key stakeholder in the formulation of a comprehensive energy security strategy prevents China from manoeuvring itself into a collision course with the EU as regards the supply of mineral fuels; stimulating China to diversify its energy sources is expected to mitigate competition for conventional sources like oil and gas. Direct self-interest has thus been at the core of Europe’s engagement.

But the European Union has also assumed that it has sufficient comparative advantages to position itself as a role model and to exert soft power. Soft power, defined as the ability to get what you want by attracting and persuading others

---

Table 1. European exports (EU 27) to China of selected goods in the field of clean energy (millions of Euro)

<table>
<thead>
<tr>
<th>Year</th>
<th>Solar</th>
<th>Wind</th>
<th>Hydro</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>17</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>2003</td>
<td>17</td>
<td>5</td>
<td>24</td>
</tr>
<tr>
<td>2004</td>
<td>30</td>
<td>53</td>
<td>27</td>
</tr>
<tr>
<td>2005</td>
<td>55</td>
<td>27</td>
<td>65</td>
</tr>
<tr>
<td>2006</td>
<td>76</td>
<td>119</td>
<td>56</td>
</tr>
<tr>
<td>2007</td>
<td>106</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>2008</td>
<td>124</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>425</td>
<td>283</td>
<td>274</td>
</tr>
</tbody>
</table>


1Interview with German diplomat, Brussels, 4 September 2007.
2Interview with EU Commission Official, 4 October 2007.
to adopt your goals, thus implies both recognising that you are an attractive example and being able to transform this attraction into desirable policy outcomes.\(^3\) The preferred policy outcome is generally emulation of the original role model. This is often also referred to as normative power.\(^4\) But soft power could also entail broader esteem that can be used as diplomatic currency in other areas.

Europe has been widely recognised for its soft power aspirations, and its climate change policies are reckoned to be one of the sources of its attractiveness.\(^5\)

“We intend jointly to lead the way in energy policy and climate protection,” the Heads of State proclaimed in the 2007 Berlin Declaration.\(^6\) Europe believes that its internal efforts to curb climate change have become internationally appreciated as a viable balance between economic and environmental interests. "EU industry has been leading the way in innovation, infrastructure, and research-and-development. As an example, one of the world’s largest solar plants opened near Seville, Spain just two weeks ago,” Commissioner for External Relations Ferrero Waldner stated. “So whilst being realistic in our approach, we clearly have an absolute obligation to future generations to fully exploit our renewable energy potential.”

One of the main direct purposes of this assumed soft power is to set binding international norms for mitigating climate change. “The EU is engaging in intensive green diplomacy,” Waldner claimed,

although the present US Administration has obstinately refused to look beyond the coercive aspects of the protocol to the market mechanisms that will underpin it, the support manifested by many of America’s state governors and city mayors, as well as the wide-ranging plan aiming to cut carbon emissions in California by the use of carbon-credit trading, shows that the EU was right to support Kyoto.\(^7\)

A senior European official asserted that: “The EU contributes to global governance norms through its leading worldwide roles in trade tackling climate change.”\(^8\) Such views have been endorsed by the European states at the European Councils and meetings between environment ministers. Throughout the past few years, the European Union has developed various dialogues and aid programmes to increase the exposure of states like China to European best practices, technologies and expertise.

\(^3\)Nye, *Soft Power: The Means to Succeed.*
\(^4\)Manners, “Normative Power Europe”, 235–58.
\(^5\)For example, Nye, “Europe’s Soft Power”; Laidi, *EU Foreign Policy in a Globalized World.*
\(^6\)“Declaration on the occasion of the fiftieth anniversary of the signature of the Treaties of Rome”, Germany 2007.
\(^7\)Ferrero-Waldner, “The European Union and the World” and “Opportunities and Challenges in EU-US Relationship”.
\(^8\)Landaburu, “Hard Facts about Europe’s Soft Power”. 
The evolution of clean energy cooperation

At the 2007 China-EU Summit, both sides stressed the great importance they attached to the issue of climate change and their willingness to strengthen cooperation in order to meet the serious challenge of climate change together. But climate change is not a new topic on the agenda. European and China had already started to explore clean energy as a new area for collaboration in 1994. That year, a new policy dialogue was established to establish priorities and devise projects for jointly combating climate change.

Initially, this process integrated growing interest from both corporate players and development agencies, and was actively promoted by member states like Spain, Germany and Denmark. The first joint Energy Conference, organised in 1996, identified various technologies that the EU sought to promote in cooperation with national and local Chinese governments. In 1999, a delegation of the European Parliament, the European Commission and high-ranking representatives from industry, called on China to make an assessment of the cooperation between the EU and China in energy-related areas. From that moment on, clean technologies gained prominence as a focal point of the energy partnership.

In 2003, the vice-minister level Environment Dialogue was started. This move coincided with the approval of the Energy and Environment Program (EEP). This five-year programme, for which the 45 million Euro budget was co-financed by China and the EU, aimed at encouraging the formulation of good energy policies via assistance to the central government and local authorities, as well as promoting new technologies by funding feasibility studies in China. Between 2004 and 2008, 26 workshops and conferences were organised in the framework of the programme, and cooperation was expanded to new areas like biomass resources, rural power supply and offshore wind power.

In May 2005, two important action plans were agreed between the European Commission's Directorate General for Transport and Energy and the Chinese Ministry of Science and Technology. The focus of the programmes was on the development of clean coal technologies in China and promoting energy efficiency in Chinese industries. The EU and China launched their Partnership on Climate Change at their bilateral summit in September 2005. Endorsing the objectives of the UN Framework Convention on Climate Change and the Kyoto Protocol, this partnership aims particularly at strengthening the dialogue on climate change policies and exploring practical cooperation. The partnership comprises five main sectors: clean coal, methane recovery, carbon capture and storage, hydrogen and fuel cells, and power generation. Building on the action plan for the development

---

9See the special webpage of the European Commission, http://ec.europa.eu/environment/climat/china.htm
10www.eep.org.cn/index.php
11EC, Joint declaration on EU-China Partnership on Climate.
of clean coal, the partnership’s main priority until 2020 is to develop and demonstrate advanced near-zero emission coal technology through carbon storage, and to reduce the cost of such technologies.

At the same summit that year, a first dialogue meeting on energy and transport strategies was held between the European Commission and the National Development and Reform Commission (NDRC), China’s supreme body for economic planning. In 2006, these priorities were included in a Rolling Work Plan and a memorandum was signed on a flagship project, namely the construction of a near-zero emission coal fired power plant by 2020. Apart from various preparatory research projects, the Commission indicated that it would invest an additional fifty million Euro in the construction and operation phase of this plant.

In the context of the EU-China Partnership on Climate Change, the European Investment Bank extended a 500 million Euro loan to China in 2007. The loan will support the NDRC’s National Climate Change Programme, which focuses on renewable energy sources, energy efficiency enhancement, the capture and use or storage of greenhouse gases and reforestation projects.

Another avenue of cooperation that resulted from the 2005 Partnership on Climate Change is the Clean Development Mechanism (CDM). In 2007, Beijing and Brussels established the 2.8 million Euro EU-China CDM Facilitation Project, which will run until 2010. The project supports China’s CDM through research, capacity development at the level of different administrations, technical exchange and training activities. It is being implemented by Chinese and European partners and associates with grants from the European Commission and is the largest European-funded project addressing CDM-related activities. A year later, the EU-China Environmental Governance Programme was founded, which aims to improve the policy and legal framework for promoting public participation in environmental decision-making, increased public awareness, and more participation by the private sector. The largest part of the 15 million Euro budget will be allocated to projects to improve the accountability of local governments and the judicial system in implementing and enforcing environmental rules.

Many research activities are also financed through the Commission’s Framework Programme for Research and Technological Development (FP6 and FP7 – 2002–2006–2010). In this framework, research has been carried out for example with Tsinghua University on geological storage of carbon dioxide and with the Dalian Institute of Chemical Physics on carbon dioxide capture. The FP also partially finances a bilateral CO2 Capture and Storage research programme (COACH).
which is expected to lay the groundwork for implementation in China of large-scale energy facilities with options for coal-based electric power generation as well as production of hydrogen and synthetic fuels. New channels for EU-China cooperation on clean energy are the EU-China Clean Energy Centre (EC2) and the Euro-Chinese Institute for Clean and Renewable Energy (ICARE). The objective of the EC2, to be set up by 2010, will be to support the Chinese government in enhancing its performance in the five sectors that were highlighted in the 2005 Partnership. The centre received 10 million Euros from the Commission’s budget in 2009. The Institute of Clean and Renewable Energy will receive the same budget, and is expected to increase institutional capacity and skills for achieving China’s energy policies. The institute’s school is expected to take on about 100 renewable energy engineering students per year.

Apart from the efforts at the level of the European Commission, various member states have their own initiatives. Table 2 provides an overview of clean energy projects financed by member states’ official development aid budgets. Between 2000 and 2008, member states collectively spent 238 million Euro on energy-related projects in China. Germany leads with a total aid package of 98 million Euro, which is mainly invested in efficient electrical transmission and solar energy projects in various provinces. More than 74 percent of Spain’s 53 million Euro budget has been allocated to natural gas distribution projects in Lanzhou and Xian. Most of Denmark’s aid has been channelled into wind energy and heating projects. Out of the entire budget of 238 million Euro, 32 percent went to efficient energy

Table 2. Major EU projects in the field of climate change and clean energy and the funding committed (millions of Euro)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIB loan to China’s National Climate Change Programme</td>
<td>500</td>
</tr>
<tr>
<td>Energy and Environment Programme</td>
<td>45</td>
</tr>
<tr>
<td>EU-China CDM Facilitation Project: 2007–2010</td>
<td>3</td>
</tr>
<tr>
<td>EU-China Environmental Governance Programme: 2008–2010</td>
<td>15</td>
</tr>
<tr>
<td>EU-China Clean Energy Centre (EC2)</td>
<td>10</td>
</tr>
<tr>
<td>Euro-Chinese Institute for Clean and Renewable Energy (ICARE)</td>
<td>10</td>
</tr>
<tr>
<td>FP-6 and FP-7 relevant joint research projects*</td>
<td>12</td>
</tr>
<tr>
<td>Construction of near zero emission coal fired power plant:</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>645</td>
</tr>
</tbody>
</table>

*FP project funding in the sector of climate change is allocated to a wide range of European and Chinese participants.

Sources: European Commission, see among others: http://ec.europa.eu/environment/climat/china.htm

---

16 www.co2-coach.com
consumption projects, 23 percent to solar energy, 19 percent to training, and 11 percent to wind energy facilities.

Such cooperation is often backed by various bilateral exchanges. Germany has a clean energy dialogue and France organises an annual energy conference. Finland has a technical dialogue to support “Nordic energy utilisation solutions” and to promote Finnish energy technology exports like gas boilers, heat distribution systems and electricity.18 The UK has started its near zero emission coal initiative (NZEC-UK) with a 1.1 million Euro investment, and set up a UK-China consortium to build a clean coal power station.19 Via the European Council, all member states have subscribed to the goal to expand Europe’s soft power in regard to climate change and clean energy in particular. Moreover, several individual states have been attempting to brand themselves as “green societies” both for commercial marketing purposes and to improve their international status.

### Evaluation

Europe has now been engaging China for many years to promote the adoption of clean energy technologies. The success of its policies inevitably has to be measured at two levels. On the one hand, the degree to which Europe has benefited economically: China’s burgeoning alternative energy industries were clearly seen as an opportunity to make trade relations more equitable. On the other hand, and this is key, the extent to which positive adjustments in China’s energy policies can be considered the outcome of European engagement also have to be assessed.

---

18 Ahola, “Finnish energy technology heads to China”.
To what degree does the People’s Republic recognise the European Union as a model for clean energy policies and how does the Chinese government evaluate its cooperation with Europe in the context of international efforts to combat climate change?

From a European commercial perspective, the gains from providing aid to China remain limited. The EU expected its companies to reap large export revenues and to generate profits from operating power installations in China, but in reality the results have remained meagre. Cumulative exports of goods related to solar, wind and hydropower totalled 925 million Euro between 2002 and 2008, but annual exports only doubled in the same period, and remain less than one percent of Europe’s total exports. Moreover, for each hundred Euro of exported energy goods for generating wind, solar or hydro power, the EU spends about 95 Euro in energy-related aid projects. All in all, the EU has not been performing spectacularly compared to competitors like Canada, Australia and Japan.

Many European companies complain that the Chinese market is too protectionist. Government purchasing policies require that local content be used or that installations be assembled in China, and China keeps high import duties on finished energy systems. Also, intellectual property rights are violated on a wide scale. Technology transfers have been a pre-condition for doing business, and European companies are thus systematically required to establish joint ventures with Chinese firms. This is why Germany has remained very reluctant to transfer its precious clean coal technologies to China, and several wind power companies have now also stated that they are hesitant to expose their latest turbine technologies to the Chinese market.

This apprehension is strengthened as many European companies see their Chinese peers catching up rapidly and seizing an increasingly larger part of the global market. “Chinese cell and module manufacturers are rapidly establishing a significant share of the world market,” a recent report signalled, noting that, “their production capacity increases are unrivalled.” It appears that these companies are also intensively supported to position themselves to profit from the worldwide rush for solar energy. The government funds specialised fairs and finances a program to acquaint technicians and officials from sixty Asian, African and Latin American countries with Chinese solar-heating and photovoltaic products. Specialised in cost effective state-of-the-art photovoltaic systems, one Chinese company has successfully expanded internationally and is now the world’s third largest solar energy company. According to a leading scientist,

---

20 Interview with EU Commission official, Brussels, 4 May 2009; telephone interview with German energy company, 2 July 2009; and Lewis, Trade Implications of Wind Power Industry in China.
21 The Strategic Research Agenda, 3.
by 2020 Chinese companies will be able to fulfil many of the domestic requirements for clean coal themselves and to deliver their services abroad. Europe’s shrinking leading edge in clean energy technologies results in China having greater difficulty in considering the European Union a champion in the fight against climate change. Many Chinese officials and experts have pointed out that China is doing more to develop clean energy technologies than Europe. While the EU has earmarked about 1.1 billion Euro for private and government research per year for the period between 2007 and 2013, the Chinese government alone is reported to spend an annual average of 2.7 billion Euro. And even the U.S. is doing much better with an annual budget of more than 5.2 billion Euro committed for 2008 and 2009. Chinese decision-makers often complain that the EU is pretending to be a clean energy champion, but that its investment in green energy production is dwarfed by the 20 billion Euro that Beijing promised to spend in the next eleven years on its alternative energy industry.

Chinese officials also contend that despite China’s lower development level, Chinese rules for carbon emissions are becoming very strict. They refer to China’s new fuel economy standards for cars that approach Europe’s 42 miles per gallon. China has fourteen to sixteen new pilot projects on coal gasification in the pipeline. Europe has just one. Another argument that Chinese experts invoke to downplay the European position in clean energy is the lack of coherence between the European Commission and the member states. The dominant perception is that at EU level, environmental and commercial objectives are quite balanced, but that the European capitals just want to do business and to either promote or protect their own companies. An example that is often mentioned from this perspective is clean coal. Chinese representatives clearly understand that this is central to the agenda of the Commission, but complain that countries like Germany and the Netherlands do not want to share their know-how because they fear intellectual property theft.

“Leadership in today’s world is not to conquer another country,” Beijing University’s Zhang Haibin stated, “but depends on the extent to which you can save the earth.” China believes that if Europe is to show true leadership, it must accept greater historical responsibility. Chinese experts and officials tend to assume that all countries have a clear strategic and economic self-interest in curbing pollution and reducing reliance on fossil fuels, and that they all will have to seek a balance between economic and environmental development. One leading expert at the NDRC stressed that the Chinese government started to finance research on the

---

23 Interview by email with Vice-director China Coal Research Institute (CCRI), Tangshan, 3 October 2007.
24 Interviews with Chinese experts, 12 and 13 March 2009, and interview with European official, Brussels, 2 April 2009.
social impact of pollution in the early 1990s, and ordered its first clean energy policy studies years before the EU flagged it as a priority in its bilateral relations. Others have stressed that the growing care for the environment is part of China’s broader focus on the quality of growth enshrined in the “harmonious society” (héxié shèhuì) concept, and is not the result of European influence or pressure.

The growing awareness of the need for more clean energy in China is thus not something that the EU can automatically take credit for, but if it really wanted to demonstrate its leadership, its should compensate for its large historical contribution to climate change and be prepared to sacrifice a larger part of its high level of development. China has called for the West to make 40 percent greenhouse gas emission reductions, but hitherto the EU has committed itself to cutting its emissions by only 20 percent by 2020, and raising the bar to 30 percent if other rich countries match its offer. Rich nations, Beijing argues, should spend between 0.5 and one percent of their gross domestic product (GDP) on reducing CO2 emissions. The Chinese government believes that it has done enough by committing itself to reducing its energy use per unit GDP by 20 percent between 2005 and 2010, and another 20 to 30 percent by 2020. China also aims to contribute more in terms of clean energy production: like the EU, it seeks to provide 20 percent of its energy needs from renewable energy, and claims that given the growth of its energy consumption this will form a much larger effort than the EU’s 20 percent target in a de-industrialising or even shrinking economy. Soft power is easy to claim, but hard to substantiate. If Europe wants to bank on its alleged leading role, China expects it to make stronger commitments.

This reluctance on the Chinese side to recognise the EU’s lead in the discussions on climate change was also reflected in its positions in the run-up to the United Nations Climate Conference held in December in Copenhagen. During the EU-China Summit in May 2009, both sides agreed on the need to work together to make progress in Copenhagen, but they remained at odds over two critical issues. In a Communication of February 2009, the Commission proposed that developing countries, with the exception of Africa’s least developed ones, should all slow their emission growth by 15 to 30 percent below business-as-usual levels by 2020. China does not have a problem with this target, as such, because it is close to its own benchmarks, but it argues that for many other third world countries the European Union’s standards are unrealistic, and that it is once again neglecting its own historical carbon debt. Chinese media have portrayed this proposal as an outright form of greed and protectionism vis-à-vis developing nations.  

27Xie, Ke Fu Kun Nan Jin Li Er Wei, Ying Dui Qi Hou Zuo Gong Xian [We do our best to contribute to curb climate change].  
Instead, Beijing continues to insist on the principle of common but differentiated responsibilities: “Within the overall framework of sustainable development, economic development, poverty eradication and climate protection should be considered in a holistic and integrated manner.” This implies that instead of uniform universal goals, each country should maintain the right to balance the environment and economic development in a way that is suitable to its national interests: “Nationally Appropriate Mitigation Actions (NAMAs) shall be taken in the context of sustainable development and in line with the legitimate needs of developing countries for development and the eradication of poverty.” Beijing and Brussels have also remained at odds over the amount of support that should be provided to poor countries. Gao Guangsheng, the Director General of the National Coordination Committee on Climate Change, lamented that developed countries’ support to the third world was “virtually nothing” and proposed that the developed countries increase their support to developing countries to one percent of GDP.

This resistance from the Chinese side has much to do with both strategic realism and genuine indignation over Europe’s unwillingness to accept that richer countries will have to bear most of the brunt of tackling climate change.

First, by emphasizing the primacy of national interest rather than universal norms, China is adhering to its traditional state-centric diplomacy and economics-first paradigm. What matters is the national fight against harmful and destabilising pollution, rather than trying to combat global challenges which each country experiences differently. It also highlights the importance of South-South cooperation. In regard to the global negotiations, Yu Qingtai, Special Representative for Climate Change of the Ministry of Foreign Affairs, underlined “the common goals and common destiny”. China is surrounded by third world countries that are suspicious of Europe’s intentions, and it sees the Copenhagen talks as another opportunity to demonstrate its solidarity or leadership among these states. “Developing countries must remain united,” Yu stated, “we must tell the developed countries in clear language that we are becoming the victims as our manufacturers not have the same ability to take the same responsibility.” That is not to say that China ignores that fact that it will have to balance between the West and

---

29NDRC, “The Implementation of the Bali Road Map”.
30Ibid.
31Hong, “Qing Jie Neng Yuan He Zhong Guo Huan Jing Wai Jiao” (“Clean Energy and Environmental Diplomacy”).
33“Ying Dui Qi Hou Bian Hua Xu Yao Guo Ji She Hui Zhen Cheng He Zuo” (“International Community Should Cooperate in Good Faith to Tackle Climate Change”), Xinhua, 21 November 2007.
the South on this issue, but it is perfectly aware that with regard to climate change the West is at least as divided as the South.  

Second, many decision-makers want to avoid being seen by their domestic public opinion as kowtowing to the West. In many leading bodies in China such as the Central Committee, the State Council or the NDRC, a new brand of national pride incites officials to resist alleged Western “lecturing”. “In the past, China has been reactive in policymaking, responding when the West has put forward its demands,” Wang Yi, a leading expert on climate change at the Chinese Academy of Sciences has claimed, “Now instead of others criticizing us, we are saying: Why don’t we take the initiative by proposing our own policy goals?” This coincides with indignation that the West, particularly the EU, is using climate change as another stick to “humiliate” China. “In China, many believe that the United States is using climate change as an excuse to hold back China’s peaceful development,” Zhang Haibin has posited. It goes beyond the scope of this study to conclude whether such sentiments are valid, but what matters here is that they exist, that they are strong, and that the EU will need to be much more persuasive to overcome them before the summit in December. According to Liu Gao, Director of the NDRC’s Department of Climate Change, “Any substantial progress in the next round of talks will most decisively depend on the political will of developed countries.”

And this brings us again to Europe’s internal constraints. While all member states have accepted the EU’s 20 percent goal, they are deeply divided over how to get there. The Germans are afraid that the goals will create an unequal burden for its industries. Italy fears it cannot afford the ambitious scheme. Britain and most Scandinavian countries say that the package on the table could result in a huge increase in profits for many companies. This division has already forced the Commission to backtrack from its goal of imposing the same requirement on all of Europe’s high-polluting industries in its Emissions Trading Scheme (ETS), and to protect instead sectors vulnerable to international competition. This sense

---


36For example, Pan and Zheng, “Carbon Emissions and Developmental Right”, 14-22; NDRC, Luo Shi Ba Li Lu Xian Tu [Implementation of the Bali Road Map]; NDRC, Ying Dui Qiu Hou Bian Hua De Zhong Guo Bu Diao [China to Accelerate Dealing with Climate Change]; Holzer and Haibin, “Potentials and limits of China–EU cooperation”, 217–27.


39“China Urges Developed Nations to Fulfil Obligations in Fighting Climate Change”, Xinhua, 13 June 2009.
of vulnerability has been increased by the consequences of the global economic crisis and by the fact that many individual companies, even in the clean energy sector, are starting to become worried about their own competitiveness. Most countries do understand that a green technological revolution could create great potential for economic growth and raise the international position of Europe’s development, but they have neither the technical know-how, nor the financial means or the political will to trigger such a revolution. It is this limited degree of flexibility that will continue to constrain the EU’s manoeuvrability in making additional concessions in the bargaining for a deal in Copenhagen, or to present a credible unified vision that convinces countries like China of the EU’s leading role.

Conclusion

Europe-China cooperation on clean energy has often appeared to be a student-pupil relationship. Based on its policy experience, the EU expected to have sufficient influence to coax China into new partnerships or to be able to barter its know-how for both political and commercial concessions. To facilitate this, European institutions and various member states have invested one billion Euro since 2000 in various exchange programmes and aid projects. European policymakers even started to assume that collaboration on clean energy could develop into one of the most important pillars of a future EU-China partnership. Yet, this is clearly not how China sees it. While it can be argued that the EU is already heavily subsidising China’s clean energy strategies, given that it spends more in aid than it gains in commercial exports, this is not sufficient for Beijing. China has welcomed new initiatives and has paid attention to Europe’s past experience with clean energy policies, but that does not yet mean that the European Union has influenced Beijing’s policymaking.

For one country to influence another means that the first causes the second to do what it would otherwise not have done. If this notion is applied, it turns out that the EU has not been driving China’s agenda at all. Even without European assistance, it would have come to understand that investing in renewable energies was a matter of national survival. Even without European pressure, it would have sought to curb carbon emissions. Despite some friendly public statements directed toward Europe, the Chinese refuse to recognise the EU’s leading role. In fact they look down on the EU’s lack of political courage to accept higher greenhouse gas curbs than the developing countries, scorn its alleged green protectionism, and lambaste its growing reluctance to give away its know-how. In the eyes of China, Europe pretends to be a responsible protagonist, but does not live up to this status.

China’s position stems from genuine disappointment, growing assertiveness, and tough bargaining tactics to obtain green technologies at the cheapest price. It will not abandon its demand for the EU to accept higher greenhouse gas caps than
the developing world or to pay more for clean energy improvements in the third world. If Europe is serious about making environmental issues one of the important dimensions of its foreign policy or even a source of soft power, the only way will be to develop its own capacities collectively and to provide a real demonstration that large-scale green industries can represent a new engine of growth, as well as the influence necessary to gain concessions in negotiations. In the eyes of the emerging powers, the EU’s current plans are too modest to gain respect.

The failure to impress also applies to the EU’s efforts to use green technologies as a bargaining chip or as a new source of commercial profit. The Chinese government clearly intends to close the existing technology gap in the coming decade. Hence, as in most international negotiations, even for a climate change agreement national interests have priority. In the current round of climate talks, the dilemma for the EU is to decide whether it is satisfied with merely looking after its own backyard or whether it really wants to turn its green power into soft power. If it wants to achieve the latter, then China expects it to bear a larger part of the burden in addressing climate change. But even if it does not have this diplomatic ambition, it can and should challenge China to do better by boosting its own capabilities for an ambitious green economic revolution. In the end, both cooperation and competition can trigger a positive momentum for both players’ clean energy policies. The main thing to avoid is trying to gain diplomatic credit while neglecting to make the necessary investments.

References


Commission of the EC. *Joint declaration on The EU-China Partnership on Climate Change*, Brussels, 2 December 2005.

Commission of the EC. *European Commission and China step up co-operation on clean coal technologies and other energy issues*, Brussels, 20 February 2006.


Clean Energy Champion Europe  89


Hong, Y. “Quan Li Zhan Yi Zhong De Neng Yuan Lian Ji Qi Tiao Zhan” [“The transfer of power in the energy chain and its challenge”]. World Economy, February 2008.


Xie, Z. [Ke Fu Kun Nan Jin Li Er Wei, Ying Dui Qi Hou Zuo Gong Xian, We do our best to overcome difficulties to contribute to curb climate change], National Development and Reform Commission, 29 June 2009.
