

China and EU in 2020: Political Challenges and Economic Opportunities

International seminar organized by Association for International Affairs in cooperation with Europe
China Research and Advice Network

February 15, 2012

Venue: European House, Jungmannova 24, Prague 1



**Asociace
pro mezinárodní
otázky**
Association
for International
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Synopsis

For different reasons 2012 will be a year of special significance for both China and the European Union. EU struggles with the continuing crisis of the eurozone which may eventually impact not only its economic performance but also political constitution, as the latest proposals by the German chancellor suggested. At the same time, China braces itself for the fifth generation of the Communist Party leadership. The new Chinese leaders will take over a country which has reached the highest echelons of global economic and political power. Yet they also arrive at a time when the very economic model which brought China its wealth and influence is on the verge of exhausting itself. Chinese workforce has already started aging, its demands for better pay will probably rip the country of one of its key competitive advantages, and the pressure for social and healthcare costs will continue to rise. China will also be forced to deal with the large-scale environmental degradation its economic expansion caused throughout the past decades.

The combined economic, social and environmental pressure will constitute a huge challenge for the new Chinese leadership, even in the case the alteration goes as smoothly as it has been engineered. To this we must add the transformed role of the People's Republic of China in the international system: with a leading position comes rising expectations of the other actors and less tolerance for mistakes and blunders of any sorts. The European Union and China share a common interest in global stability and a need for mutual cooperation despite their political and ideological differences. At the moment, Europe finds itself in an unexpected position of a weaker partner whose economic troubles have blurred its past visions of global influence and actorness.

At these uneasy times, understanding the developments in China is an urgent task. Without it EU-China relations will be marked by tensions and lack of trust which may hamper otherwise fruitful political and especially economic cooperation. To promote such understanding, speakers at the seminar "China and EU in 2020: Political Challenges and Economic Opportunities" will discuss various aspects of Chinese political, social and economic development, and contemplate their implications for the European Union.

Ivana Karásková

Research Fellow, Research Center of the Association for International Affairs

Panels

Panel I

Changing China: Current Political and Social Dynamics

China is typically regarded as an economically dynamic but politically stale country under a tightly regulated one-party system. On the other hand, the absence of regular alteration based on open elections means that any exchange of political leadership, such as the one expected to start in 2012, becomes a test of the strength of the regime as such. To this we must add independent social dynamics which, despite the lack of voting opportunities, or perhaps due to it, exert undeniable pressure on the ruling party and force it to react.

The implicit tension between increasing social pressures, stimulated by rapid economic growth and the rise of the middle class, and stifled political environment raises numerous questions: Can the communist leadership pull off another successful leadership handover and perpetuate the regime otherwise unchanged? Will the alteration influence Chinese foreign policy – and if yes, how? And how does the Chinese society view the whole process and the situation in the country? Can new communication technologies help the Chinese defy strict control of expression and stimulate gradual evolution of the system?

Panel II

Future of Chinese Economy: What Role for the EU?

Compared to Europe, China so far appears to have survived the financial crisis of 2008 and the subsequent economic slump relatively unscathed. It has maintained strong economic growth which, contrasted to the stagnation or recession in the Euro-Atlantic area, highlighted its image as a new global economic power. In 2009 it became the world's biggest exporter and its aggregate GDP is expected to surpass that of the United State by the end of this decade.

But how strong are the economic foundations of the “rising China” narrative in reality? Is the Chinese economic and financial system ready to move beyond extensive, export-driven growth of the last decades? Can China become an innovation powerhouse once its strategy of competing by low production costs wears out?

It also remains to be seen how effectively China assumes the position of one of the key actors in the global economic system. This implies numerous challenges for the EU, both regarding Chinese strengths and its possible weaknesses. One of the key tests will be China's policy towards to eurozone crisis which will likely influence the cooperation between the two economies in the future.

Program

February 15, 2012

Venue: European House Jungmannova 24, Prague 1

9:00 - 9:30 **REGISTRATION**

9:30 - 9:45 **OPENING SESSION**

Welcome remarks:

Tomáš Karásek, Director of Research Center, Association for International Affairs, Czech Republic

Kerry Brown, Team Leader, Europe China Research and Advice Network, United Kingdom

9:45 - 11:00 **PANEL I: CHANGING CHINA: CURRENT
POLITICAL AND SOCIAL DYNAMICS**

Chair:

Ivana Karásková, Research Fellow, Association for International Affairs, Czech Republic

Speakers:

Kerry Brown, Team Leader, Europe China Research and Advice Network, United Kingdom

Marina Svensson, Associate Professor, Centre for East and South-East Asia Studies, Lund University, Sweden

Monica Gheorghita, Second Secretary, Ministry of Foreign Affairs, Romania

11:00 - 11:20 **COFFEE BREAK**

11:20 - 12:50 **PANEL II: FUTURE OF CHINESE ECONOMY:
WHAT ROLE FOR THE EU?**

Chair:

Kerry Brown, Team Leader, Europe China Research and Advice Network, United Kingdom

Speakers:

Katarzyna Nawrot, Assistant Professor, Poznan University of Economics, Poland

Vilém Semerák, Post-doc Researcher, Center for Economic Research & Graduate Education – Economics Institute, Czech Republic

Jonas Parelo-Plesner, Senior Policy Fellow, European Council on Foreign Relations, United Kingdom

Alice Rezková, Research Fellow, Association for International Affairs, Czech Republic

12:50 - 14:00 **BUFFET LUNCH**

Speakers

Kerry Brown

Kerry Brown is Head of the Asia Programme at the Chatham House and leads the Europe China Research and Advice Network (ECRAN). Educated at Cambridge, London and Leeds Universities, he worked in Japan, Australia, and the Inner Mongolian region of China, before joining the Foreign and Commonwealth Office in London. He worked in the China Section and then served as the First Secretary, Beijing, from 2000 to 2003, and Head of the Indonesia East Timor Section from 2003 to 2005. He is a Research Associate of the Centre for International Studies and Diplomacy at the School of Oriental and African Studies and was a Committee Member of the British Association of Chinese Studies from 2005 to 2009, and currently sits on the board of the Great Britain China Centre. He is also an Associate of the China Policy Institute at Nottingham University and of the LSE Ideas Centre.

Monica Gheorghita

Monica Gheorghita is a diplomat at the Ministry of Foreign Affairs of Romania. She is a graduate of Bucharest University, Faculty of Law, and Oxford University/Foreign Service Programme and holds a Ph.D. in Military Sciences and Intelligence on the interests of the European Union in the Middle East and its interactions with US, Russia and China in the region. Mrs. Gheorghita is a Research Assistant at the Researcher Fostering Laboratory of the China in Comparative Perspective Network, London School of Economics, and a regular contributor in national and international conferences on Asian global politics.

Ivana Karásková

Ivana Karásková has been a Research Fellow focusing on China, Taiwan, and security in Northeast Asia at the Association for International Affairs, Prague, since 2007. She graduated from journalism and mass communication at Masaryk University, and international relations at Charles University in Prague, where she currently pursues her Ph.D. She studied and conducted research at Tamkang University and Chengchi University in Taiwan, East China Normal University and Fudan University in China, and was a Fulbright-Masaryk scholar at the Weatherhead East Asian Institute at the Columbia University in New York in 2009-2010. Her current research focuses on comparing Chinese and Indian energy security strategies in securing oil and gas supplies and China oil diplomacy. In 2011 she co-authored a book on Sino-Russian relations.

Katarzyna Anna Nawrot

Katarzyna Anna Nawrot is an Assistant Professor at Poznan University of Economics and currently a Research Fellow at the Centre for Asian Studies of the Graduate Institute of International and Development Studies in Geneva. Her research interests include development economics and international economics with a special focus on East Asian markets – ASEAN and China in particular. She has lectured at numerous universities in Europe, Asia and Africa; carried field research in many developing countries and emerging economies and is regularly invited to speak at conferences on Asia. She is a Chairman of the research project of Polish Ministry of Science and Higher Education „*Developing countries in contemporary world economy*”, was appointed as APCEO Senior Expert by Asia-Pacific CEO Association, Worldwide and also invited to the Group of Young Leader Researchers by the Committee of Prognosis “Poland 2000 plus” by Polish Academy of Sciences.

Speakers

Jonas Parello-Plesner

Jonas Parello-Plesner is a Senior Policy Fellow at the European Council on Foreign Relations in London. Previously, he was Director of a development NGO with activities in Asia and served as Denmark's Senior Advisor on China and North East Asia from 2005-2009. He is also on the editorial board of RÆSON, a Danish international affairs magazine, and a regular contributor to Oxford Analytica with analysis of China. He is a graduate of London School of Economics, Copenhagen University and the École nationale d'administration in Paris. He is a regular commentator on developments in Asia and China and appears frequently on international radio and broadcast. In 2011 at ECFR, he co-authored the brief 'Scramble for Europe' about the Chinese economic presence in Europe and the memo 'China's Janus-faced Response to the Arab revolutions'.

Alice Rezková

Alice Rezková is a Research Fellow at the Association for International Affairs, Prague, where she focuses on economic diplomacy and Chinese economy. She graduated in International European Studies and Diplomacy at the University of Economics in Prague majoring in European Economic Integration. She concluded Honors Academia studies, extra-semesteral master program in economy and trade for excellent students and professionals. After a semester spent at the Hong Kong University of Science and Technology focusing on international trade and political economic strategies of Southeast Asian countries, she did an internship at the China Africa Business Council in Beijing. From 2007 to 2010 she worked as the Director of the Association of International Affairs.

Vilém Semerák

Vilém Semerák is a Research Fellow at the Center for Economic Research & Graduate Education – Economics Institute and IDEA think-tank in Prague. He specializes in international trade theory, economics of transition and Chinese economy. His latest research concerns the debt crisis and Sino-EU trade relations. He studied at University of Economics in Prague, London School of Economics & Political Science, and Charles University; and he obtained his Ph.D. degree from the University of Economics, Prague, in 2003.

Marina Svensson

Marina Svensson is an Associate Professor at the Centre of East and South-East Asian Studies, Lund University. Her research focuses on human rights, legal issues and protests, the role of media in society, and cultural heritage issues. Major publications include *Debating Human Rights in China: A Conceptual and Political History* (Rowman and Littlefield, 2002), and co-edited books such as *The Chinese Human Rights Reader* (M. E. Sharpe, 2001); *Making Law Work: Chinese Laws in Context* (Cornell University Press, 2011); and *Gender Equality, Citizenship and Human Rights: Controversies and Challenges in China and the Nordic Countries* (Routledge, 2010).

Team



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Association for International Affairs

Association for International Affairs (AMO) is a preeminent independent think-tank in the Czech Republic in the field of international affairs and foreign policy. The mission of AMO is to contribute to a deeper understanding of international affairs through a broad range of educational and research activities. Today, AMO represents a unique and transparent platform in which academics, business people, policy makers, diplomats, the media and NGO's can interact in an open and impartial environment.

IN ORDER TO ACHIEVE ITS GOALS AMO STRIVES TO:

- formulate and publish briefings, research and policy papers
- arrange international conferences, expert seminars, roundtables, public debates
- organize educational projects
- present critical assessment and comments on current events for local and international press
- create vital conditions for growth of a new expert generation
- support the interest in international relations among broad public
- cooperate with like-minded local and international institutions

RESEARCH CENTER

Founded in October 2003, the AMO's Research Center has been dedicated to carrying out research and raising public awareness of international affairs, security and foreign policy. The Research Center strives to identify and analyze issues important to Czech foreign policy and the country's position in the world. To this end, the Research Center produces independent analyses, encourages expert and public debate on international affairs, and suggests solutions to tackle problems in today's world. The Center's activities can be divided into two main areas: first, the Center undertakes research and analysis of foreign policy issues. Second, the Center fosters dialogue with the policy-makers, expert community and broad public.



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