

# The Sub-state Dimension of the European Union Relations with China

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*Regional governments across the world actively participate in international relations. They open trade and cultural missions abroad, join international networks of cooperation, and sign treaties and agreements with their partners from other countries. Relationships at regional and local levels have moderated rising tensions between states that might otherwise paralyse global governance. Fast growing networks of sub-state contacts in Sino-European affairs create new opportunities for the European Union (EU) to advance European interests, norms and values. Unfortunately, acknowledgement, by Brussels, of such potential political instruments is limited.*

*The main goal of this article is to show how the EU could benefit from growing sub-state connections with China. This article begins with an explanation, based upon a survey conducted among regional authorities from the five EU Member States, of the phenomenon of fast-growing cooperation on the sub-state level between Europe and China (Germany, France, Italy, Poland, and Spain). Next, this study identifies, through interviews with the European External Action service (EEAS), the European Commission (EC) officials and the regional authorities, EU activities that promote collaborations on 'the third level' of its relations with China. The research concludes with suggestions of possible ways Europe could benefit from further development of sub-state contacts with China.*

## 1 INTRODUCTION

Fast development of the European Union's (EU) relations with China would not have been possible without a growing network of links on all levels: the supranational, interstate and sub-state levels. At the sub-state level, regional and local authorities in European countries have increased the number of contacts with Chinese counterparts, as European authorities try to promote academic and business cooperation with their Chinese counterparts and attract Chinese investors, students and tourists. The activities of regions and cities, as non-state actors, attracted considerable scholarly attention in the 1980s and

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usually fall under the heading, ‘paradiplomacy’.<sup>12</sup> Paradiplomacy is a part of much broader process of ‘pluralization’ of diplomacy in which diplomatic practices, institutions and discourses are no longer limited to traditional international diplomacy. Sub-state units, together with Non-Governmental Organizations (NGOs), are main non-state actors that engage in paradiplomacy, an emerging area of academic scholarship.<sup>3</sup>

The academic literature on EU–China relations has been largely reticent on the sub-state dimension. Even very recent publications ignore this phenomenon in the context of economic relations, One Belt One Road (OBOR)<sup>4</sup> and people-to-people dialogue.<sup>5</sup> In the paradiplomacy literature there is no comprehensive analysis of the growing interconnections between European and Chinese regions and cities. The existing studies concentrate either on intra-European activities among European regions<sup>6</sup> or paradiplomacy among Chinese regions.<sup>7</sup>

This article is the result of a three-year project, financed by the National Science Centre, Poland<sup>8</sup> and conducted jointly by the University of Łódź and the Polish Institute of International Affairs. This article explains increasing cooperation, at the sub-state level, between Europe and China, as it answers two major questions:

<sup>1</sup> See e.g. N. Cornago, *On the Normalization of Sub-State Diplomacy*, 5 Hague J. Dipl. 11–36 (2010); A. Kuznetsov, *Theory and Practice of Paradiplomacy. Subnational Governments in International Affairs* (Routledge 2015).

<sup>2</sup> The term paradiplomacy was defined by Kuznetsov, *supra* n. 1, at 31 as: ( ... ) a form of political communication for reaching economic, cultural and political or any other types of benefits, the core of which consist in self-sustained actions of regional governments with foreign governmental and non-governmental actors.

<sup>3</sup> N. Cornago, *Plural Diplomacies: Normative Predicaments and Functional Imperatives* (Martinus Nijhoff 2013).

<sup>4</sup> T. Christiansen & R. Maher, *The Rise of China – Challenges and Opportunities for the European Union*, 15 Asia Eur. J. 121–31 (2017); J. Farnell & P. Irwin Crooks, *The Politics of EU-China Economic Relations. An Uneasy Partnership* (Palgrave 2016), <http://www.palgrave.com/it/book/9781137491176> (accessed 19 Sept. 2017); J. Men & A. Linck, *China and EU: Reform and Governance* (2017); Z. Minghao, *The Belt and Road Initiative and Its Implications for China-Europe Relations*, 51 Int’l Spectator 109–18 (2016).

<sup>5</sup> M. Burney, J. Hivonnet & K. Raube, ‘Soft Diplomacy’ and People-to-People Dialogue Between the EU and the PRC, 19(1) Eur. For. Aff. Rev. 35–56 (2014).

<sup>6</sup> J. Blatter et al., *Preconditions for Foreign Activities of European Regions: Tracing Causal Configurations of Economic, Cultural, and Political Strategies*, 40 Publius 171–99 (2010); K.-J. Nagel, *Foreign Policy: The Case of the German Lander*, in *Foreign Policy of Constituents Units at the Beginning of 21st Century* 121–41 (F. Requejo ed. 2010); M. Tatham, *With, Without, or Against the State? How European Regions Play the Brussels Game* (1st ed. 2016).

<sup>7</sup> D. Mierzejewski, *The Local Dimension of China’s Belt and Road Initiative* (2016), <http://www.asian.sk/the-local-dimension-of-chinas-belt-and-road-initiative/> (accessed 13 Sept. 2017); L. Mingjiang, *Central Local Interactions in Foreign Affairs*, in *Assessing the Balance of Power in Central-Local Relations in China* 209–28 (John Donaldson ed., Routledge 2016), <https://www.routledge.com/Assessing-the-Balance-of-Power-in-Central-Local-Relations-in-China/Donaldson/p/book/9781138672079> (accessed 3 Oct. 2018); M. Pietrasiak et al., *Paradiplomacy in Asia. Case Studies of China, India and Russia* (2018); T. Summers, *China’s Regions in an Era of Globalization* (2018).

<sup>8</sup> Project financed by National Science Centre, Poland. Project number: 2015/19/B/HS5/02534 entitled *Rola regionów w polityce Unii Europejskiej wobec Chin* (The Role of Regions in the European Union Policy towards China).

1. What has the EU done to promote sub-state relations with China?
2. How could the EU benefit from sub-state contacts with China, in the context of the growing tensions among the United States, China and Europe?

This article is structured as follows. Section 2 briefly discusses the methods used to arrive at conclusions and recommendations. Section 3 describes sub-state relations between the EU and China. Section 4 critically assesses EU activities that promote and use ‘the third level’ of its relations with China. The final section presents possible ways the EU can benefit from further development of sub-state contacts with China.

This article contributes to the literature on China–Europe relations, by examining the rapid development of region-to-region cooperation. The findings in this article suggest that European policy-makers should monitor Europe’s paradiplomatic contacts with China. Findings also suggest that European policymakers should foster sub-state level relations in the overall European strategy towards China.

## 2 METHODS

This research is based on an in-depth literature review; statistical data gleaned from a survey of all regions in five EU Member States (Germany, France, Spain, Italy and Poland); and a series of interviews conducted with officials from the European Commission (EC), the European External Action Service (EEAS) and selected regional authorities.

The researcher for this study conducted a survey in the last months of 2016 and the beginning of 2017. The questionnaire was distributed in a paper version, as well as an electronic version to regional authorities (identified units responsible for international cooperation). The questionnaire distribution was followed up with telephone calls, to increase the number of responses. In a few regions, the authorities refused to fill out the questionnaire (e.g. Bavaria). However, these authorities directed researchers to the region’s official website to find extensive information about sub-state cooperation. The researcher for this study added data gleaned from these sites to the survey dataset.

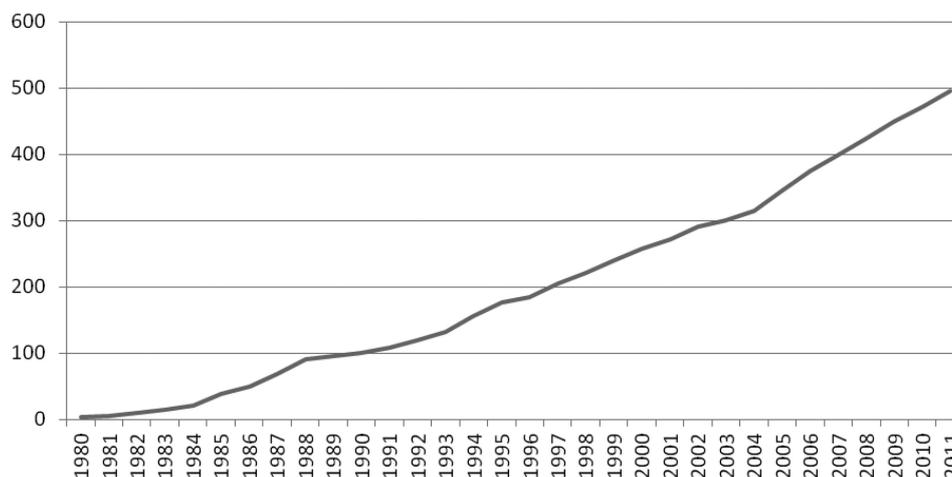
The researcher collected survey data from 75/82 regions (90%), including five states. This study identified 125 partnerships between European and Chinese regions and cities and gathered detailed information about 106 of these partnerships. Representation of 90% of the regions in the survey data support robust conclusions and recommendations.

The researcher conducted a series of semi-structured interviews in European institutions in Brussels and in selected regions. The researcher interviewed European Commission officials from the DG Ener (part of the European Commission responsible for energy policy) and DG Regio (The European Commission Department responsible for the regional policy); an EAAS official responsible for the EU-China relations; and nine officials in regional authorities, who have served as European liaisons to Chinese partners (two in Spain, two in France, two in Germany, two in Poland and one in Italy). Eight interviews were face to face, and one was in the form of email (written answers).

### 3 SUBNATIONAL RELATIONS BETWEEN THE EU AND CHINA

As shown in Figure 1, the first partnerships between European and Chinese sub-state actors were launched in 1979, when the cities of Milan and Rotterdam started cooperating with Shanghai.<sup>9</sup> From 1979 to 1990, the number of partnerships rose steadily, to above 100. In 2011, the number of partnerships reached almost 500 (See Figure 1). The majority of those partnerships, identified by the European Commission, were between cities and not regions.

*Figure 1 The Number of Partnerships Between European and Chinese Regions and Cities, from 1979 to 2011*



Source: European Commission, 2012

<sup>9</sup> List of Chinese-European Twin Cities (2012), [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/international/china/](http://ec.europa.eu/regional_policy/en/policy/cooperation/international/china/) (accessed 15 Nov. 2017).

Partnerships among sub-state units from the biggest European countries constituted the bulk of the partnerships during that period. Germany and France were the most active (73 and 72 relationships), followed by Italy, the United Kingdom, Spain and Poland (57, 48, 21 and 21). More than half of all sub-state partnerships involved those six countries.

This research examines cooperation between regions in five countries. However, the partnerships noted here do not overlap completely with those presented in 2012 by the European Commission. This research also highlights important features of the phenomenon of sub-state relations with China.

Among the five European states of interest in this research, France, Germany, Italy, Poland, and Spain, collaboration with Chinese partners has been common. As shown in Table 1, around 75% of European regions studied have engaged some form of cooperation with China. In some European regions, de facto cooperation exists, but is organized through the mayor's office in the capital city of the region, rather than through a regional authority. Such is the case of the Wielkopolskie region in Poland and its capital city of Poznan.

*Table 1 Regional Cooperation with Chinese Partners (2017)*

<i>Country</i>	<i>Regions Declaring Cooperation</i>	<i>Regions Declaring no Cooperation</i>	<i>No Data</i>
France	10	1	2
Spain	11	6	0
Germany	13	2	1
Poland	13	3	0
Italy	12	4	3
<b>Total</b>	<b>59</b>	<b>16</b>	<b>6</b>

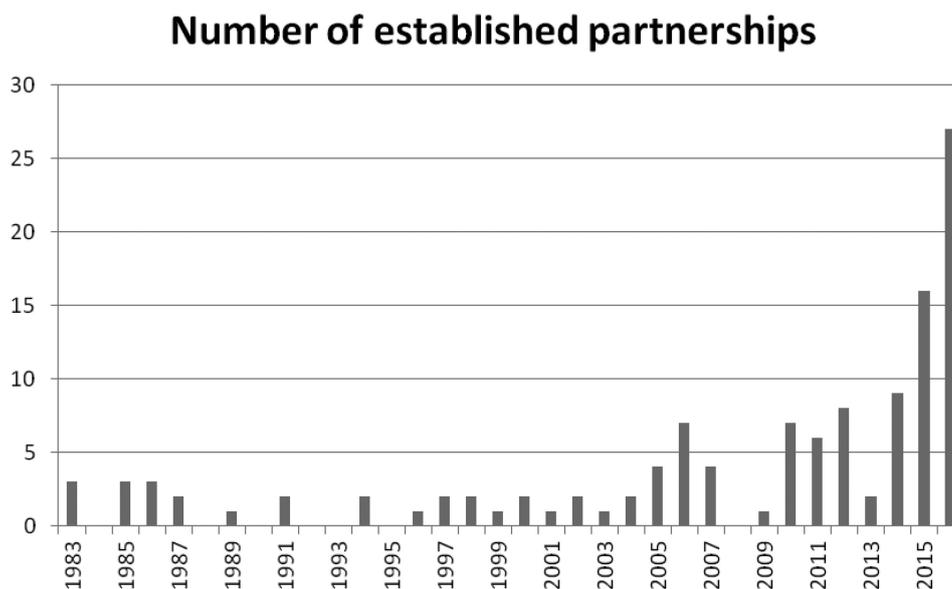
*Source:* own elaboration on the basis of survey

European regions usually cooperate with one Chinese partner. Investigation for this study found only 22 European regions cooperate with and formalize relationships with more than one Chinese partners. Seventy-five percent of partnerships (95 out of 125 partnerships where there has been a clear declaration in the survey by regional authorities) are based on formal agreements with Chinese partners. However, many of those relationships are inactive. Only 80% of partnerships in the last two years were shown in the survey by the regional authorities as 'active'. Moreover, as suggested by the EC official engaged for

many years in fostering sub-state cooperation, many of the partnerships are limited in scope: ‘Most of this was, in the best case, to send folkloric teams to this twinning’s that are really meaningless’.<sup>10</sup>

Despite the scope of the Europe-China partnerships, the researcher for this study observed rapid growth in the number of European connections with China on the sub-state level in the last few years. More than 40% of all partnerships identified in the survey data for this study were established between 2014 and 2016 (*see* Figure 2). It means that those regions have limited experience collaborating with Chinese counterparts because their relations are in the very early stages of development.

Figure 2 Number of Established Partnerships in Years 1983–2016



Source: own elaboration on the basis of survey

The rapid growth of the connections between European and Chinese regions may be associated with the Belt and Road Initiative (BRI), the comprehensive and long-term vision of development of Chinese ties in Eurasia. That initiative, sometimes called the New Silk Road, was presented by Chinese president Xi Jinping in 2013.<sup>11</sup> BRI presupposes active roles of sub-state cooperation networks and as

<sup>10</sup> Interview with the European Commission official from DG ENER (2018).

<sup>11</sup> Minghao, *supra* n. 4; J. Szczudlik, ‘One Belt, One Road’: Mapping China’s New Diplomatic Strategy, PISM Bulletin (2015); Y. Wang, *Offensive for Defensive: The Belt and Road Initiative and China’s New Grand Strategy*, 29 *Pacific Rev.* 455–63 (2016).

Summers<sup>12</sup> argues, ‘rather than being seen as a substantially new policy idea put forward by the current Chinese leadership, should be viewed as an extension, consolidation and political elevation of pre-existing policy ideas and practice at the sub-state level in China’. In this context, there is little doubts that the ‘BRI factor’ may have been an impulse for further development of sub-state ties with Europe. The Chinese government has given provinces ‘a green light’ to create competition mechanisms to encourage regional authorities to engage in foreign activities. Li Mingjiang<sup>13</sup> claims that ‘local governments’ participation in foreign affairs is assigned, authorized, permitted, or encouraged by the central government’. On the other hand, as Mierzejewski proved<sup>14</sup> the central government clearly tries to use these local, paradiplomatic channels to conduct Chinese foreign policy.

European regions have responded positively to this growing willingness among Chinese sub-state entities to strengthen the links with Europe. Similarly, European businesses and regional authorities have recognized the great potential of partnerships with China to yield benefits. When the survey conducted for this study asked regional authorities<sup>15</sup> about the motivation behind activities with distant Asian partners, they usually responded in a similar way: They want to promote culture and tourism, develop business links and exchange experiences (*see* Table 2).

*Table 2 Declared Benefits of European Authorities Cooperating with Chinese Partners (2017)*

<i>Cultural Promotion</i>	<i>Tourism Promotion</i>	<i>Trade Development</i>	<i>Better Position for Business</i>	<i>Exchange of Experience</i>	<i>Attracting Chinese Investment</i>	<i>Other</i>
86%	79%	78%	78%	75%	69%	5%

*Source:* own elaboration on the basis of survey

European sub-state entities partner with China in a number of sectors. More than 80% of the surveyed European regional officials pointed out ‘general economy’ as

<sup>12</sup> China’s ‘New Silk Roads’: *Sub-National Regions and Networks of Global Political Economy*, 37 *Third World Q.* 1628–43 (2016).

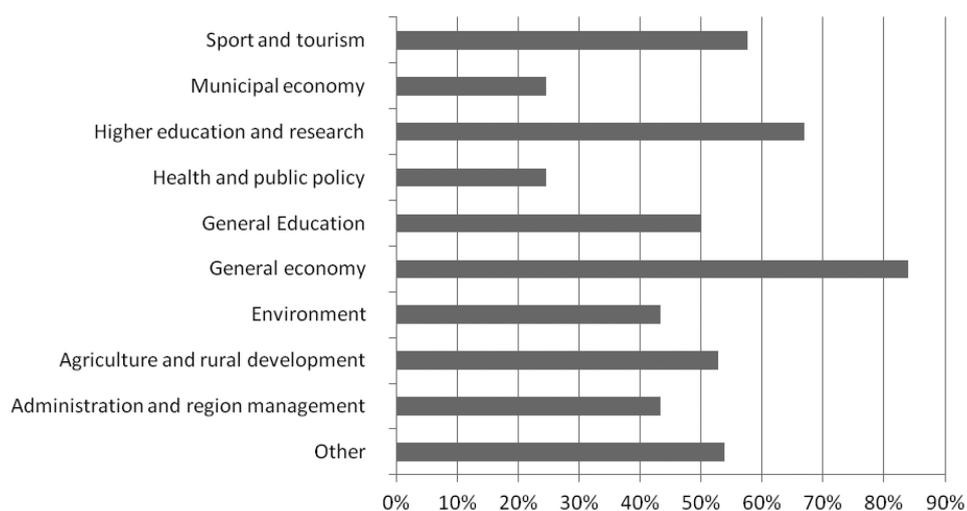
<sup>13</sup> Mierzejewski, *supra* n. 7; Mingjiang, *supra* n. 7; Pietrasiak et al., *supra* n. 7; Summers, *supra* n. 7.

<sup>14</sup> D. Mierzejewski, *The Role of Local Governments in the New Silk Road*, in *China’s New Silk Road. An Emerging World Order* 135–51 (C. Mendes ed. 2018).

<sup>15</sup> In our database we identified 106 partnerships about which we have complete set of information from filled questionnaires regarding goals and forms of cooperation, thematic areas and problems.

the main area of cooperation. As shown in Figure 3, almost 70% of the regional officials indicated some partnership or collaboration with China around higher education and about 60% indicated some partnership or collaboration with China around tourism.

Figure 3 Areas of Cooperation Indicated by the European Regions (2017)



Source: own elaboration on the basis of survey

In almost all regions where interviews were conducted, business, followed by academic collaboration, dominates bilateral agendas between European sub-states and their Chinese partners. European sub-states also try to develop cultural exchanges with China. However, European regions have experienced various levels of success with these exchanges. In Umbria (Italy) the promotion of two cultural events, ‘*Festival dei Due Mondi*’ and ‘*Umbria Jazz Festival*’ became the priority for regional authorities, even before this region had established typical business ties with Chinese partners.<sup>16</sup> In 2017, the ‘*Umbra Jazz Festival*’ attracted about 7 million people in two events in Wulong and Changsha.<sup>17</sup>

Not all European regions have experienced success in cultural cooperation with Chinese partners. In the Lodzkie Region (Poland), the cultural dimension of cooperation is lagging, even though the officials stressed, the region ‘develops

<sup>16</sup> Interview with the Manager of the International Cooperation Office of the Umbria Region (2017).

<sup>17</sup> Umbria Jazz Fest travels to China, ANSA.it (12 July 2017), [http://www.ansa.it/english/news/lifestyle/arts/2017/07/12/umbria-jazz-fest-travels-to-china\\_c066067e-2394-4ca8-af50-b8c7d4a1024f.html](http://www.ansa.it/english/news/lifestyle/arts/2017/07/12/umbria-jazz-fest-travels-to-china_c066067e-2394-4ca8-af50-b8c7d4a1024f.html) (accessed 23 Oct. 2018).

relations with China in three areas: business, higher education and cultural exchange'. The cultural exchange between regions is hardly visible.<sup>18</sup>

Based upon interviews with authorities from European regions, the current model of cooperation with China is based on the flow of ideas, the flow of people and the flow of goods both ways. The Chinese do not only 'learn to copy' European knowledge, but also come with their own attractive know-how. According to one German official:

*That is to be said, it's not that the Chinese just come here and take what they need, but it's so that the Chinese can give us solution options, solution models ( ... ) – like online trading: WeChat, that nowadays has taken over the market in China. Trading is now transferring from offline trading to online trading, and we have talked about it with the Chinese partners, who have given us some interesting information. They have combined these online and offline trading, they are trying to propose attractive deals for people in both channels. ( ... ) that spirit could and should be transferred here as well*<sup>19</sup>

As shown in Figure 4, survey responses by local (European) partners indicate multiple avenues of cooperation. Based upon interviews with local authorities, for many of regional authorities, universities and business partners are the closest collaborators. Local business needs were the main drivers for establishing links (e.g. in Lodzkie region) with Chinese partners. The interests of local (European) companies have influenced regional authorities' approaches to partnerships with China. While universities are important sources of knowledge and expertise about China, they are also important actors in academic exchanges, research projects, summer schools, and teaching Chinese to Europeans. For example, Castile and León have used contacts at the University of León, established through the Confucius Institute at this university, to develop partnerships with regional authorities in China.<sup>20</sup>

The importance of university cooperation might be also associated with the EU's policy of strengthening academic links with China. Since 1998, when the first bilateral agreement in the academic sector was signed,<sup>21</sup> the EU collaboration with China has rapidly developed and often is presented by both sides as 'a flagship' of bilateral relations.<sup>22</sup>

<sup>18</sup> Interview with official in Lodzkie Marschall Office (2017).

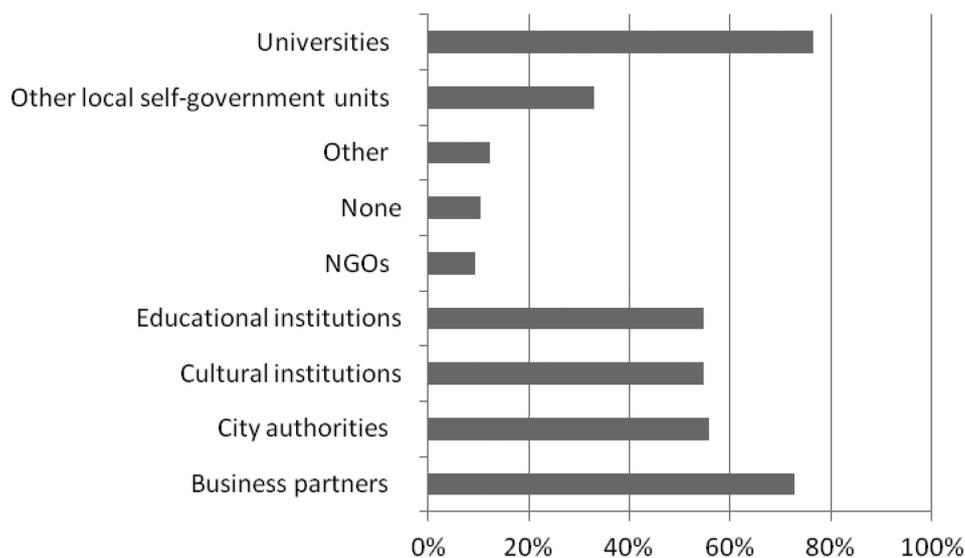
<sup>19</sup> Interview with Head of International Office for Economic Development, City of Magdeburg (2018).

<sup>20</sup> Interview with officials from the Government of Castile León (2018).

<sup>21</sup> Agreement on Scientific and Technological Cooperation between EC and Government of PRCh (2000).

<sup>22</sup> T. Kamiński, *Sypiając ze smokiem. Polityka Unii Europejskiej wobec Chin* (2015), <https://wydawnictwo.uni.lodz.pl/produkt/sypiac-ze-smokiem/> (accessed 10 Aug. 2018).

Figure 4 Local Partners Engaged in Cooperation



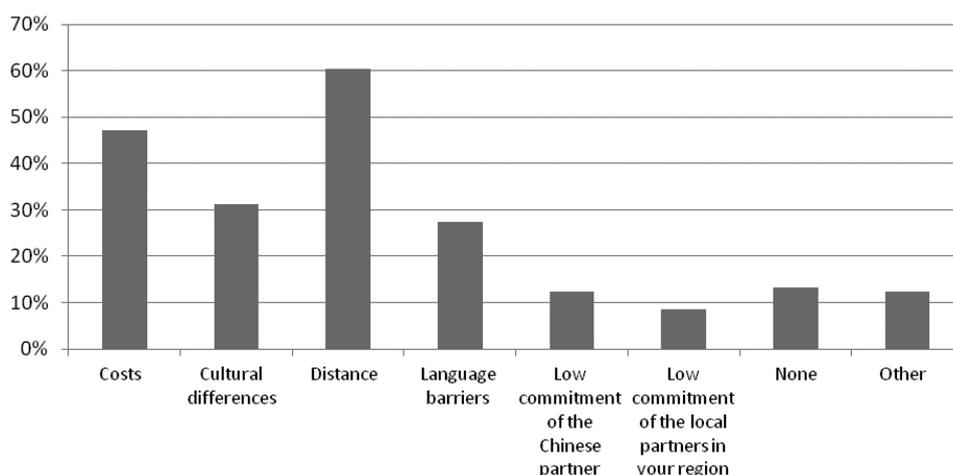
Source: own elaboration on the basis of survey

As shown in Figure 5, European-Chinese partnerships are not without their challenges. European regional authorities identified distance, costs, cultural differences and language barriers as the most important challenges to European-Chinese partnerships. The constraints imposed by distance might be lessened through the increase in the number of transcontinental flights that directly connect Chinese provinces with European regions. European governments or the EU may mitigate costs by providing financial support to local and regional authorities to establish and develop contacts within China. Some European officials use EU grants to fund activities with China. In the Lodzkie region, for example, the regional authorities use EU structural funds to support export promotion activities of local Polish companies in China.

Also shown in Figure 5, the other two most important obstacles to European-Chinese relationships have been cultural differences and language barriers. Cultural differences have hindered mutual understanding, and language barriers have thwarted deeper discussion, beyond simultaneously translated formal exchanges and shallow presentations of good practices. These problems, which were reported by the European regions, are similar to problems pointed out by the federal European officials engaged in dialogues with China.<sup>23</sup>

<sup>23</sup> M. Dąbrowski, I. Musiałkowska & L. Polverari, *EU-China and EU-Brazil Policy Transfer in Regional Policy*, 52 *Regional Stud.* 1169–80 (2018).

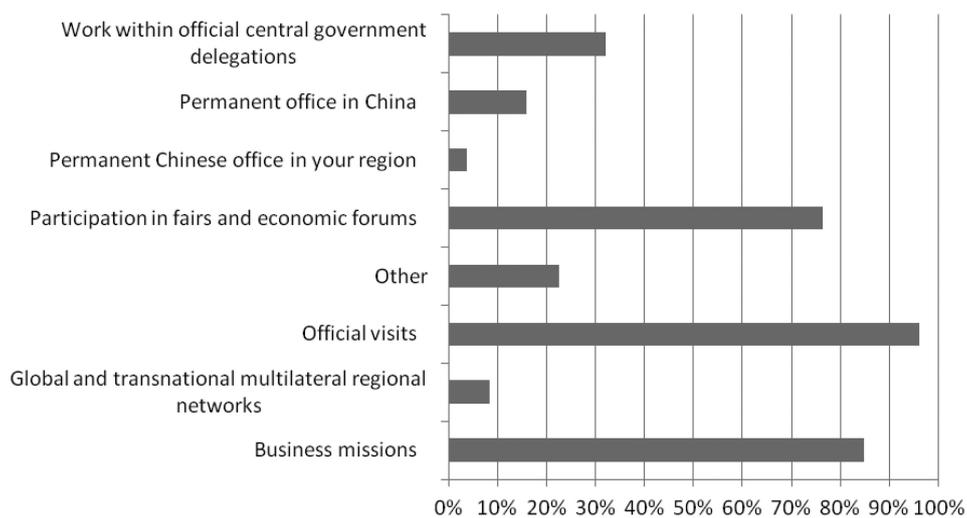
Figure 5 Problems in Cooperation Reported by Regional Authorities (in %)



Source: own elaboration on the basis of survey

Regarding forms that cooperation with the Chinese partners take, ‘official visits’ and ‘business missions’ are most common. However, as shown in Figure 6, only one-third of the regions interviewed reportedly participate in central government delegations.

Figure 6 Forms of Cooperation Reported by Regional Authorities (in %)



Source: own elaboration on the basis of survey

Figure 6 suggests there is limited alignment between European sub-state activities and state policies. Interviews in the regions showed that regional contacts with China rarely take place in coordination with state-level governments. Limited understanding of potential opportunities for channelling sub-state arrangements into national policy suggests even more challenges in understanding opportunities at the EU level. Consistent with this idea, the analysis in the next chapter shows that the EU is even less interested in sub-state relations with China.

#### 4 THE EU AND THE 'THIRD LEVEL' OF ITS RELATIONS WITH CHINA

The fast-growing network of sub-state contacts in Sino-European relations creates new opportunities for the EU to implement European foreign policy. Theoretically, the EU can potentially use sub-state contacts to advance its interests, norms and values. However, in practice, acknowledgement of the potency of such a political instrument in Brussels has been limited.

The first activities of the EU to promote sub-state cooperation with China have been organized as regional policy dialogues. Since 2006, when the First EU-China High Level Dialogue and Seminar on Regional Policy took place in Beijing, China, the European Commission has been sharing its experiences and knowledge about the EU's regional policy.<sup>24</sup> In 2010, the European Commission launched the Chinese European Training Series on Regional Policy (CETREGIO). According to the European Commission, in the period 2010–2014, 220 Chinese officials from all thirty-one provinces participated in the programme, visiting more than forty-five regions of twenty EU Member States. This programme, apart from providing Chinese regional experts guidance on setting their own regional development policies, strengthens the links between European and Chinese regions.<sup>25</sup>

In 2015, a commitment towards the regional dialogue between EU and China was reiterated and so were the plans for strengthening region-to-region and city-to-city cooperation.<sup>26</sup> However, the limited budget of this cooperation, an annual average of EUR 2 million,<sup>27</sup> moderated outcomes.

The importance of sub-state cooperation was officially acknowledged in the EU-China dialogue on urbanization. Following an announcement from the EU–China Summit in Beijing on 14 February 2012, Jose Manuel Barroso, the

<sup>24</sup> *Ibid.*; T. Kamiński, *China's Regional Policy and the Influence of the EU Assistance*, Eur. Spatial Res. Pol'y 93–114 (2009).

<sup>25</sup> E. Minarčíková, *EU-China Cooperation on Regional Policy*, 7 Persps. Sci. 30–38 (2016).

<sup>26</sup> *Joint Statement on Comprehensively Deepening EU–China Regional Policy Cooperation* (2015).

<sup>27</sup> Dąbrowski, Musiałkowska & Polverari, *supra* n. 23.

President of the European Commission and Chinese vice-Prime Minister, Li Keqiang, signed a joint declaration to establish a China–EU Partnership on Urbanization in May 2012. The partnership was aimed at promoting exchange and cooperation at ‘all appropriate levels, including national, regional and local’.<sup>28</sup> Europeans have viewed urban development in China as an opportunity to sell European products and technologies. The Chinese are in need of technologies and technological know-how and expertise.

Both sides, European and Chinese recognized that although environmental policy is formulated at the state and supranational level (e.g. the EU, the UN), sub-state units bear the responsibility for its practical implementation. Since they consume over two-thirds of the world’s energy and account for more than 70% of global CO<sub>2</sub> emissions, cities can play important roles in environmental policy.<sup>29</sup> From the very beginning, both sides wanted to concentrate on city-to-city cooperation and the experiences of the Convent of Mayors for Climate and Energy launched in 2008, with the goal of local governments’ voluntarily committing to achieve the EU climate and energy targets.

In September 2012, the first China–EU Mayors’ Forum was held at the Committee of the Regions (CoR) in Brussels, where the EU–China Mayors Charter was signed.<sup>30</sup> To strengthen the political declaration of the mayors, the EU has announced the start of a project to help Chinese cities adopt energy and resource-efficient ecological solutions shared from European experiences on sustainable urbanization.<sup>31</sup>

Although the city-to-city cooperation has been praised by the EU and China as the ‘flagship’ of the strategic partnership, it has some fundamental limitations. It bounded the EU-China initiative to the problem of climate change and sustainable development, despite the sub-state collaboration with China’s having a broader scope. As DG ENER (part of the European Commission responsible for energy policy) officer explained:

*‘it was put upon the principles of the Covenant. Because of that something that was a very broad subject, urbanisation, came to a very specific topic, energy. It was a nonsense from my point of view, but it was because the Chinese and the Commission wanted to benefit from the experience of the Covenant’.*<sup>32</sup>

In November 2013 during the 16th EU-China Summit, the EUR 10 million ‘Europe–China Eco-Cities’ ECOLINK project was launched. Through technical

<sup>28</sup> Joint Declaration on the EU-China Partnership on Urbanisation (2012).

<sup>29</sup> P. Marcotullio et al., *The Geography of Urban Greenhouse Gas Emissions in Asia: A Regional Analysis*, 22 *Global Environ. Change* 944–58 (2012).

<sup>30</sup> *The EU-China Mayor’s Charter* (2012).

<sup>31</sup> Press release, *The European Union and China Join Forces to Address Environment, Urbanisation and Climate Change Challenges* (2012), [http://europa.eu/rapid/press-release\\_IP-12-989\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-12-989_en.htm?locale=en) (accessed 17 Oct. 2018).

<sup>32</sup> Interview with the European Commission official from DG ENER, *supra* n. 10.

assistance and best practice sharing, the EU supported the Chinese Ministry of Housing and Urban-Rural Development, as well as ten cities in China chosen to this pilot project.<sup>33</sup>

At the same summit, Europe and China signed the EU-China 2020 Strategic Agenda for Cooperation. In this strategic document, a whole chapter addressed urbanization. Both sides resolved to improve the governing framework of the EU-China Partnership, support the development of numerous relevant city pairings and steer EU-China urbanization cooperation by the Joint Steering Committee of the EU-China Urbanization Partnership. The EC-Link has also been mentioned in the document as a cooperation platform that will enhance the Partnership.<sup>34</sup> The project, however, has faced many problems. According to an EC official, the project has not delivered the expected outcomes in a timely manner.<sup>35</sup>

In the same year, a pilot project was announced by the European Commission. The two-year long ‘China Component’ of the much wider ‘World Cities’ programme started in 2015, engaging a few Chinese and European cities and regions.<sup>36</sup> This project was a continuation of the CETREGIO project, which promoted commercial, educational and cultural cooperation on the sub-state level. In December 2016, the EU approved the new project called ‘International Urban Cooperation: Sustainable and Innovative Cities and Regions’ (IUC). In the first selection round, cooperation between five Chinese and five European subnational units were supported.<sup>37</sup> The IUC programme is designed a bit differently from its predecessors. As the officer engaged in the programme explained: ‘it is designed in a way that there is not only a European City A cooperating with a Chinese city B, but there is a powerful cooperation between all cities participating in each round’.<sup>38</sup>

The last example of EU’s projects that support city-to-city cooperation with China is the URBAN-EU-CHINA Innovation Platform on Sustainable Urbanization, which launched in March 2017. The European Commission’s Horizon 2020 framework programme launched this Platform, which links the academic community with city authorities.<sup>39</sup>

Besides pilot projects, the EU was also engaged in organizing big conferences on urbanization, such as The Urbanization Forum, which assembled hundreds of

<sup>33</sup> R. ETIENNE & M. JING, *CHINA-EU: GREEN COOPERATION*, xliii (2014).

<sup>34</sup> *EU-China 2020 Strategic Agenda for Cooperation*, (2013).

<sup>35</sup> Interview with the European Commission official from DG REGIO, (2017).

<sup>36</sup> Guangzhou, Tianjin, Wuhan and Chengdu from China and Lyon, Lazio, Barcelona, and Birmingham/West Midlands.

<sup>37</sup> *Report on EU-China Regional Policy Cooperation(2006-2016)* (2017), [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/international/china/](http://ec.europa.eu/regional_policy/en/policy/cooperation/international/china/) (accessed 24 Oct. 2018).

<sup>38</sup> Interview with the European Commission official from DG REGIO, *supra* n. 35.

<sup>39</sup> More information at the project website <http://www.urban-eu-china.eu/en/> (accessed 24 Oct. 2018).

participants from regional authorities. The last Forum event was organized in 2015. Although successful in terms of number of participants, the European Commission perceived those events as disappointing. The EU officials engaged in the organization of the events believed the Chinese were too focused on the events, but much less committed to daily cooperation with their European partners. 'The event was great, and the day after there was nothing for months, and the Chinese did not answer the telephone'.<sup>40</sup>

The fatigue of the DG ENER interlocutor has been echoed by DG Regio and EEAS. They all expressed feelings of disappointment with the results of the EU's actions aimed at promotion of sub-state cooperation with China. First, there is no strategic vision in the European Commission on how to approach the third layer of EU-China contacts. Efforts are limited to pilot projects and annual events. The EU-China partners have established no comprehensive plan. Also, activities are sparse among different parts of the Commission (mainly DG ENER and DG REGIO, department responsible for the regional policy), with EEAS hardly able to coordinate them.

EU-China sub-state relations have suffered from a limited allocation of resources. The European Commission has made considerable efforts to prepare the cooperation framework, for instance, by making a list of existing partnerships between European and Chinese regions and cities in 2012. However, the partners have committed inadequate resources. The urbanization dialogue with China was delegated to DG ENER, without any substantial human and financial resources. DG ENER officers lacked the authority to coordinate activities of other DGs, since the needed sub-state cooperation between cities was much broader than energy.<sup>41</sup> Currently in DG Regio, the budget for cooperation with China and other Asian countries is only 5 to 6 million EUR, too little to organize anything substantial.<sup>42</sup>

According to EC officials, the Secretariat of the EU-China Urbanization Partnership, located in the China Centre for Urban Development (CCUD), performed its obligations incompetently. Staff there are efficient at organizing events, but they are very difficult partners in day-to-day work. Moreover, the Joint Steering Committee of the EU-China Urbanization Partnership announced in 2012, has never been established.<sup>43</sup>

As a result of all the factors mentioned above, the topic of sub-state cooperation disappeared from the top of the EU-China political agenda. In the EU's Strategy towards China, published in 2016, neither the urbanization partnership

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<sup>40</sup> Interview with the European Commission official from DG ENER, *supra* n. 10.

<sup>41</sup> Interview with the European External Action Service officer (2017).

<sup>42</sup> Interview with the European Commission official from DG REGIO, *supra* n. 35.

<sup>43</sup> Interview with the European External Action Service officer, *supra* n. 41.

nor sub-state relations are even mentioned. No one in the Commission monitors connections between European and Chinese regions, so the phenomenon of the rising number of partnerships in recent years has not been well-documented by the Commission.<sup>44</sup> Also, the Commission has made no plans to pursue opportunities afforded by sub-state, EU-China relations.

The EU position on EU-China relations is completely opposite to the Chinese position. The Chinese central government tries to control regional foreign activities through local foreign affairs offices (*waiban*). External relations of regions are included in the foreign policy planning, and *waibans* ensure national policy priorities are implemented locally.<sup>45</sup> The presence of these priorities begs the question: should the EU also pay more attention to the regional and local dimension of European relations with China? The next section discusses ways European entities can benefit from further development of sub-state contacts with China.

## 5 HOW TO MAXIMIZE SUBNATIONAL RELATIONS WITH CHINA

In theory, sub-state diplomacy will positively influence state and international politics, because it brings extra democratization and rationalization in the decision-making process. External relations of regions can contribute to foreign policy of the state and even make it more efficient.<sup>46</sup> Soldatos<sup>47</sup> found that the segmentation of actors and policies in internal relations leads to the rationalization of foreign policy-making. The rationalization is in many ways reflected in the Principle of Subsidiarity.<sup>48</sup> one of the fundamental norms in the EU policy-making.

In the context of the EU policy towards China, the sub-state level is appropriate to tackle some important problems presented in the EU's China strategy.<sup>49</sup> The document 'Elements for a New EU strategy on China' identifies a number of areas in which sub-state contacts play significant roles in international diplomacy.

First, the EU wants to support and encourage economic, environmental and social reforms in China to promote a more open, sustainable and inclusive growth model. Rising interconnections on the sub-state level create new channels of influence in Chinese society. Transfer of knowledge, best practices and specific solutions are more useful when targeted at local communities, bypassing highly

<sup>44</sup> *Ibid.*

<sup>45</sup> Mierzejewski, *supra* n. 14.

<sup>46</sup> Kuznetsov, *supra* n. 1.

<sup>47</sup> P. Soldatos, *An Explanatory Framework for the Study of Federal States as Foreign-Policy Actors*, in *Federalism and International Relations*, (ed. H. Michelmann & P. Soldatos, Clarendon Press, 1990).

<sup>48</sup> A theory that the central government should delegate on a subnational level all those tasks that can be effectively performed by constituent units.

<sup>49</sup> *Elements for a New EU Strategy on China* (2016).

politicized dialogues on the state, diplomatic level. City-to-city contacts are, for instance, crucial for producing and sharing ecological knowledge. Through bilateral cooperation or participation in global networks, cities play crucial roles in the international effort to collectively tackle climate change.<sup>50</sup>

Second, the EU aims in the strategy to attract 'productive Chinese investment in Europe'. Regional authorities need to be engaged in this process, as they often serve as negotiators and decision-makers in many foreign investments. For security reasons, regions should also be engaged in the process of monitoring foreign investments in China that are planned for implementation by the EU.<sup>51</sup>

Third, the strategy says that cooperation on research and innovation should be strengthened. Academia is one of the main sub-state contacts with China. Therefore, regional governments should be involved in the EU science diplomacy.

Finally, the EU wants to strengthen people-to-people (P2P) links and attract more Chinese students and tourists who 'would contribute to fostering inter-cultural dialogue and promoting cultural diversity and civil society participation'. Sub-state relations seem to be natural contexts to implement this policy. Cultural and educational exchange, as well as attracting tourists, are high on the list of priorities for European regional authorities in their relations with Chinese partners.

Community interests between the EU and European regions, described above, should lay a good foundation for closer cooperation with China. However, there is also a more strategic reason why the EU should promote sub-state contacts. Interconnections between regions and cities create new channels of political communication with China. Rising tensions in the triangle among the EU, US and China, might theoretically force Europe to be involved in the diplomatic conflict on the American side. In case of difficult or blocked political communication with China, the existence of independent sub-state channels of communication may be very useful, during the escalation of the conflict.

The problem of US withdrawal from climate change cooperation may serve as a good example of the importance of sub-state relations in mitigating crises on the diplomatic level. Despite political impasses between Washington and Beijing, sub-state actions have created several opportunities for cooperation between the US and China on climate and clean energy. For example, American states and cities

<sup>50</sup> T. Lee, *Global Cities and Climate Change: The Translocal Relations of Environmental Governance* (1st ed. 2014).

<sup>51</sup> *Foreign Investment to Be Screened to Protect EU Countries' Strategic Interests* (2018), <http://www.europarl.europa.eu/news/en/press-room/20180528IPR04446/foreign-investment-to-be-screened-to-protect-eu-countries-strategic-interests> (accessed 23 Oct. 2018); G. Grieger, *Foreign Direct Investment Screening: A Debate in Light of China-EU FDI Flows – Think Tank* (2017), [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS\\_BRI%282017%29603941](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI%282017%29603941) (accessed 24 Oct. 2018).

continue some of the initiatives with Chinese partners on low-carbon development.<sup>52</sup>

Until now, the EU has not acknowledged the opportunities provided by sub-state partnerships with China and has not employed sub-state partners in its policy towards China. The EU should acknowledge the role of paradiplomacy in international relations with China. This acknowledgement should be followed up with a monitoring mechanism that will provide the EU's officials with up-to-date data regarding sub-state cooperation with China. Having this knowledge, the EU could try to employ sub-state units as instruments of its foreign policy. The EU may increase its efforts to fortify existing links with Chinese provinces and cities and increase its support of new partnerships that acts in line with the EU's strategic priorities towards China. This approach would require the Commission to go beyond pilot projects, allocating more funds and human resources.

## 6 CONCLUSIONS

Thomas Sowell famously said that 'reality does not go away when it is ignored'. The rising importance of sub-state links has become reality of European relations with China and should be taken into account by policy-makers in Brussels. Heretofore, the rising importance of sub-state contacts between Europe and China has been overlooked both by academicians and the EU. This research indicates that sub-state cooperation is important to the implementation of many EU strategic goals.

As shown in this article, the fast development of region-to-region cooperation reveals a rising need for constant and in-depth monitoring of the sub-state layer of EU-China relations. Moreover, it suggests that the EU should try to employ sub-state level relations in its policy towards China by encouraging regional and local actors to develop cooperation in line with the EU's policy goals as well as supporting different forms of paradiplomatic contacts with China. In the context of rising diplomatic tensions and possible escalation of conflict between Beijing and the West, such low-key channels of communication with China might be very useful.

Although the exploitation of sub-state contacts for the European foreign policy goals has not been closely examined yet, neither theoretically nor practically, there are some interesting cases from which the EU can learn: paradiplomacy in the US in the context of climate change and the employment of provinces to

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<sup>52</sup> M. Bapna, *There Are Still Opportunities for US-China Climate Cooperation* World Resources Institute (2018), <https://www.wri.org/blog/2018/02/there-are-still-opportunities-us-china-climate-cooperation> (accessed 19 Oct. 2018).

realize goals of Chinese foreign policy. Some Member States may have other useful examples of collaboration by their sub-state entities with foreign partnerships. Undertaking further research about the dynamics of EU sub-state links with China would provide additional insights the EU could use to enhance international relations.

