



EU-CHINA COOPERATION ON 'GREEN' AND 'SOCIAL' VALUES

AN ASSESSMENT

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Abstract

The EU has long been concerned about sustainable development in China, i.e. the 'green' pillar (environment & climate) and in the 'social' pillar (core labour standards and social protection). The EU and China have pursued active and ever more intense cooperation in these areas for some 20-25 years. However, as the EU and China do not have a free trade area agreement, there has never been a sustainable development chapter.

As the EU-China case clearly shows, the lack of such a chapter doesn't need to be an impediment: EU-China 'green' and 'social' cooperation has been remarkably active, with a widening scope over time, showing considerable results. Indeed, the EU has not built up such a huge – though informal – framework of green and social cooperation with any other trading partner.

Based on three research questions in both pillars, the authors have examined indicators and policies as well as degrees of convergence over time (with appreciable time lags). The surprising, but still ongoing, process of convergence in the green pillar seems to go further than that of the social pillar, although recent developments stimulated by the CAI draft investment treaty have resulted in China ratifying two more core ILO conventions. This CEPS Policy Insight then ends with a short reflection on the prospects of sustainable development cooperation with China.

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Introduction

The EU has long been concerned about sustainable development in China. This preoccupation refers to two NTPOs (non-trade policy objectives, often denoted as ‘values’): the ‘green’ pillar consisting of environmental policies and those pursuing climate change mitigation, and the ‘social’ pillar of internationally recognised labour standards in eight International Labour Organization (ILO) core conventions and the accomplishment of adequate social protection for citizens, in particular workers.

Our research in the Horizon 2020 [RESPECT](#) project has focused on the scope and intensity of this EU-China cooperation that has built up over a period of some 25 years, and on how effective it has turned out to be. It should be understood that this EU-China sustainable development cooperation has been pursued *without having a bilateral FTA – meaning no ‘sustainable development chapter’ in place*. Nor does (or did) China benefit from GSP+, meaning that it has not had to ratify 27 international conventions on human rights, sustainable development and governance, nor cooperate in the prescribed compliance regime. The EU and China have cooperated on sustainable development on a *voluntary* basis, actively and quite successfully.

Our survey and analyses are brought together in an [eBook](#) and [various technical papers](#). The eBook attempts to systematically set out and explain the surprising activism in bilateral cooperation in a range of policy domains. This range has widened considerably over time. The numerous bilateral activities and commitments are, more often than not, underpinned by multilateral commitments, whether agreements, treaties, conventions or global diplomatic declarations. The present CEPS Policy Insight will concentrate on core findings and EU policy conclusions.

Sketching EU-China cooperation in sustainable development

The nature and scope of EU-China ‘green and social’ cooperation

Initially, EU cooperation (and trade policy where relevant) with China was mainly development-oriented, but this began to change once the two concluded their Strategic and Comprehensive Partnership in 2003.

Ever since, they have usually worked via Dialogues, at ministerial level as well as with annual summits, with joint programming. They spawned several series of projects (some very large), applied programmes, working groups, exchanges, conferences and action plans with significant – often joint – funding for a period of two decades. In the energy field, it was even longer. This long-running working relationship has avoided a legalistic approach with enforceable standards and/or targets that are usually set in FTAs.

Nevertheless, the EU and China have worked fairly consistently on sustained progress in both pillars, and frequently in operational, technical and practical terms rather than mere declaratory statements. However, this doesn’t mean that the two partners have never entered

into more formal commitments with each other. Thus, in the green pillar, both partners have adhered, with formal ratification, to no fewer than 12 multilateral environmental agreements (MEAs) and related protocols and amendments. This is far more than the specific MEAs referred to in EU FTAs, even though China and the EU have never concluded an FTA.

In the social pillar, the situation is more complicated and also less satisfactory. The leading multilateral set of commitments are ILO conventions, and in particular the eight core conventions. But China has not ratified two of these eight. In April 2022, China ratified the two then outstanding core conventions on forced labour (as foreseen in the CAI draft treaty). However, before CAI (Dec. 2020), EU-China cooperation in the social pillar never seriously touched on these two core conventions. Additionally, it should be noted that there are no international legal commitments for social protection, except for some found in other ILO conventions, although this field has been effectively broadened via more encompassing ILO declarations (to which some FTAs make reference to).

There is another critical difference between the green and the social pillar: whereas private and/or public activities relevant for the green pillar often generate major negative cross-border or global externalities (mostly via global warming but also selectively with air and water pollution and positively with forestation if large enough), this is not the case for the social pillar, unless one is willing to argue that poverty risks and the neglect of occupational safety and health (OSH) distort the level-playing field in trade and investment by avoiding significant labour costs when exporting.

However, if one would support the level-playing field argument, this may also apply to the green pillar when observing a strong avoidance of the cost of 'clean' production. The level-playing field argument – insofar as sustainable development is concerned - has not played a significant role in EU-China trade relations when it would have been best applicable, that is, when China was still a relatively poor developing country. However, China is now an upper middle-income country and the argument is much less plausible as far as sustainable development is concerned, because today's China has significantly increased (costly) social protection and invested in stricter environmental legislation, as well as their (more) credible enforcement.

It is possible, especially recently – but only in the green pillar – that the EU can actually improve or be stimulated *by China* in the area of green technologies such as renewables, e-vehicles and some of its components. For most aspects though, 'green' and 'social' EU-China cooperation should be read as the pursuit of EU values via EU trade and investment policies and accompanying EU-China cooperation.

The combination of EU-China trade policy and very elaborate and active cooperation is truly unique. This uniqueness is reflected in the sheer quantity of EU-China dialogues (some 68, with around 50 on economic and trade-related issues, including sustainable development) but also in the consistency and continuity over time since the beginning of the Strategic and Comprehensive Partnership. Many of these dialogues or activities create bilateral working

relationships and this often (although not always, for example when issues are sensitive) generates a degree of trust and recognition. In turn, this can often lead to better and more tangible results.

Such results may inspire further cooperation. The EU's typical cooperative approach to sustainable development in external policies has never been practiced with other trading partners anywhere near to the same extent as with China. More activities and greater efforts do not necessarily produce better results, of course. In Hu and Pelkmans ([2020a](#) and [2020b](#)) we show that, selectively, the enormous effort of pursuing a multiple set of goals via many EU-China Dialogues has paid off.

Research questions

To more accurately establish what the EU's preferences are in terms of values under the 'sustainable development' heading, we rely on chapter 16 of the [Economic Partnership Agreement \(EPA\)](#) with Japan, an ambitious recent FTA and itemise both for 'green' and for 'social' provisions. This high standard of sustainable development is used for inspecting EU-China cooperation in this area, conscious of the fact that the EU and China do not have an FTA and that China is not yet (although close to becoming) a developed country.

The research has been conducted on the basis of three research questions for each one of the two pillars. In the green pillar, we query whether and to what extent the *indicators* in and subsequently the *policies* of China reveal a process of convergence with the EU. This is followed by a third research question on whether EU trade policy and cooperation *vis-à-vis* China, with respect to sustainable development systematically pursued in the 'green' NTPOs since the late 1990s, has been effective in supporting a process of convergence.

In the social pillar, we first query whether China has addressed international labour standards as it has transformed itself into a market economy and whether it began to build up a system of social protection based on individual entitlements (which had never existed before in China). The second research question is whether one can observe a process of convergence in policies, laws and entitlements with respect to labour standards and social protection between China and the EU over the period 2000-2020. Subsequently, we answer the third question, over whether EU trade policy and cooperation on sustainable development *vis-à-vis* China has systematically pursued the NTPOs of labour standards and social protection since 2000, and whether this pursuit has been effective in supporting a process of convergence.

This type of work inevitably requires painstaking and detailed analysis which cannot be summarised in a few lines, let alone in a short CEPS Policy Insight. Nevertheless, the overall inference is clear and possibly surprising as a policy message: **the cooperative approach between the EU and China has been quite successful**, with of course some hiccups and limitations.

Put another way, this bilateral cooperative approach on sustainable development is **not necessarily inferior to a set of bilateral legal commitments in an FTA, possibly at times or in some respects even more effective than the FTA-based approach**. This would matter in every aspect of bilateral relations but is surely remarkable in the case of a very big trading partner like China, not regarded by many as always cherishing similar values as the EU.

EU-China sustainable development cooperation: methods and intensity

Three connected building blocks lay at the basis of two-plus decades of quite successful cooperation in sustainable development and some other policy domains.

First, the 2003 China-EU Strategic and Comprehensive Partnership (SCP), which was a deepening of the 1998 Comprehensive Partnership, is and has remained critical. Initial expectations for this SCP were high, as expressed in a series of speeches by Chinese prime minister Wen Jiabao in 2004¹. Although a degree of realism crept in during later years and frictions occasionally developed, the SCP is still regarded as a kind of ‘special’ relationship by both the EU and China². The Partnership is usually invoked to justify or strengthen cooperative activities or to provide a well-accepted diplomatic basis for proposals or extensions for ongoing work.

Second, the Partnership was so highly valued that it was crowned by annual EU-China Summits starting in 1998. The summits were quickly considered as the zenith of a huge pyramid of High-Level Dialogues, in turn overlooking or guiding a broad range of more technical committees at higher or lower levels, with sub-groups and *ad-hoc* sub-committees working on the finer details of measures or proposals.

This ‘architecture’ of the EU-China Dialogues is explained in some detail in Chapter Two of our eBook. The profound investment by the two partners in joint but informal institutions, based on commitment without treaties, has certainly paid off, even when occasional frictions ‘at the top’ have led to the cancellation of an annual summit.

Third, dialogues were systematically promoted and employed for a very large number of permanent policy domains, but also for new or *ad hoc* policy issues. In other words, the pyramid of dialogues overarched by the regular summit has expanded continuously and remained open for new initiatives for over two decades.

But dialogues can mean different things. They can refer merely to bilateral meetings of Commissioners and ministers, the relevant officials, sometimes with business or scholars in

¹ These speeches are found in Snyder, F. (ed.), 2009, *The European Union and China 1949 – 2008*, Oxford, Hart Publishing.

² Since March 2019 the EU has pursued a multi-faceted [New Outlook strategy](#) towards China, categorising China as ‘a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance’. However, the EU supports the SCP, due to it being possibly more issues-based.

tow. On the EU side, EU officials have been routine participants but their colleagues from EU Member States have also joined, depending on the issues discussed (e.g. in the 'social' pillar as social competences are predominantly national). Frequently, dialogues generate both small and large initiatives, often over many years, and (often) with joint funding, i.e. common ownership. Cooperation can extend to Chinese ministries – in some cases, projects have been conducted within the ministries themselves.

A range of other options can be utilised, from regular conferences to targeted technical assistance, to research on the ground and to experiments that test out EU-inspired measures. In Pelkmans & Hu (2020a and 2020b) an attempt is made to verify whether EU-China trade-related dialogues can advance bilateral trade relations, and the conclusion is that – within clear limits – they can and have done so.

Moreover, we have studied a range of projects, action plans and other initiatives called for or supported by dialogues in both the 'green' and 'social' pillars. These methods and their sheer intensity and diversity, as well as the political weight of the summit, have altogether generated an amazing dynamic that has also yielded results in terms of steady progress in sustainable development.

Without entering into the details of this cooperation here, results can be found in both pillars but it is probably fair to conclude that the productivity of the 'green' pillar has been greater than that of the 'social' pillar.

Promoting influence and effectiveness in 'green' values

Once most of the relevant information and data have been collected, one can discern a decades-long, complicated, if not tortuous, process of convergence between the EU and China in sustainable development (in climate and the environment). This has been guided and supported by intense and multi-variate bilateral exchanges, dialogues, consultation, practical projects, stimulation of green investments in China (via the Clean Development Mechanism (CDM)), and direct local collaboration in policy implementation inside China.

Progress in the convergence process has been highly uneven over the last 25 years, both across different time periods as well as between different issues of sustainable development. We show that the EU has been active in supporting China's development ever since the [first Commission paper on EU-China relations in 1995](#) and in promoting the direction and intensity of sustainable development policy, making it directly or indirectly relevant to trade and investment.

There is no doubt that the process of convergence has been influenced by the EU but there have been many other actors, including international agencies, that have been helpful in this respect. It is therefore impossible to verify the EU's level of effectiveness in promoting sustainable development in wider EU-China trade policy with any rigour. Nevertheless, there is an abundance of EU-China activities, dialogues, programmes, funding (by the EU and later,

jointly), projects, common declarations/statements and regular support from the EU-China Summit over two decades.

These common activities have widened considerably in scope and have also deepened in a number of instances. In several specific policy issues or areas of expertise, the EU has actually supported China directly, be it via local collaboration (e.g. emission trading) or China has subsequently adopted EU regulatory requirements for itself (e.g. car emission requirements).

We have zoomed in on 25 years of ever closer EU-China cooperation – both bilaterally and in multilateral settings – on sustainable development. Provided is a summary of the early period between 1994-95 and 2003 when China and the EU concluded the Strategic and Comprehensive Partnership and, subsequently, a concise survey of bilateral sustainable development cooperation with a total of 19 dialogues, multi-year programmes (including several projects with hard targets and very many activities), joint statements and common agendas or roadmaps.

Little discussed in the public debate is the near-complete convergence between China and the EU in terms of MEAs: a survey of no less than 12 MEAs (and amendments, annexes, etc.) demonstrates this near-congruence.

With respect to EU-China cooperation on adopting an EU-styled [emissions trading system \(ETS\)](#), the EU and China concluded a Memorandum of Understanding (MoU) in 2018 to enable personal and technical support inside China, following the EU's experience with the ETS. The ambitious [EU-China Roadmap on Energy Cooperation \(2016-20\)](#) even included some selected harmonised areas. As an illustration of the importance of market-driven incentives, [Pelkmans](#) describes how the Kyoto Protocol's CDM has worked between the EU and China, with both having assumed roughly 50 % of the global CDM market on the demand and supply side, a great but relatively short-lived success.

There is little doubt that the EU and China will continue to cooperate closely within the green pillar if only because of the '*great green paradox*' in this policy domain in China: convincing improvements in China's green *indicators* have been followed by very considerable U-turns in *policies* and strategies. Nudging China to keep on going 'green' will still be important for the EU for this reason alone. Box 1 below shows how complex it is to fully appreciate China's predicament regarding the environment and climate. Given the considerable progress in 'greening' China, the 'great green paradox' still plays a far too important role.

Box 1. China in the Environmental Performance Index 2020

For where China stands in environment and climate performance, the [2020 EPI rankings](#) (Environmental Performance Index) generated by Yale's Environment Institute and the WEF is an authoritative guide on overall and some specific record(s) of 180 countries. Its coverage of the multitude of areas which matter is unparalleled. It should be helpful as yet another measure to understand where China stands. Besides, the question might be answered as to whether China's tightening of laws and enforcement over the last decade can be traced to EPI indicators.

However, for 'climate' there is a drawback because China's considerable efforts to stimulate renewables does not appear in the climate indicator as only problematic gases are included. China's EPI ranking in 2019 was 120 (out of 180 countries) and this ranking did not change in 2020.

As this is a poor ranking, without any doubt, it is good to understand why. Of ten rankings of important 'green' aspects, leading to this overall ranking, three dominate as the EPI gives them a greater weight of 59 % of EPI in total: biodiversity and habitat (ranking only 172, unacceptable for the chair of the 2021 Kunming UN conference), air quality (ranked 137) and climate change (103).

Many other sub-indicators in the EPI show much better results for China although only one is in the top 50 (fisheries with a ranking of 31) and another three are close (sanitation and drinking water, with a ranking of 54, heavy metals with a ranking of 54 and agriculture with a ranking of 55).

Other rankings hang in the middle: waste management at 66, water resources at 67 and pollution emissions at 91. Therefore, it is not possible with such rankings to speak of a 'beautiful China' as President Xi has done. It will undoubtedly take much more sustained effort to achieve this. However, over a longer period, China has improved in the EPI rankings. Over a 10 year period, China has improved its score (on which the rankings are based) by 8.4 points to 37.3.

The third research question in the green pillar is whether EU trade policy and cooperation *vis-à-vis* China, with respect to sustainable development systematically pursued in the 'green' NTPOs since the late 1990s, has been effective in supporting a process of convergence.

The state of China's environment in the late 1990s and the emergence of global warming mitigation as a major global challenge have served as wake-up calls for the EU. The Strategic Partnership with China (1998) and the Strategic and Comprehensive Partnership (since 2003) created a form of trust and stability, thereby forming the foundation for a steady increase in both the scope and the intensity of environmental and climate mitigation cooperation.

With China becoming an upper middle income economy, this cooperation has become both more urgent and more feasible. Initially, EU policy and EU-China cooperation was directed at stimulating and improving China's policies, whilst the facts (indicators) on the ground were still pointing to a rapidly deteriorating state.

In other words, a gradual, and at first slow, emergence of more sound environmental and climate *policy* in China coincided with worsening *practices* in the economy, generating extremely negative consequences for citizens and workers, and the natural environment.

Only when persistent and wide-ranging EU-China cooperation matured over several channels and topics, and when the indicators had become truly intolerable, policies and enforcement were significantly tightened. The present paper shows in abundant detail that there cannot be any doubt that the EU has been unfailingly pro-active in its sustainable development cooperation with China for two decades. It has responded enthusiastically to any request or policy interest from China in these fields, whether for support or knowledge transfer or for pursuing common activities or a common pursuit in multilateral settings (a key activity given the many MEAs the two partners share).

On promoting influence and effectiveness in 'social' values

We have attempted to address the social pillar of sustainable development in EU-China trade and investment relations. This seemingly simple statement is actually confusing because it is not entirely clear what this 'social pillar' actually comprises. One concept combines internationally recognised labour standards and a system of social protection. Another – especially in the context of nearly two decades of EU-China of cooperation and joint programmes – could be the collection of EU-China joint activities in this area. Finally, a third view may consist of the social clauses in the sustainable development chapter of recent EU FTAs as an expression of EU values, even if China and the EU have never concluded an FTA.

If one takes the EPA with Japan as an ambitious example, it has 25 clauses in the social pillar of the sustainable development chapter. Most are on, or closely related to, core ILO conventions on labour rights, with the rights of association and collective bargaining as the bedrock - the two foundations for workers to freely and effectively organise themselves. Some clauses are directly or indirectly referring to (aspects of) social protection, e.g. with references to 'decent work'. Social protection is therefore either an implicit issue or partners consider that these two areas (labour standards and social protection) are naturally closely connected. This can also be concluded if one reads the [UN SDG no. 1.3](#). In EU-China cooperation on the social pillar, most projects and programmes have been on aspects of social protection.

China has apparently not been interested in joint work on labour standards, with one exception: occupational safety and workers' health (OSH), where a targeted project on OSH in coalmining and chemicals has been successfully implemented. More far-fetched but not implausible is the possibility that the EU – initially or until recently – has become more concerned about the risks of a non-level playing field in labour relations and the perhaps artificially low total labour costs per unit of Chinese exports. In this case, jointly addressing the social dimension of bilateral trade and investment relations would serve to uphold EU values *and* help to pre-empt distorted bilateral economic relations.

Four core ILO conventions had not been ratified by China by 2020 and it has consistently remained uninterested in EU-China cooperation on these four conventions and their implications. This was until the draft CAI treaty which states a commitment from China to ratify the two conventions on forced labour (finally done in April 2022). China has meanwhile developed some legislation to gradually develop, with some painful imperfections, a system of social protection which we have surveyed.

Nevertheless, China's refusal to budge on the rights of association and collective bargaining, both closely connected with the monopoly of the All-China Federation of Trade Unions (ACFTU) and the CCP's political monopoly, alongside its hesitation over the two forced labour conventions has remained a sore point for EU-China cooperation.

However, with these two forced labour conventions finally ratified in April 2022, a significant improvement in the social pillar has been accomplished. But one should expect that quite some time will lapse before these two conventions are *implemented* by adjusting penal laws.

In social protection, China has improved the predicament of its workers (and indeed all citizens), not merely via high economic growth but also by means of a broad system of social protection, with universal coverage where appropriate. China has steadily built on the social protection system and, as of 2014, has accomplished a 'national' system by finally combining various forms of social security for both rural and urban citizens.

Nonetheless, as so often in China, there remain two realities. By sticking to the system of *hukou* registration and by maintaining a highly fragmented public administration at local and regional level, the practical problems of transferring entitlements between provinces are huge. Consequently, the system doesn't work in many ways for migrants. Numerous outbound migrants have remained informal workers (some 65%), although the system of social protection is built strictly on contracted workers. The upshot is that those workers most in need of social protection only obtain a bare minimum of support.

We survey EU-China cooperation on labour standards and social protection which effectively began in 2005. A series of major projects and programmes have been undertaken jointly: on social security (partly inside Chinese ministries), on safety and health in high risk sectors (especially mining and chemicals), on social protection reforms and 15 years of high-level dialogues.

The EU has also strongly encouraged China to work more with the ILO, which it has done bilaterally (for example a four year programme on [Decent Work](#)), and also trilaterally with the EU as the third partner, for example on improving China's institutional capacity towards [universal social protection](#) (2019-22).

We include two detailed analyses of projects undertaken with the EU. One is on OSH in coalmining and chemicals. It shows the EU project's added value (particularly over technical standards but also on bottom-up worker participation when improving OSH in mines and chemical plants). In the meantime, China has enormously reduced coalmining fatalities.

The second project focused on social protection reforms where a detailed *ex-post* evaluation is provided to illustrate actual and potential added value. That further reforms are badly needed follows on from an assessment of the main tenets of social protection in China today. The picture once again has two sides.

It is undeniable that China has done much to improve social protection, both through stricter and more ambitious laws for companies (and workers where relevant) and by spending more from the general budget. At the same time, we show that there are still considerable discrepancies between the overall intentions and the basic social facts on the ground. In terms of redistribution affected by social security – a desirable policy given high inequality levels in

China – it is striking that this is small or very small with the exception of pensions in urban areas. In rural areas, the redistributive effects of social protection are minimal, even though there they would seem to be more desirable.

China's 'war on poverty' formally ended in 2020 but there are serious concerns about lingering poverty, both in terms of disposable incomes being very low and the size of the various social groups that are suffering. Again, we see two realities. The analysis is complemented by a review of the 2018 Human Development Index as poverty traps comprise more than mere disposable income.

China has greatly improved its performance in the HDI but the education pillar remains relatively weak. Recent academic work has shown that many rural areas suffer from an educational gap with urban areas. Simulations show that over the next two decades, China's secular economic growth rate could fall to around 3 % (due to low human capital).

Finally, we briefly explore whether a level-playing field between the EU and China matters as far as social protection and labour standards are concerned. We conclude that the EU pursued a combination of actively promoting sustainable development in China in both pillars, with an emerging level-playing-field approach. This approach has thus far been capable of constraining internal EU forces calling for either protectionist responses, (interventionist) domestic countermeasures or both, whilst maintaining its values approach.

This enables us to turn to the third research question over whether EU trade policy and cooperation on sustainable development *vis-à-vis* China has systematically pursued the NPTOs of labour standards and social protection since 2000 and whether this pursuit has been effective in supporting a process of convergence.

There is no doubt that the EU has been ready to cooperate with China ever since the conclusion of the 2003 Strategic and Comprehensive Partnership. And right from the start (following early meetings of the Social and Employment Dialogue with China), these were joint projects with a strong degree of 'ownership' on both sides. However, apart from the interesting and seemingly effective OSH project for the high-risk coalmining and chemicals sectors, projects mostly covered technical, administrative, financial/actuarial and conceptual questions of social protection. There is no evidence of any project activities directly related to internationally recognised labour standards, in particular about non-ratified core ILO conventions.

It is really the draft CAI treaty which prompted a decisive change – a commitment by China to strive towards ratification of the two conventions on forced labour. Fear that 'striving for ratification' meant a lack of credibility turned out to be incorrect as China was actually quick to ratify.

The short answer to the third research question is that the EU has earnestly pursued cooperation in social protection but this was deemed unacceptable by China for a long time as far as non-ratified ILO core conventions were concerned, a position which only changed during the CAI process.

The future prospects of 'green' and 'social' EU-China cooperation

We end with a brief reflection on the future prospects of EU-China 'green' and 'social' cooperation. In particular, we query whether the past pattern of EU-China cooperation is still a good guide to anticipate and understand what may occur in the near future.

EU-China cooperation in sustainable development, both 'green' and 'social', has assumed a very wide scope and has grown in intensity for more than two decades. It was solely based on functional practicalities for both partners, underpinned by a Comprehensive and Strategic Partnership. The EU and China were 'equal' partners with joint organisation and common funding.

On the whole, this cooperation has been useful, often targeted to specific agreed objectives with concrete progress in a broad range of policies. However, the China of 2004 (just after having concluded the Strategic and Comprehensive Partnership with the EU) has transformed into a much more assertive partner and seems more inclined to signal power-political approaches. China's refusal to respect human rights in Tibet and Xinjiang, its squeezing of democracy in Hong Kong and its rejection of criticism renders it more difficult for the EU to retain functional cooperation under the Strategic Partnership. After two decades or more of intense cooperation, the question arises over whether China and the EU can be expected to continue with 'more of the same'.

There are good reasons to expect that this will not be the case. In a 2021 U-turn led by the European Parliament, the CAI's ratification was suspended due to concerns over human rights violations in Xinjiang, which has disrupted EU-China cooperation.

This U-turn is a break with the past. What had long remained disconnected (EU trade policy and foreign policy advocating 'values') has now been re-coupled. Cooperation in sustainable development is also likely to suffer a setback. Therefore, one might expect 'some of the same' but probably not 'more of the same'.

Nonetheless, on both sides there is a clear willingness to retain the functional approach to cooperation as much as possible. The suggestion that the frictions referred to above have killed all bilateral cooperation would be entirely false and without any basis – 'green' and 'social' cooperation have continued with many activities still ongoing.

Yet there is no denying that such frictions risk mutual trust, the informal machinery developed over decades and the predictability of stimulating new initiatives. Apart from lowering expectations to 'some of the same', there are a number of lingering queries which do matter for this brief assessment.

The most important is that in the 'green' and 'social' cooperation between China and the EU there was a loose link with EU trade policy. Much of the cooperation was a 'stand-alone exercise', not directly affecting ongoing negotiations about 'trade irritants' or other aspects of market access or trade defence issues. The link was more seen as indirect and long-term.

As noted, that began to change in 2015-16, when new forms of cooperation were initiated to resolve certain trade policy questions (from fisheries to the newly initiated [High Level Environmental and Climate Dialogue](#)). This trend is likely to continue.

Of course the nature of *such* sustainable development cooperation is more an extension of trade policy and touches upon vested interests. In short, it will become harder to be successful. There are also other challenges that need to be addressed, such as developing or testing new green tech or defining common technical standards.

Furthermore, one may identify important questions intimately connected to carbon footprints and the considerations behind the [Carbon Border Adjustment Mechanism \(CBAM\)](#). China rejecting a CBAM-type measure that does not solve these underlying problems. Much of the embedded carbon is directly a function of trade, not just bilaterally but also with third countries. If the CBAM would not be feasible, trade-related cooperation in these areas between China and the EU is badly needed to effectively address these aspects in earnest.

But it seems unlikely that such vital cooperation will remain 'under the radar', as was the case in years past.