



BULLETIN

No. 26 (26) • May 13, 2009 • © PISM

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Prospects for Poland's Relations with the People's Republic of China in the Context of Poland's Membership in the European Union

by Artur Gradziuk

China's rising global importance has led all major countries to pursue an active policy towards China, and the European Union has also worked out many mechanisms for cooperation with this country. From the Chinese point of view, Poland is the largest state of the so-called "new" Europe and its membership in the European Union creates new opportunities in the both countries' relations. Given China's economic and political importance, it should be viewed as the EU's second most important non-European partner after the USA. Good and lively relations with the PRC will strengthen Poland's position within the EU and in the world.

Background. China's growing role in the world economy and in resolving global problems has made it one of the most important players on the international stage, especially in the last decade.

China's membership in the World Trade Organization (WTO) has allowed it to become more integrated with the world economy. Most countries, including Poland, have felt the effects of this membership. The shifting of production and jobs to China has forced them to adapt to market changes consisting, among other things, in the closure of inefficient enterprises in sectors unable to compete with China and in a search for competitive advantages in the market's higher segments. The dynamic growth of China's exports of manufactured goods and its imports of resources has affected world prices and contributed, on the one hand, to a fall in the price of many consumer goods that is beneficial for customers and, on the other, to an increase in the price of mineral and energy resources—a trend that has led to increased rivalry for access to their sources. In addition, for several years Chinese enterprises have been investing abroad with increased intensity and have also become a potential investor or contractor in infrastructure projects in Poland.

A manifestation of China's changing global position is its growing importance in the foreign policy of the largest European countries, of the European Union and also of the United States. This is not only the result of the fact that the PRC is a permanent member of the UN Security Council, but also of that country's growing influence in various regions of the world. While the interests and position of the Chinese government on many issues are different from those of USA or the European Union, there are many global challenges whose addressing would be difficult without China's involvement. For this reason, Western countries have for a long time been conducting a policy of dialogue and consultations aimed at involving the PRC constructively in the pursuit of specific aims, such as non-proliferation of weapons of mass destruction or the reduction of greenhouse gas emissions—a method that was recognized as a more effective one than confrontation. All countries that hold—or aspire to hold—a significant position in international relations try to conduct an active policy with regard to China. Particularly in this case, good political relations have impact on the pursuit of economic interests.

The European Context. The EU has worked out multi-dimensional mechanisms of cooperation with China. In 2003, a decision was made to give mutual relations the rank of strategic partnership, even though problems with filling this partnership with substance remain. Even though the yearly EU–China summits and the 24 sector dialogues and agreements indicate the strategic character of those relations, voices are being raised that this partnership does not reflect too many common “strategic”

aims or produce many "strategic" results. In questions of international security, both parties' key partner is the USA, without which neither the EU nor China can resolve global and regional problems. Nonetheless, both sides view dialogue on the subject of the most pressing global challenges as an important element of the process of working out effective methods for their resolution. Most certainly, the most important area of bilateral relations is economic cooperation. The growing economic interdependence and the challenges and opportunities that it entails have become the most important element of the EU's policy toward China.

Existing EU–China cooperation mechanisms are complementary to the bilateral relations pursued with China by individual EU member states. The most active in this respect are Germany, United Kingdom and France, which China sees as its most important European partners. Poland is viewed by China positively, as the "new" Europe's largest country, with whom it is worthwhile to develop relations. The potential for the growth of Polish-Chinese relations is very significant, also within the framework of existing EU–China cooperation mechanisms.

Challenges for Poland. Poland's membership in the European Union has created a new platform for the development of Polish-Chinese relations. A joint declaration defining the framework for mutual contacts was signed in June 2004, during Chairman Hu Jintao's visit to Poland. The principal aim of Poland's political relations with China should be maintenance of a regular and balanced high-level dialogue. Such dialogue allows for the development of specific areas of cooperation, the promotion of Polish interests and the improvement of Poland's image, constituting an important element of Poland's Chinese policy. Insofar, as contacts furthering the realization of the above goals are increasingly frequent at the ministerial level, visits between both countries' leaders are still too few in comparison with the largest EU countries. In case of relations with China such visits have an important symbolic meaning and reiterate the significance of bilateral relations.

Frequent meetings of Chinese leaders with French presidents and German chancellors have an enormous impact on the economic interests of these countries. As a rule, meetings of business people and the signing of agreements for the specific projects accompany such high-level visits. In the case of Poland, economic cooperation with China is, and should continue to be, a priority issue. China is Poland's second non-EU trading partner, after Russia, but mutual economic relations are characterized by an increasing imbalance. Poland's growing trade deficit with China, amounting to nearly €8bn in 2007, is one of Poland's key challenges. It will be difficult to decrease it given Poland's modest export offer in areas where China's import needs are the greatest (technologies and resources). Nonetheless, there are areas where there is a chance for increased Polish exports to China. These include the aircraft industry (agricultural airplanes, for example), mining safety technologies and environmental protection. In addition, there is a potential for partial compensation of the trade deficit by an increase of Chinese investments in Poland, as is the case with Korean or Japanese investments. Pursuit of the target of increased Polish exports to China and the influx of Chinese investment to Poland requires greater efforts on behalf of Poland's economic promotion, which should be a fundamental aim of Poland's economic relations with the PRC.

There are at least two areas in which Poland could have a more constructive role in relations with China than other EU countries. The first of these is supporting reforms aimed at the development of civic society. Poland's experience of socio-economic and democratic transformations could help incline China toward seeking new directions leading to change that the EU would consider desirable. A particularly difficult issue is respect for human rights, about which Poland should talk to China in a balanced manner, as do other EU countries, with a realistic assessment of its ability to influence the situation and in a way that seeks to avoid allegations of infringement on China's sovereignty and territorial integrity. The second area of cooperation is climate change. In this respect, Poland and China have similar problems, consisting in a far-reaching dependence on coal as the most important source of energy. Dialogue and coordination of efforts to reduce CO₂ emission can lead to a search for solutions that would be beneficial to both sides. Equally important is active participation in the EU–China cooperation mechanisms, so that Poland would become an important element of the strategic partnership. This is particularly desirable in light of Poland's approaching presidency of the European Union Council, when Poland will be responsible for the EU's external relations. Good relations with China will strengthen Poland's position in the European Union and will positively affect the perception of its position in the world.