

WEDNESDAY 6 MAY 2009

Present

Crickhowell, L.
Hamilton of Epsom, L.
Jay of Ewelme, L.
Teverson, L. (Chairman)

Witness: **Mr Robert Cooper**, Director General for External and Politico-Military Affairs, European Council, examined.

Q389 Chairman: Thank you very much for your time. I have never sat across from anybody with the words “Politico-Military” in their job title before. It sounds dangerous!

Mr Cooper: It is only the beginning of the job title. The job title was negotiated by a committee and has got another line to it.

Q390 Chairman: Perhaps I can go through the way this works, a bit like a health warning or whatever. As you know, the meeting will be recorded and transcribed. We will send you a copy of that and if there is anything you feel is not right then you will have an opportunity to change that. If there is anything during the session where you would rather go off the record and give more detail then that is fine, as long as you tell us when you are back on the record again. The trouble with being off the record is we cannot use it as evidence, although sometimes it is obviously useful background to us. As you know, this is part of an inquiry on EU-China and we hope that will be published in the autumn, so we have some other witnesses to see yet.

Mr Cooper: I take it that you are seeing other people in Brussels as well?

Q391 Chairman: Yes. We have seen people in the Commission on external affairs and the development side. After this we are seeing Commissioner Ashton and a number of people

tomorrow. I think you have seen copies of the sorts of questions we intend to ask and there will be supplementaries to those. Is there any short statement you would like to make beforehand or go straight into questions?

Mr Cooper: I think I had better wait for the questions.

Q392 Chairman: Starting off on a broader point, it is really asking what you see as the opportunities and challenges of cooperation with China on foreign and security policy and the idea of a “responsible international stakeholder”. What is the evidence to suggest it is moving in that direction and what are the implications for the European Union?

Mr Cooper: I will answer the second part first because, in a way, it is easier. The general behaviour of China as an international actor historically has been striking for its responsibility. If you look at the history of rising powers, Britain in the, I do not know, 16th, 17th century, the Netherlands, France later on, Germany at the beginning of the 20th century, Japan, the USA as well at different times, on the whole they have been aggressive and difficult and the Chinese seem to have made a studied attempt to reassure. What they will do when they have become larger and stronger we do not know, but by the standards of history they are a remarkably responsible power. It may be part of the reason for that is that they find themselves in the advantageous position of being a permanent member of the Security Council, so whereas others have had to kind of fight their way into the international community, they are already at the top table. We have also been intelligent in our dealing with China in that being a member of the WTO has been of a lot of advantage to China and they have discovered that the multilateral system can work rather well for them. What is striking in general is the efforts the Chinese have made particularly to reassure their neighbours in Asia. I do not think they have succeeded completely but it is remarkable that they try at all, as I say, compared with behaviour of what people normally do when they think that they are returning to the international stage in a big way. As a matter of fact, I believe,

and there are others who know this better than me, the Politburo had a two-day session with historians lecturing them on the rise of great powers and this was such a success that they then made this into a TV series on Chinese television. Of course, it was all about China and they are very interested in that.

Q393 Chairman: The opportunities and challenges of cooperation with China on foreign policy?

Mr Cooper: This is a long-term story, the Chinese are still rather cautious. Cooperating with them is quite hard work. The Chinese are very focused on what are China's interests. They begin through the Security Council - this is my impression - sometimes to see things in a wider perspective but they do what countries have always done, which is to focus first of all on what matters to China. Speaking as a European, but I could also do the same as a British citizen, over time I think we have developed a wider view of what our interests are. The Chinese view of their interests tends to be more narrow, but it shows signs of developing. Development is rather rapid in China, things change rather quickly. The debates in China go on very quickly. Again, by historical standards their attitudes to foreign affairs have changed quite a lot. On the whole, speaking from the European point of view, the relationship in the pure foreign policy area is not a problematic one. I do not think people in Europe on the whole see China as threatening in any way. Sometimes the Pentagon studies list China as a possible threat, but on the whole I do not think European governments would think in those terms. The trade field is an area where there is scope for tension, but that depends a little bit on your attitude to trade. If you are a free trader then you would see China as producing more opportunities than threats.

Chairman: Thank you very much for that.

Q394 Lord Hamilton of Epsom: You said that cooperation with China is quite hard work. Does that extend to non-proliferation? Have the Chinese been any good with the business of leaning on Iran and their nuclear programme? Can the EU and China work together to address proliferation problems with North Korea and Pakistan?

Mr Cooper: The place probably where the Chinese have been most active is North Korea. They have been one of the key actors in what progress there has been on North Korea. As you know, the progress on North Korea is a matter of one step forward, two steps back, sometimes that way round, sometimes the other way round. There is no doubt that the Chinese are the key to it and Chinese cooperation is central to that.

Q395 Lord Hamilton of Epsom: Because that is on their doorstep?

Mr Cooper: Yes, that is on their doorstep. From the point of view of proliferation that is both positive and negative. It is positive in the sense that they really matter to North Korea but it is negative in the sense that they worry a great deal about North Korea. The last thing they want is to have the North Korean Government break down and floods of North Koreans come across their border, so they are very cautious in their dealings with it. Nevertheless, they, more than anyone else, are the people who can put pressure on North Korea but are generally not willing to put pressure on them in a way that would destabilise them. On Iran, the Chinese are sensible members of the Three Plus Three group that deals with Iran. They are not enthusiastic for sanctions. They have large commercial interests in Iran and their trade with Iran has indeed been growing. They are also an oil importer from the Middle East. I tell the Chinese that I think our interests are really very similar here. We have a very similar interest in the need for stability in the Middle East that is not compatible with Iranian nuclear weapons. I believe they have exactly the same interests as ours and I hope very much when push comes to shove they will understand their interests in the same way.

Q396 Lord Hamilton of Epsom: Push comes to shove, what stage is that?

Mr Cooper: That is the stage which I hope we do not reach. That is the stage when the attempt to reach a negotiated solution with Iran fails.

Q397 Chairman: Does the EU Three Plus Three, which I suppose is the most obvious way of a close security relationship with China, provide a good model for the future or has it seemed to work well within limited expectations? What is the view?

Mr Cooper: I think we will see is the answer to that. If it solves the problem then ---

Q398 Chairman: That is obvious, yes.

Mr Cooper: Yes it would be a good model, but let us have it work first.

Q399 Chairman: Clearly that is the right conclusion but I do not know whether they have pre-meetings before meetings. I was just trying to get under the skin of the attitude in terms of preparation or the work in progress of EU Three Plus Three. That is what I am really trying to get at.

Mr Cooper: We see each other quite regularly. I know the Chinese colleague who operates on this group very well. Probably the Chinese and the Russians feel closer to each other than to the Europeans. This is a group which works pretty well on the whole. Actually, as I said, our perspective on the Middle East and the Chinese perspective logically ought to be very similar. We are both energy importing countries dependent on stability in the Middle East. That is a little bit different from the Russians, for example, and it is also a bit different from the USA which has got its own particular policies and stakes in the Middle East.

Q400 Lord Jay of Ewelme: Just extending that, I think you said on the whole China's foreign policy was not seen as problematic by EU Member States. I wonder if you would include Africa in that. We had rather a good session with Louis Michel's Cabinet just now

which talked about the developmental side of that. I am not talking so much about differences in developmental policy but the risk of Chinese pursuit of economic self-interest in, say, Sudan, Zimbabwe, conflicting with what would be generally seen as Western attempts to push good governance and perhaps even conflict prevention. Do you see conflict there potentially?

Mr Cooper: Conflict would be too strong a word. That comes a little bit into what I meant when I said that it probably takes time. This part of China's relationship with Africa has developed very rapidly as their economy has developed very rapidly. I am not sure they have had an enormous amount of experience of working in Africa on the different projects that they have. I suspect that after a while they may encounter problems which are similar to ours. It is true that we approach Africa in a rather altruistic spirit, but some of our countries have a history of quite dramatic exploitation in Africa so I think we ought to be a bit cautious about being over-critical of China because there are one or two replies that they could very easily make to that. However, it would make much better sense for us to work together when we can.

Q401 Lord Jay of Ewelme: Is it an area where you think there is scope for a sensible EU-China dialogue?

Mr Cooper: Yes.

Q402 Lord Jay of Ewelme: A return to a scramble for Africa based on resources is not really a sensible way.

Mr Cooper: No. There is scope in all of these areas first for dialogue but in the end for cooperation. It would be very good for China to see itself as having a stake in the orderly development of Africa and African resources and it would be very good for China to understand they would be better served probably by well-regulated markets in raw materials

rather than feeling that they have to own things themselves. If we can increase their confidence that the international system works for them, as I think they have understood in the WTO, that would be the best solution to the problem.

Q403 Lord Jay of Ewelme: I was going to come on to that. I was struck by what you said about the WTO. Do you think there are other international fora, for example in the no-proliferation or disarmament field, where the Chinese do now believe that sort of cooperation would be in their interests, or is there still work to be done there?

Mr Cooper: In the area of proliferation I think the Chinese behaviour today is very different from what it was a few years ago. They are much more cautious about what they export. It is clear also that the Chinese Government listens to what other people are saying, although they do not always respond immediately. For example, in Sudan, although their policy has not been the same as ours, you can see at different stages how they have modified their policy in response to international concern.

Q404 Lord Jay of Ewelme: Just one final question. Is there anything the EU can do to encourage China to sign up to the Arms Trade Treaty on conventional weapons? It is a bit beyond my area of expertise but it is on my piece of paper.

Mr Cooper: It probably goes a bit beyond my area of expertise.

Chairman: It sounded very authoritative, Lord Jay!

Q405 Lord Jay of Ewelme: Thank you very much, my Lord Chairman.

Mr Cooper: I think if we were to do that the Chinese would probably come back to the question of the arms embargo and say, “What, you are asking us to sign a Treaty on Arms Trade when you are refusing to trade with us”.

Q406 Lord Hamilton of Epsom: They certainly have a very robust black market in things like anti-personnel mines. In fact, they have a monopoly on them as everybody else has given them up.

Mr Cooper: Yes.

Q407 Lord Crickhowell: Could you comment on China's role in the Far East generally: counter-terrorism and counter-insurgency, especially Afghanistan and Pakistan, relations with East Asia, and foreign and security relationships with other Asian partners?

Mr Cooper: This is not an area that I am a big expert on. I would have difficulty in putting a date on it. I was involved a bit with China in the late 1990s when I was working on this in the Foreign Office and coming back and now seeing it a little more distantly it seems to me there has been quite a change in the way China deals with other Asian countries in that they are much more ready to discuss security matters. That is far from joining in widespread confidence-building measures, but ten or 15 years ago they simply would not have discussed these questions at all. Now they rather actively work in the groupings that form around ASEAN and ASEAN Plus Three, and there is another group which has formed itself, China, Japan and Korea. These are not groups which deal with hard security, they are not alliances, but they discuss political questions in Asia. They do not provide all the reassurance that China's neighbours would like but they are at least a form of political communication. I think one would also say that the Chinese seem to me in the last couple of years to have made quite striking efforts to improve their relationship with Japan. I am not sure if I can prove this, but I can remember being in Japan just after the visit of Wen Jiabao and he very clearly went out of his way to go beyond the normal protocol things and was trying to present a more human face in Japan. This was at a time when there were still continuing difficulties with Japan over visits to the Yasukuni Shrine and things like that. My impression at the time at any rate, I think it was either at the end of the Koizumi period or just after when relations had been

rather difficult, was that it was the Chinese who were trying to put the relations back on the rails in a political sense. The Japanese have since responded to that because both Abe and Aso have seen the relationship with China as being a priority. That is on a political level. On a military level there has been some small improvement in transparency on the Chinese side but there is quite a long way to go. They now publish figures for their defence budget. I think they described their large display of naval power the other day as part of transparency. I guess that is one way of looking at it. They can probably be encouraged further in that direction.

Q408 Lord Crickhowell: We heard earlier today that there are some signs of their moving a bit on relations with Burma in a helpful way, but when I pressed on whether there were any signs of their taking a real interest in counter-terrorism and so on in Afghanistan and Pakistan I think the answer I received was “no”, yet here you have a country right on their borders which you think they would be rather concerned about.

Mr Cooper: Yes, actually they are. I do not think that is completely accurate. They are concerned about Afghanistan and Pakistan, not least because they have Muslim minorities themselves and they fear infection. As I say, the Chinese point of view still always tends to start in a rather realistic way with what might have a direct impact on China. I believe they are concerned, but I am not sure if they have translated that into policies which exactly resemble ours. I believe they are a considerable donor in Afghanistan.

Q409 Lord Crickhowell: Presumably if the new administration in the United States develops a positive relationship with them this will be an area which the United States will want to talk to them about because it is central to their policy?

Mr Cooper: Yes. They are a neighbour of Afghanistan and probably the country with the most consistent long-term relationship with Pakistan and potentially an important source of

influence in Pakistan. It seems to me that China is important to both of those. On Burma, we have also noticed that the Chinese have moved from the traditional Chinese position of saying they are not interested in the internal affairs of other countries to saying - I cannot remember the exact words - something a little bit different now on Burma. My guess is that they are concerned about the possibility of Burma becoming even more of a failed state than it is at the moment. Perhaps the best way to engage China on a country like Burma is less to focus on the human rights questions and more to focus on the risks that a country which is as disastrously run as Burma has. It can be a place where bird flu can incubate or a place where drugs and other forms of disorder can affect China. That is probably where their concern lies.

Q410 Lord Hamilton of Epsom: Just to return to Pakistan and the growing nervousness that it is a failed state. I think there was an American General saying quite recently it was going to implode in a matter of weeks. Do you think that is likely to happen and, if it did, would China stand back or would it go in in some form?

Mr Cooper: First, I do not think it is likely. Pakistan is a very resilient place. I think the best news in Pakistan is that they are becoming worried themselves and you can see them taking action. Whether that is going to work or not, I do not know. There are large areas of Pakistan which have never been under the control of any government, including the British Government, but if you are in places like Karachi and Lahore then I am always struck by the remarkable vibrancy and solidity of civil society, not in the sense of NGOs but of business and those kinds of people. First, I do not think Pakistan is going to collapse just like that, although there are lots of reasons for concern. Second, I do not think the Chinese think in terms of sending the PLA in to rescue other countries and I am sure that their Asian neighbours would be very distressed if they saw China behaving like that. The Chinese are relatively large contributors now to UN peacekeeping forces and that seems a positive thing. It would be much more sensible to encourage them to operate in those kinds of frameworks.

Once or twice I have asked the Chinese whether they might be interested at some stage in joining the ESDP operation and they are thinking about that. The nearest they have come to that is there is a Chinese ship somewhere off the Somali coast which I believe cooperates with other navies, as navies do, and there is good communication between them and the other naval forces there, including the EU force run from Northwood.

Q411 Lord Crickhowell: You have been giving us, and I love it as a rather second rate historian, your historical perspective of China, but can I ask questions about it from the other end, the approach of the European policy. We have heard elsewhere and seen so often that there is an ability to perhaps play off the approaches of individual Member States in the Community, particularly the larger ones, against perhaps the wider EU one. We did a report on Russia recently where we found that Russia was particularly good at that on energy issues and so on. Is this a problem for the EU in developing the CFSP? Is there a difficulty in the attempt of other countries, and China in this context particularly, to exploit our differences or do you find that is not a problem?

Mr Cooper: Oh no, we provide endless opportunities for people to do that. Of course, there is always a range of views. If you put 27 countries round a table it is not a surprise that they have different interests and points of view. The question is whether there is a sufficient feeling of solidarity and sufficient common interest that can be defined and everybody solves the prisoner's dilemma that you get more out of cooperative behaviour than trying to make private gains as individuals. Sometimes we succeed and sometimes we fail. In China the EU trade policy has worked relatively well. In foreign affairs it is not that we have issues of enormous weight in dealing with China, there are not things that engage Europe as a whole. If you ask what are the things that are top of the European agenda in dealing with China at the moment people would probably say, number one, financial crisis and, number two, climate change. On those, particularly on climate change where policy is rather better defined, there

is a very solid European position. Also, there are very important Chinese interests like their development and there is going to be a very tough multilateral bargain. That is not an absolutely clear answer. I do not find the accusation that China plays us off against each other to be the central feature of relationships with China.

Q412 Chairman: Moving on to broader areas, the arms embargo, one of the things that I have sometimes heard said is that when Europe failed to remove the arms embargo under American pressure then China no longer took the EU seriously following that. Where do you see the issue of the arms embargo going? In terms of transparency of military expenditure and that area, and the cross-strait relations between China and Taiwan, has Europe anything to offer in that area?

Mr Cooper: To come back just a second to the last question, in some ways I think China would probably prefer a stronger EU. The Chinese world view has always been that they would rather not be alone with the United States and would not mind having a stronger European Union, it would be a little bit easier for them to deal with 27 countries and they would not mind having a European Union that was a bit more independent of the USA. I do not think the Chinese see splitting the European Union as being a fundamental policy goal. There are times when you can see Chinese behaviour that looks as though they are deliberately one EU member, but broadly speaking the Chinese, for a country on the other side of the world, think the European Union is a good thing. Now I have forgotten your question.

Q413 Chairman: The arms embargo and the cross-strait question and transparency of military expenditure.

Mr Cooper: We never really got to the US pressure because we never got very close to lifting the arms embargo. It was always clear from the debates within the European Union that there

would not be a consensus for lifting the arms embargo unless there was some improvement in the area of human rights. The arms embargo was imposed at the time of Tiananmen Square and the idea of lifting it while people who had been arrested at Tiananmen Square were still in prison was probably unattractive to a number of Member States. Some have linked this specifically to Chinese ratification of the protocol on civil and political rights, ICCPR. For that reason, removing the arms embargo never really became likely. If it had, at that point I have no doubt there would have been a strong reaction from the United States and Japan as well. Actually, the reaction would have been a mistake because the so-called arms embargo is a single sentence in the conclusions of a meeting just following Tiananmen Square and has no legal status and no clear definition. We have much more focused and effective legislation and the common position has legal force on arms exports generally which covers arms exports to China. Not just arms exports to China, it covers exports of all kinds of sensitive goods to China, things like numerically controlled machine tools which can be used in defence industries. That is much more important than tanks and planes. Supposing China were to ratify the ICCPR then I think the question would come back on the agenda and no doubt there would be US pressure. I can understand why the Chinese think it is inappropriate that they should be placed in the same category as Burma and Zimbabwe.

Q414 Chairman: The transparency on military expenditure and the cross-strait question, have we anything to offer there?

Mr Cooper: Cross-strait relations are one of the things that the Chinese care about very much. There are many points, but it is one of the things in which we have a serious interest too. Although it is far away from us, the disruption of a conflict across the strait would be enormous.

Q415 Chairman: Absolutely. The insurance policy is the American fleet rather than anything to do with Europe, is it not, at the present moment?

Mr Cooper: Yes, although one can never exclude being dragged into things that you think are somebody else's business. The best insurance policy is developing political and commercial people-to-people exchanges which at the moment you would have to say is going rather well. I ought to have checked up on this but I forgot. I know that the cross-strait flights have been liberalised and I think they are now liberalising cross-strait investment rules. I am sure somebody has already given you the numbers of Taiwanese living in China and going to Chinese universities. Now what is going to happen is there is going to be more flow in the other direction as well. All of that seems to us to be the best possible way of ensuring that cross-strait relations remain stable.

Q416 Lord Crickhowell: If you move from the arms embargo to technological cooperation, America has been unhappy about some aspects of that, particularly space technology, where there is probably great potential for Europe for useful cooperation. There are obviously areas, things like clean coal and so on, where we are all going forward. Is there a difficulty with the American approach to technological cooperation on things like space or is this something that you are quite relaxed about?

Mr Cooper: Is China a partner in Galileo? I ought to know. They were at one stage. I am not sure if this is on your agenda. I can check up and let you know. At one stage at any rate I know China was a potential partner in Galileo, but I am not quite sure where that stands at the moment.

Q417 Lord Crickhowell: I think there has been some modest cooperation but, as I understand it, it is an area which has come under some critical scrutiny from the United

States. Some believe that this is an area of great potential for both Europe and China if we could get on with some more cooperation.

Mr Cooper: It is not an area that I am familiar with, as you see from my half-baked answer.

Q418 Lord Hamilton of Epsom: Should we not have more sympathy for the United States?

It was not that long ago that they were getting very near to conflict over Taiwan and, as we know, there is so much technology now which has been developed in the non-military sector which is very easily transferable to the military one. I think the chances of a conflict between the United States and China have receded but are still not completely ruled out and in that case I think I would be rather nervous if I thought I was going to be faced by defence technology that would kill my people.

Mr Cooper: It is precisely for that reason that we have the arms export common position. As I mentioned, there are a number of items which we do not sell to China, which are things like machine tools.

Q419 Lord Hamilton of Epsom: I get the impression you would rather like to reverse all this.

Mr Cooper: No, on the contrary, I think it is reasonable to be cautious. One of the specific provisions in the arms export position refers to items which could adversely affect the position of allies and there was consultation with the US about what we do and do not sell to China in the area of dual-use goods.

Q420 Lord Jay of Ewelme: I want to ask a question about the mechanics of EU leverage, if you like. We talked a little bit about Burma, Sudan and Zimbabwe. I do not want to take a specific case, but let us assume a case in which there is a general view that it would be good to exert a degree of leverage or influence on the Chinese in a particular area where interests

diverged, the question is whether from an EU point of view does that best come from the EU collectively or from the major Member States individually, or a combination of the two? To whom would the Chinese most be likely to listen?

Mr Cooper: If there was a strong united EU position then they would listen to that. I do not think they would have any difficulty in brushing aside one or two EU Member States, even large ones. If it came to leverage, on the whole I do not think people conceive a relationship with China in those terms, but if it came to ---

Q421 Lord Jay of Ewelme: Influence rather.

Mr Cooper: If it came to leverage, that is the point at which the Chinese might start trying to play people off against each other. If one Member State did something on its own then I am sure they would start finding they were being frozen out of some markets. If there was something where we felt very strongly about it, the only way in which we would have influence would be by acting together.

Q422 Lord Jay of Ewelme: Is that true of human rights?

Mr Cooper: I would not want to put human rights in terms of leverage. Do they listen more to the EU than they do to individual Member States? In the EU there is a Human Rights Dialogue and there is certainly one in the UK and Germany that I am aware of and probably others as well. I do not know. They do listen because there have been studies done which demonstrate that the political prisoners whose cases are raised with the Chinese tend to get released a bit earlier than those whose cases are not raised. Perhaps that is not accidental. In general, my impression of the Chinese is although they do not respond immediately they do listen to what is said, they digest it, think about it, look at it from several angles and then you find a couple of years later they have changed what they do. Above all they listen to what the Chinese people are saying, that is what really matters to them. There are real changes that

have taken place in China, like the access to government information. For example, they have handled - it seems to be called swine flu although I understand this is unfair on pigs - swine flu very differently from the way in which they handled SARS because I think they learnt from their own internal experience. What matters to them always is what their own people think, but I think there is also evidence that they listen to what foreigners say.

Q423 Chairman: You started to talk about the view of China in terms of the EU as a single body that is in their interests and I guess this question really explores that further. Does China still see the EU in some way as a counterweight to the United States? Is this consistent with the EU view of multilateralism and world order, I suppose? How do those come together?

Mr Cooper: The first thing is that we certainly do not see ourselves as a counterweight to the USA. Even if we wanted to be, that would not work. If you think in terms of a kind of plural world, a world in which there are not just two great powers, China and the USA, but a world in which there are several large players, that is probably more comfortable for China. I do not find that unreasonable. Maybe there will be times in the future when the EU and China will have a view which is similar and different from that of the USA. In the trade area, for example, we may well have similar interests. I know that the Chinese do take the European Union seriously because there seems to be hardly a book written on the European Union which is not translated into Chinese. They study it very hard and if you go there they display a far more profound knowledge of the European Union than most people in Britain.

Q424 Lord Jay of Ewelme: Including your book, I hope.

Mr Cooper: Yes, my book too. I was thinking of fat books with lots of footnotes.

Q425 Chairman: Thank you very much indeed for your very concise and useful answers. We will let you have a copy of the transcript and please look that through. We very much

appreciate the time that you and your colleagues have given to us. We hope to publish in the autumn. Thank you.

Mr Cooper: Always a pleasure to do business with the House of Lords!

Chairman: Thank you.