

## Doctor of Political Science

### Chinese Mercantilism: the case of the EU-China relations

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#### Abstract

Along with the late 20th century western enthusiasm on the benefits of minimal government intervention, open economies and self-regulating markets, the European Union (EU) asserted that the western embrace of China in the global economy would turn the country into a reliable and liberal partner. Europe's aim to socialize China was mirrored by its support for China's accession to the World Trade Organization (WTO) in 2001 and Helmut Kuhne's 2005 statement on behalf of the European Parliament describing the main task of the EU's China policy as "helping shape China into a fully integrated, responsible and predictable partner within the international community." (Kuhne in Scott, 2007, p. 36; The European Commission, 2006, p. 4).

Today, it is clear that China did not undergo the political, nor the economic, transformation Europe proposed. While having selectively opened up its economy for foreign investments, accelerated its trade relationships with other countries all over the world, and become one of the world's fastest growing economies, the Chinese government has not relinquished its mercantilist model, through which it continuously maintains control over, and steers, a wide range of industries and actors in the Chinese economy with the aim to strengthen its (inter)national competitiveness. The objective of this dissertation is to obtain better understanding about the evolving nature of China's mercantilism. It includes five articles, each clarifying China's mercantilism in a specific domain of its economic relationship with Europe.

Whereas the persistence of state intervention despite global economic integration has been recognized, western and Chinese IPE scholars have too often refrained from analyzing actual governmental economic policy *content*. Moreover, the conventional academic association of mercantilism with inward-looking and protectionist policy measures, and the prominence of the latter in trade policy literature, has obscured the offensive side of economic nationalism, including an abundance of outward-looking policy instruments which a mercantilist government has at its disposal to spur the national economy and increase its international competitiveness.

- Scott, D. (2007). China and the EU: A Strategic Axis for the Twenty-First Century? *International Relations*, 21(1), 23–45.

- The European Commission. (2006). *EU – China: Closer partners, growing responsibilities* (COM 632 final). Retrieved from EUR-lex website: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0631:FIN:EN:PDF>.