## Table of Contents

Preface and acknowledgements........................................................................7
List of Tables....................................................................................................9
List of Graphs.................................................................................................10
List of Abbreviations......................................................................................11

### Introduction..............................................................................................12
1. Hypothesis and research questions............................................................15
2. Analytical tools........................................................................................16
3. Structure of the thesis..............................................................................18
4. Methodology............................................................................................20

## Theoretical part

1 **Linkage Power: theoretical construction**..............................................25
   1.1 Defining power ....................................................................................25
       1.1.1 Power concepts in political science and IR theories.....................25
       1.1.2 Power resources........................................................................29
       1.1.3 Bargaining, leverage and strategy..............................................31
   1.2 Defining linkage..................................................................................32
       1.2.1 Issue linkage..............................................................................33
       1.2.2 Variants of issue linkage............................................................36
   1.3 Defining linkage power.......................................................................43

2 **The EU as a linkage power: building an analytical framework**..........45
   2.1 The power resources of the European Union......................................46
       2.1.1 Political-strategic power resources............................................46
       2.1.2 Economic power resources.......................................................48
       2.1.3 Institutional power resources...................................................51
   2.2 The linkage strategies of the European Union.....................................57
       2.2.1 Linking political and economic issues (political-economic issue linkage)..........................57
       2.2.2 Linking two separate economic issues (economic-economic issue linkage)..................58
       2.2.3 Conditionality...........................................................................58
       2.2.4 Introducing a new policy option into domestic bargain (Synergistic linkage)..............61
2.2.5 Putting a sectoral issue in an overall perspective (Contextual Linkage)…62
2.2.6 Allying and competing with a third party (Party linkage)………………62
2.2.7 Linking issues into packages in deference to some cognitive consensus (Cognitive Linkage)………………………………………………………………………………63

2.3 Evaluating the effectiveness of the EU’s linkage strategies………………65
2.4 Characterizing the EU – a sui generis linkage power?………………67
  2.4.1 Whether the EU can be treated as a unitary actor?………………………68
  2.4.2 What are the implications of the EU’s non-military character upon its linkage power?………………………………………………………………………………70
  2.4.3 Whether the EU’s power resources are fungible so as to enable the EU to exercise power across issue-areas? …………………………………………………………72
  2.4.4 What are the implications of the EU’s evolving institutions on the EU as a linkage power? ………………………………………………………………………………73

Empirical part

3 The EU’s Trade Relations with China (1975-2004)……………………………74
  3.1 The EC as a rising power (1975-1988)……………………………………75
    3.1.1 The EC’s power resources………………………………………………75
    3.1.2 The establishment of EEC-China diplomatic relations – “let politics serve economics”………………………………………………………………………86
    3.1.3 Negotiating the 1978 EEC-China Trade Agreement…………………89
    3.1.4 Negotiating the 1979 EEC-China textiles agreement…………………91
  3.2 The EC as an offensive power (1989-1992)…………………………………96
    3.2.1 The EC’s evolving power resources………………………………………97
    3.2.2 The EC’s offensive following Tiananmen Square Incident: linking economics with human rights…………………………………………………………………98
    3.2.3 De-linkage – “take politics out of economics”………………………….101
  3.3 The EU as a power through partnership (1993-2004)…………………..109
    3.3.1 The EU’s new China policy and the establishment of the EU-China constructive partnership (1993-2000)………………………………………109
    3.3.2 Building a comprehensive strategic partnership (2001-2004)…………115
    3.3.3 The EU-China space cooperation – the case of Galileo (2003)………120
    3.3.4 The EU’s new power resources in trade since 1993…………………..122
    3.3.5 The EU’s overall linkage strategy in trade (1993-2004)………………129
    3.3.6 Negotiating China’s WTO Accession (1993-2001)…………………..132
    3.3.7 The EU-China Coke Dispute (2004)……………………………………142
  3.4 Chapter conclusion……………………………………………………………146

4 The EU-China Textile Dispute (2005) ………………………………………..154
4.1 The EU’s power resources…………………………………………………………154
4.2 Pre-liberalization phase of EU-China textiles trade …………………158
4.3 First phase of the Textile Dispute (January – June 2005)………………160
  4.3.1 The actions and reactions of different stakeholders – the EU-level interests, the Member States and the European Commission……………………………………160
  4.3.2 The EU’s linkage strategy in the first phase of the Textile Dispute……167
    4.3.2.1 The cognitive linkage – “for the sake of development”………………168
    4.3.2.2 The economic-economic issue linkage – “Taking a high moral ground, and exchange market for market” ............................................................171
    4.3.2.3 The contextual linkage – “Put the textile issue in context”………..173
    4.3.2.4 The linkage with the U.S. – “We need to offer a better deal than Americans”………………………………………………………………………………175
    4.3.2.5 The linkage among Member States – “United, we stand”………..177
4.4 The second phase of the Textile Dispute (July-September 2005)……180
  4.4.1 Outbreak of “Bra War” – the second phase of the Textile Dispute……181
  4.4.2 The EU’s linkage strategy in the second phase of the Textile Dispute……187
    4.4.2.1 Contextual linkage – politics at the 8th EU-China Summit………188
    4.4.2.2 Synergistic linkage - Commissioner Mandelson introducing external pressure into domestic bargaining …………………………………………………191
    4.4.2.3 Synergistic linkage – a deal between the Commission and South European Member States?……………………………………………………193
4.5 Chapter conclusion…………………………………………………………………195

5 The EU’s Offensive for Market Access in China (2006-2008)…………200
  5.1 The EC/EU-China trade deficit issue …………………………………………202
    5.1.1 The EU-China Trade Deficit Issue (before 2006)……………………203
    5.1.2 Commissioner Mandelson (2006) – “dialogue first”…………………207
    5.1.3 Commissioner Mandelson (2007-08) - “business as usual”………..209
  5.2 The EU’s eroded power resources…………………………………………213
  5.3 The EU’s linkage strategies…………………………………………………220
    5.3.1 The EU-China grand bargain for reciprocal market opening (2006-08)………………………………………………………………………………221
    5.3.2 The Commission’s linkage strategy – less anti-dumping, more market access……………………………………………………………………….228
    5.3.3 Linkage with the US – competing with the U.S. for the equal treatment.231
    5.3.4 Synergistic linkage – A free-trade-oriented Commission vs. protectionist South European Member States………………………………………233
    5.3.5 Issue linkage – politics before launching the EU-China High Level Economic and Trade Dialogue ………………………………………………235
4.5 Chapter conclusion………………………………………………………………239
Conclusion

1. Conclusions about the EU as a linkage power vis-à-vis China

1.1 Linkage is applied as a crucial modus operandi in the EU’s internal bargain and its external relations with China.

1.2 The EU’s linkages towards China have been generally effective, but with inconsistencies.

1.3 The EU is a sui generis linkage power.

1.3.1 The EU’s increased competences and the intensified EU-China bilateral institutionalization facilitated linkages.

1.3.2 The EU’s competence division and the heterogeneity of interests among the Member States and the Commission had mixed implications on the effectiveness of the EU’s linkage.

1.3.3 Characterizing the EU’s power fungibility.

1.3.4 The EU is a power relying on strategic power resources.

2. Theoretical contributions

3. Future directions for the study of the EU as a linkage power

3.1 Comparative studies: the EU’s linkage power vis-à-vis the U.S., Russia and middle powers, or other powers’ linkage strategies vis-à-vis China.

3.2 The EU’s trade relations with China in 2009 and beyond.

Annex: Timetable for the 2nd phase of EU-China Textile Dispute

Bibliography