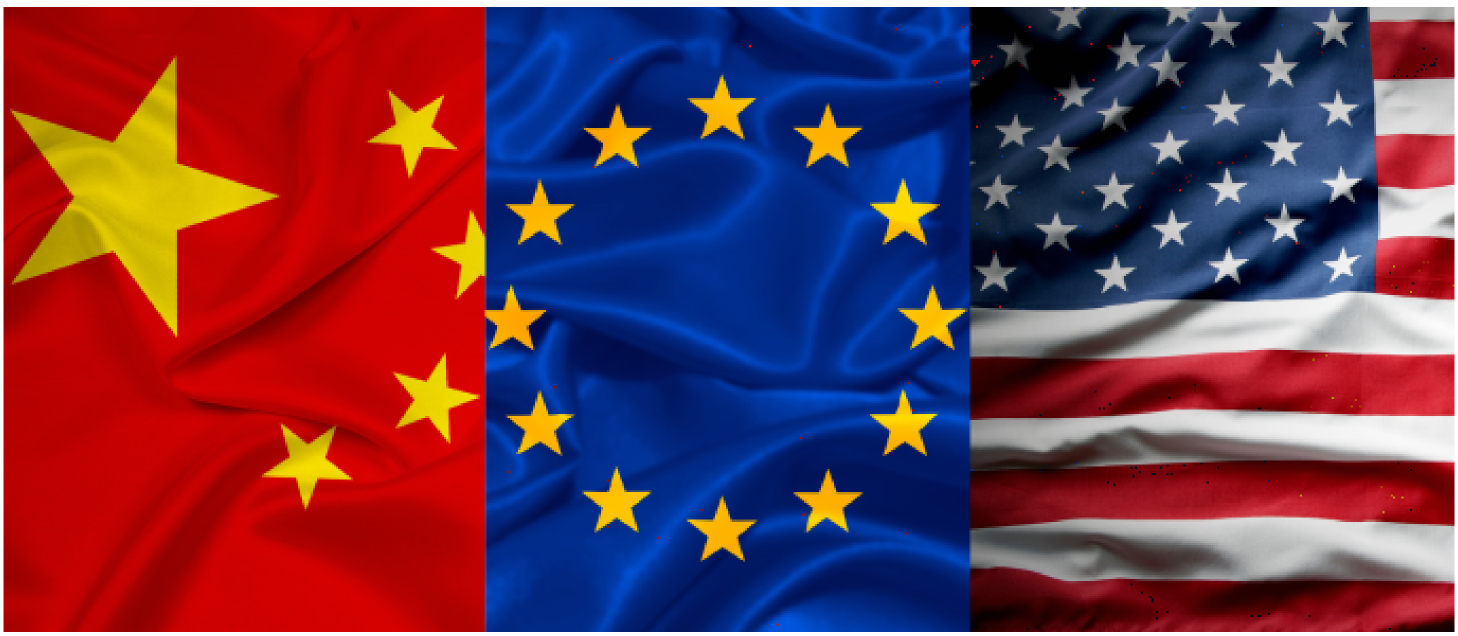
BLOG POST September 4th 2025

Europe being trapped between China and the US: betting on stability anyhow?

Auteur

Sébastien Treyer
Executive Director

Reading time: 8 min



The European Union is the essential platform that gives its Member States a chance to exert influence on the world stage. However, the EU appeared to be a weak player at two recent summits with the two superpowers: one resulted in a joint statement with the United States to ease the trade war, while the other with China reaffirmed minimum support to multilateralism and cooperation on climate change—better than nothing ahead of COP30. These results are worrying, or disappointing, both for the future of Europe and for sustainable development. How should we interpret the deeper causes of these two failures and the consequences for Europe from a strategic point of view? If the EU accepts that it is now just another medium-sized power, what options does it have left?

Giving up the power to set standards?

The size of its internal market gives the EU potential soft power through the standards it sets, which would then be imposed on all global value chains. However, it seems at risk of having to relinquish this power in the near future, under dual pressure from a US president who wants to destroy this sovereign capacity, particularly in the digital sector, and from some European economic circles who are using the issue of simplification to challenge the very principle of regulation. Such a renunciation would be catastrophic both for the environment, as Europe's normative power in this area has played a global leading role since the United States surrendered this position after the 1970s, and for the European economy, which would lose its only chance for differentiation. It would be all the more inconsistent given that part of the process has already been completed: companies have invested and innovated and are on track to meet the targets set, particularly on decarbonization; and major economic powers, such as Brazil and China, have begun to make very concrete preparations for the interoperability of their own standards with those of the EU in the area of green finance. Finally, it would be a disaster for democracy and citizens' trust in their institutions.

US tariffs : a recurring weapon

The current US strategy aims to repeatedly use the threat of tariffs to obtain successive concessions based purely on a power struggle. In the faced of this weapon, giving in seems to bring no benefit, as each concession leads to the next, even more damaging than the preceeding one. Europe's renunciation cannot be explained by a lack of political determination, but rather reveals the strategic dilemma of the current situation, where, apart from trade negotiations that could be less asymmetrical, the EU has a major need for US support in terms of military security, at least in the short and medium term. But giving in on trade in the hope of receiving stable security guarantees in return seems an extremely uncertain gamble, given the volatility of US strategy.

The need for stability

In the face of this this US strategy, the President of the European Commission approached the summit with her Chinese counterpart from the perspective of ensuring predictability and reliability. This was well suited to Europe's strengths and needs: the EU is a slow but predictable institution, and it needs stability given its position as an exporter and importer, as well as its strategic dependence on resources and even technologies. It is also a realistic gamble: in the medium term, realism favors peace and cooperation rather than conflict and power struggles, in order to ensure the economic stability needed by China, which must be able to export its industrial overcapacity, but also by American players whose value chains cannot afford permanent instability with either their suppliers or their markets.

For both China and Europe, this prospect of stability and peace depends on bilateral and multilateral cooperation, which they reaffirmed in their joint statement. However, as China is in a dominant position, stability and peace are compatible with fierce competition and a redefinition of the terms of cooperation and standards, and even possibly values. As the US administration is spelling out the cuts it intends to make to international organizations, targeting UNESCO, the UN, and even the OECD—despite the latter being a key element of US influence through standards—the Shanghai Cooperation Organization summit in Tianjin on 31 August and 1 September brought together 20 world leaders around the Chinese president, who reiterated their support for the multilateral system, even if it needs to evolve, as well as for international law. While asserting its opposition to the United States' strategy of confrontation, China is also demonstrating the extent of its military power and its ability to build strategic alliances that are as powerful, or even more powerful than those of Western countries. In addition to this paradox, the Shanghai Cooperation Organization also illustrates China's desire to define new terms of cooperation within new institutions. Cooperation, peace, and stability are essential for economic prosperity and sustainable development, which China emphasizes it aspires to, but a *Pax Sinica*—according to China's terms.

In a conflictual geopolitical context, Europe should seek to influence the new terms of this future stability, relying on its own normative power and the size of its market. Accused of having unilaterally issued its environmental standards (on imported deforestation, on the carbon border adjustment mechanism), this normative power can nevertheless be preserved by changing methods and giving more space upstream to preparation with partner countries, rather than approaching the rest of the world with an instrument that has been hard-negotiated between the 27 Member States and on which virtually nothing can be changed. This change of method is not a renunciation of sovereignty; abdicating in the face of American pressure would be.

A medium-sized power, among others

Countries such as France, which enjoyed colonial imperial power, have been able, in the face of historical developments, to maintain their global influence only through Europe. Today, it is uncertain whether the EU can maintain its status as a global power, given that its strengths are economic rather than military, despite the assets of certain Member States in this area, but also given their dependencies, their vulnerabilities, and the weakness of the common political stance of the institutional arrangement they constitute. Accepting this does not mean giving up; on the contrary, it is an invitation to engage in more in-depth strategic thinking.

The EU began to realize this as soon as the Green Deal was defined, with a Commission already geared towards geopolitics. The real acceleration came with the COVID-19 crisis and Russia's war in Ukraine, highlighting the continent's strategic weaknesses and dependencies. But this strategic thinking is still in its infancy, complicated by the risks of fragmentation of unity among Member States, which has nevertheless held up rather well in the face of these first crises of the decade.

New sources of concern: sovereignty and alliances

The recent period, however, is much more worrying: internal political dynamics risk obscuring geopolitical reasoning, in the sense of a sovereignty strictly centered on the unrealistic rejection of interdependencies and a rejection of environmental regulations, as opposed to a recognition of the inevitable limits and dependencies of Europe and its Member States, inviting the formation of strategic alliances in this unstable world.

Two factors of concern in particular stand out. The first has to do with the Union's strategic shifts and reversals (on environmental standards and trade negotiations), which appear to have been neither prepared nor embraced by political and economic actors, but are rather reactions to American pressure or political calculations aimed at undermining the achievements of the large pro-European and pro-environmental coalitions that had largely dominated European institutions until recently. These reversals are not rooted in the reality of the investments already made by economic actors and jeopardize the predictability they need.

The second cause for concern is the inability of Member States and European institutions to deliver on the promise of new strategic alliances with other medium-sized powers or emerging countries. For several months now, the need to define a proactive and renewed foreign policy has been acknowledged, transforming the promises and concepts developed around the challenges of new partnerships for trade and investment (CTIP – Clean Trade and Investment Partnerships; SIFA – Sustainable Investment Facilitation Agreement) into real, ambitious proposals for balanced and sustainable partnerships. South Africa and Europe had declared themselves ready not only to deploy a new agile instrument for trade and investment, a CTIP, but also to make it a model for negotiation and partnership, preserving their common values and successfully establishing fairer value chains and restoring financial investment capacities to serve the development and green industrialization trajectories desired by countries. It is urgent to show that these negotiations are taking place, even if not everything needs to be disclosed. India, which has been heavily criticized by the US president, would also be a key player in these new alliances. It ostensibly moved closer to China at the Tianjin summit, supporting the overhaul of the international order. But it has also recently turned to the EU to set up trilateral EU/India cooperation for the development of third countries.

Other agreements currently under discussion, such as those with the United Kingdom and Canada on security, defense, and trade, would also be a very good starting point, provided that the vision of security and defense can include securing supplies, economic and financial stabilization, and regulations for key industries such as digital technology and decarbonization.

Member States, Europe, and its international partners seem paralyzed by American threats and the Chinese power rather than dedicating the necessary energy to defining these new alliances, areas of governance and cooperation in global value chains that would guarantee Europe stability, security of supply, and a certain continuity in its ability to influence the definition of standards, and for the world, a certain ability to maintain its ambition in terms of the environment and social justice.

CLIMATE | NÉGOCIATIONS INTERNATIONALES | CHINA | USA | EUROPE | MULTILATERALISM