

# Germany's Diplomatic Rebalancing and Its Impact on China

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In a stark contrast to the European Union, which is currently engulfed in multiple crises and the most serious challenges since WWII, the international status of Germany continues to rise. Chancellor Angela Merkel is heralded by Western media as “Europe’s last leader standing to speak for what during the past seven decades we have known as the West.”<sup>1</sup> Germany has changed its previous ambiguous and restraint approach with regard to EU leadership, and now takes the initiative across the entire European continent, proclaiming publicly that “Germany will try its best to hold as much ground as possible—in the interests of all of Europe.”<sup>2</sup> Now, Germany finds itself in a difficult position, attempting to keep a precarious balance between reaping the economic rewards of globalization and simultaneously promoting European integration. German foreign policy is undergoing a rebalancing, with policy direction more Europe-focused, which presents both challenges and opportunities for China-Germany relations.

## Rebalancing: “Europeanization” of German Foreign Policy

Germany is supportive of both economic globalization and European integration and tries to maintain balance between the two. On the one

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1 Philip Stephens, “Now Angela Merkel Wears the West’s Mantle,” *Financial Times*, November 17, 2016, <https://www.ft.com/content/e56f76e6-ac0e-11e6-9cb3-bb8207902122>.

2 Frank-Walter Steinmeier, “Germany’s New Global Role - Berlin Steps up,” *Foreign Affairs*, July/August 2016, [https://www.auswaertiges-amt.de/DE/Infoservice/Presse/Interviews/2016/160615\\_BM\\_ForeignAffairs.html](https://www.auswaertiges-amt.de/DE/Infoservice/Presse/Interviews/2016/160615_BM_ForeignAffairs.html).

hand, Germany's industry is strongly competitive and its economy is highly interdependent with the outside world. Thus in comparison with other EU countries, the German industry has the ability and desire to allocate resources in the global market, and bypass restrictions of the European integration framework to earn its deserved share globally. On the other hand, having learned from its inglorious history of the two world wars, Germany has been playing an active role in the European integration process. This not only benefits the German economy considerably, but also epitomizes its national political credibility, which is fundamental to its security interests. However, the rewards brought by economic globalization and those by European integration do not always enjoy a symbiotic relationship, and more often than not the two can become contradictory. Therefore, Germany has to refrain from pursuing trade gains impulsively in the global market, and instead concentrate mostly on maintaining credibility of the EU's common external strategy. German foreign policy goals have always sought an equilibrium between the two, trying to gain advantage on both sides and in so doing maximizing the combined benefits of the two. The political benefits that have resulted from European integration could be defined as the "left end" of a spectrum of German foreign policy, and the commercial interests from economic globalization are deemed the "right end" of the spectrum. The adjustment of German foreign policy could be considered from these two perspectives that are seemingly opposite but in essence highly consistent. Taking a view from the right end, German foreign policy aims to maximize the commercial interests of economic globalization and to explore, to the utmost, the possibility of "circumventing" the European integration framework. Looking at things from the left end, the dilemma becomes: to what extent the sacrifice of economic benefits gained in international markets can be for the sake of maintaining EU unity and promoting European integration?

Therefore, the cardinal principle of German foreign policy is to establish and maintain the equilibrium between the right and left ends. German President Frank-Walter Steinmeier once acknowledged very straightforwardly when he was Foreign Minister that "Above all, we must prevent

a strategic dilemma in which Germany felt forced to decide between its competitiveness in a globalized world and European integration.”<sup>3</sup> The euro crisis that erupted in 2009 has profoundly transformed the balance of power within the European Union, with Germany’s status enjoying a rapid rise both in the EU and in the global arena. The balance of German foreign policy thus naturally needs readjustment, in an attempt to rebalance the two forces of economic globalization and of European integration. However, the equilibrium at present is evidently moving to the left end and German diplomacy is being “Europeanized” at an accelerated pace.<sup>4</sup> At the macro and strategic level, it is responding to the current reality of leadership deficit within the EU.<sup>5</sup> At the micro and operational level, it is also investing more diplomatic resources to enhance the EU’s internal unity and support the realization of the EU’s external strategy. The main policy features of this “Europeanization” are threefold as follows.

In the first place, EU unity cannot be sacrificed for external expansion of commercial interests. This is particularly apposite on the issue of German foreign policy towards Russia in the wake of the Ukraine crisis. Russia is an important trading partner of Germany. In 2013, Germany exported \$48.7 billion of goods to Russia, accounting for 35 percent of the EU’s total exports to Russia. The bilateral trade volume between Germany and Russia exceeded \$100 billion.<sup>6</sup> At present, there are about 6,200 German enterprises investing in Russia and about 350,000 job opportunities in Germany are

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3 Frank-Walter Steinmeier, “The DNA of German Foreign Policy,” February 25, 2015, <https://www.project-syndicate.org/commentary/german-foreign-policy-european-union-by-frank-walter-steinmeier-2015-02>.

4 “Europeanization” is an analytical approach in European integration studies. One of the most representative definitions of Europeanization is given by Claudio Ra-daeli. It states that Europeanization is a series of process through which the political, social and economic motivations of the EU become part of domestic discourse, identity, political structure and public policy making of EU members. Based on this concept, this article studies how Germany adjusts its diplomatic strategies to enhance the EU integrity and promote policies of further European integration under the circumstance where the EU is restrained by both internal and external challenges. For further literature see Zhang Ji, “Two Theoretical Approaches in ESDP Studies: Europeanization and Political Sociology,” *European Studies*, 2009(4), pp.123-136.

5 Matthias Matthijs, “Europe after Brexit: A Less Perfect Union,” *Foreign Affairs*, Vol.96, No.1, 2017, p.85.

6 See the site of the United Nations Conference on Trade and Development, <https://comtrade.un.org/labs/BIS-trade-in-goods/?reporter=276&partner=643&commodity=TOTAL&year=2013&flow=2>.

directly linked with German-Russian trade. Germany currently has about 20 billion euro of foreign direct investment in Russia.<sup>7</sup> Undoubtedly, sanctions mutually imposed by Russia and the EU are contrary to Germany's global commercial interests. According to analysis by the Economic Research Institute of Austria, Germany has suffered heavy losses under Russia's counter-sanction measures, with 500,000 job opportunities worth 27 billion euro lost.<sup>8</sup> Weighing up the pros and cons, Germany nonetheless became a staunch supporter of the EU sanctions on Russia. Germany refused to recognize the referendum of Crimea to join the Russian Federation, regarding it a violation of international law. On Germany's insistence, the EU has introduced new and tougher sanctions on Russia when the MH17 passenger airliner crashed and the situation in eastern Ukraine further deteriorated. This is in sharp contrast to the time when Germany was unwilling to impose sanctions on Russia during the Russian-Georgian conflict in 2008.

Second, Germany is attempting to position itself as the nation establishing, rather than consuming, peace and security across Europe. Since WWII, German military policy has been characterized by a culture of restraint. However, since the then German President Joachim Gauck, Foreign Minister Steinmeier and Defense Minister Ursula von der Leyen co-sponsored the Munich Consensus at the Munich Security Conference in January 2014, indicating that Germany is entitled to bear more international responsibility,<sup>9</sup> Germany has begun to play a more active role in the area of

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7 "German Industries for the First Time Openly Pledge for Greater Sanctions on Russia," *Deutsche Welle*, July 28, 2014, <http://p.dw.com/p/1CjxB>.

8 Ren Yan, Wang Yuan, and Han Bingchen, "How Far Can the EU Continue to Sanction Russia?" *People's Daily*, May 9, 2016, p.21.

9 Zheng Chunrong, "Analysis on New Trends in German Security Policy," *European Studies*, 2017(1), p.126-136.

international security. It has gradually re-militarized and actively encouraged the EU to set up a common defense community, trying to transform itself into the main security provider in the EU. The approach is not to provide security for the EU by strengthening Germany's own military capabilities as it is not feasible in reality and would easily arouse suspicions from other countries. It is instead to provide conceptual guidance, political leadership, institutional design and financial support to promote the EU's military and defense integration, and to optimize the disintegrated military resources and power of member states, so as to establish a strong and united EU military power. The German ambition on security policy can be exemplified in the *White Paper on German Security Policy and the Future of the Bundeswehr* released in July 2016, which says that Germany, by taking necessary measures, including military ones, is committed to making more contributions to security and stability in Europe and the world at large. Moreover, Germany aims to take on a leadership role in the process.<sup>10</sup>

Finally, Germany will more aggressively defend European liberal values. Even though it has been nine years since the global financial crisis broke out in 2008, the advanced economies in Europe and North America are still entrapped in sluggish growth with a widening gap between the poor and the rich, resulting in a resurgence of populism, nationalism and trade protectionism. Concerned by the danger of the crippling of Western values based on freedom, democracy and openness, the Western elites widely anticipate Germany to become the flag-bearer of Western values. Merkel's decision to open the German border to refugees goes beyond any practical consideration and represents a step towards reaching the high moral ground. When faced with Trump, Germany has demonstrated the same resolute attitude of defending Western liberal values. After Trump was elected, Chancellor Merkel sent him a congratulatory letter regarded by some Western media as "a warning message" which reads: "Germany and America are bound by common values — democracy, freedom, as well as respect for

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10 The Federal Government, *White Paper on German Security Policy and the Future of the Bundeswehr*, Berlin, June 2016, p.22.

the rule of law and the dignity of each and every person, regardless of their origin, skin color, creed, gender, sexual orientation, or political views. It is based on these values that I wish to offer close cooperation.”<sup>11</sup> It can thus be predicted that by occupying the high moral ground and in the role of the Western ideology flag-bearer, Germany will be more assertive on ideology-related policies and its foreign policy will be more value-driven.

## Germany’s China Policy: In the Name of Europe

The axis of Germany’s China policy is pragmatic diplomacy that prioritize economic interests. Practical economic and trade cooperation is the main component of China-Germany relations and it has so far made tremendous success. Germany is the most important economic and trade partner of China in Europe. The trade volume between the two countries reached \$151.29 billion in 2016, accounting for one third of that between China and Europe, equivalent to the volumes of China-UK, China-France and China-Italy trades combined.<sup>12</sup> China is also Germany’s second largest export market outside of the EU.<sup>13</sup> Close economic and trade cooperation has boosted bilateral political relations to a historic new height. In July 2010, the two countries issued a joint communiqué saying the two countries will push forward their strategic partnership in a comprehensive way and establish the bilateral inter-governmental consultation mechanism.<sup>14</sup> During President Xi Jinping’s visit to Germany in 2014, the two sides established an all-round strategic partnership. The close interactions and high-level cooperation

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11 Anthony Faiola, “Angela Merkel Congratulates Donald Trump - Kind of,” *The Washington Post*, November 9, 2016, [https://www.washingtonpost.com/news/worldviews/wp/2016/11/09/angela-merkel-congratulates-donald-trump-kind-of/?utm\\_term=.21aec1d5b54a](https://www.washingtonpost.com/news/worldviews/wp/2016/11/09/angela-merkel-congratulates-donald-trump-kind-of/?utm_term=.21aec1d5b54a).

12 “Brief on 2016 China-Germany Economic and Trade Cooperation,” Chinese Ministry of Commerce, February 1, 2017, <http://www.mofcom.gov.cn/article/tongjiziliao/fuwzn/feihuiyuan/201702/20170202517082.shtml>.

13 Hans Kundnani, “Leaving the West Behind: Germany Looks East,” *Foreign Affairs*, Vol.94, No.1, 2015, pp.108-117.

14 “China-Germany Joint Communiqué on Comprehensively Promoting Strategic Partnership,” Chinese Ministry of Foreign Affairs, July 16, 2010, [http://www.fmprc.gov.cn/web/ziliao\\_674904/1179\\_674909/t717598.shtml](http://www.fmprc.gov.cn/web/ziliao_674904/1179_674909/t717598.shtml).

between China and Germany were once called the “Sino-German Special Relationship”.<sup>15</sup>

For China, such “special relationship” has indeed reduced the coordination cost on its policy toward Europe, and Germany’s leading role within the EU can influence the development of the EU’s China policy positively. Germany’s brokering role can be best demonstrated by the photovoltaic product trade dispute between China and the EU in 2013. While some EU countries, represented by France and Italy, called for pressuring China to further open its market, Germany, unwilling to see any trade war waged between China and Europe out of concern that it might lead to negative political impact on its economic and trade interests, intervened so that both the EU and China reached reconciliation and avoided a lose-lose situation.<sup>16</sup> Germany’s policy choice in this photovoltaic dispute received criticism from the EU who thought that Germany undermined the integrity of the EU’s China policy to preserve its own economic interests in China.

The “special relationship” between China and Germany has thus inevitably aroused suspicion from other European countries who are concerned that Germany might not take into account the overall European interests. The European policy-making community hold the view that to ensure a true and genuine Sino-European strategic partnership and avoid unilateral actions taken with regard to China by Germany out of self-interest, the EU member states have to coordinate better to forge a united EU China policy. It is imperative to strengthen the role of the European External Action Service and develop a new top-down approach in order to work well with China.<sup>17</sup> Some observers even believe that Germany is tilting toward China and thus Germany might remain neutral in the event of a US-

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15 Hans Kundnani and Jonas Parello-Plesner, “China and Germany: A New Special Relationship?” May 15, 2012, [http://www.ecfr.eu/publications/summary/china\\_and\\_germany\\_a\\_new\\_special\\_relationship](http://www.ecfr.eu/publications/summary/china_and_germany_a_new_special_relationship).

16 Chen Xin and Xiong Hou, “The EU-China Competition on Photovoltaic Product Trade Dispute,” *Contemporary World*, 2013(7), pp.27-30.

17 Hans Kundnani and Jonas Parello-Plesner, “China and Germany: Why the Emerging Special Relationship Matters for Europe?” May 2012, [http://www.ecfr.eu/page/-/ECFR55\\_CHINA\\_GERMANY\\_BRIEF\\_AW.pdf](http://www.ecfr.eu/page/-/ECFR55_CHINA_GERMANY_BRIEF_AW.pdf).

China conflict, overlooking its duty as a trans-Atlantic ally, which would cause rifts within Europe and between Europe and the US.<sup>18</sup> As Germany's political and economic status within the EU increases, there is widespread demand for Germany to take the responsibility for coordinating the EU's foreign policy as well as its China policy.<sup>19</sup> Therefore, the Sino-German "special relationship" has come under more and more pressure from within the EU, and the EU is increasingly urged to take a more united stance with regard to China.<sup>20</sup> There is great tension in Germany's China policy between the two determinant forces of German diplomacy, i.e. pursuing commercial interests through economic globalization and promoting deeper development of European integration. It has become more difficult for Germany to strike the original good balance.

The "Europeanization" of Germany's China policy is the result of rebalancing its foreign policy under new circumstances. In 2015, then foreign minister Steinmeier stressed that Germany would not allow its foreign policy to break away from the EU framework and grant special privileges to non-EU countries. In the final report from the project "Review 2014: A Fresh Look at German Foreign Policy," he wrote, "We must resist the temptation of defining our foreign policy based on the present strong role of Germany. Should the United States, Russia and China almost unanimously provide Germany with a special privileged role, in [a] completely different way, then, we...must all along turn our eyes to Europe. The favorable and constructive role Germany plays in international politics can only be achieved in and through Europe."<sup>21</sup>

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18 Hans Kundnani, "Leaving the West Behind: Germany Looks East," pp.108-117.

19 Sylke Tempel, "Denken für Deutschland:Über außenpolitische Versäumnisse, zukünftige Konturen und blinde Flecken," *Internationale Politik*, Juli/August 2014, pp.14-23.

20 Gudrun Wacker, " More Coherence in Relations with China," in Volker Perthes and Stefan Mair, *European Foreign and Security Policy: Challenges and Opportunities for the German EU Presidency*, SWP Research Paper, October 2006, pp.58-61.

21 Das Auswärtiges Amt von Deutschland, "Review 2014 - Außenpolitik Weiter Denken," Berlin, pp.11-12, [http://www.auswaertiges-amt.de/cae/servlet/contentblob/699336/publicationFile/202933/Review\\_Abschlussbericht.pdf](http://www.auswaertiges-amt.de/cae/servlet/contentblob/699336/publicationFile/202933/Review_Abschlussbericht.pdf).

Europe,” instead of pursuing Germany’s own interests. A signed article on China-Europe trade written by German Ambassador to China Michael Clauss in April 2017 epitomizes Germany’s new diplomacy toward China “in the name of Europe.” According to statistics released by Chinese Ministry of Commerce, Germany, with a trade surplus of \$20.87 billion

with China in 2016,<sup>22</sup> is clearly the main beneficiary of Sino-European trade. However, the German ambassador wrote with a tone of an EU representative in his article about the EU’s trade deficit with China, not only denying that the EU’s trade deficit is the outcome of the EU’s restrictions on high-tech export to China, but also commenting critically that

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China’s limited market access underlies the serious trade imbalance between China and Europe. He also urged China to relax market access and reach a comprehensive investment agreement with the EU at an earliest date.<sup>23</sup>

Speaking “in the name of Europe” has become more and more a new feature of German practice where China policy is concerned. The EU’s Trade Commissioner Cecilia Malmström said in a speech on February 6, 2017 that the EU is willing to work with China to fight against trade protectionism around the world and also hopes China may exemplify the principle of equality in trade and investment,<sup>24</sup> implying that China should open its market wider to the EU. In a gesture supportive of the EU position, Germany reacted quickly. On February 15, 2017, Germany, joined by France and Italy, sent a letter to the EU Commission, urging that the EU institutions should be given veto power in acquisition cases to combat “unfair” foreign corporate purchase of sensitive high-tech EU

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22 “Brief on 2016 China-Germany Economic and Trade Cooperation.”

23 Michael Clauss, “What’s the Real Reason for Unbalanced China-EU Trade?” *FT Chinese*, April 6, 2017, <http://www.ftchinese.com/story/001072076>.

24 “Germany, France and Italy Write to the EU to Prevent Chinese Acquisitions of European High-Tech Firms,” *China News Services*, February 16, 2017, <http://www.chinanews.com/jingwei/02-16/29795.shtml>.

companies. It says in the letter that, in addition to using national security concerns to justify blocking acquisitions, the EU should formulate relevant rules to allow acquisitions being blocked when those investors are backed by foreign governments or acquisition plans are part of a foreign government's program.<sup>25</sup> This initiative is evidently the result of recent acquisitions by Chinese companies in Europe, attempting to pressure China into some reciprocal action such as further opening the market to European investors.

This rebalancing of German foreign policy also enriches the ideological feature of its China policy. In her congratulatory letter to Hong Kong's Chief Executive-elect Carrie Lam in early April 2017, Chancellor Merkel emphasized, "The basic values of a market economy system, the protection of fundamental rights and fundamental freedoms and legal certainty under the principle of 'One Country, Two Systems' should not only be the basis for the prosperity of Hong Kong and its population, they are also the cornerstone of the very close relations between Germany and Hong Kong."<sup>26</sup> The German government was also critical of the prosecution by the Hong Kong police against the participants of the illegal "Occupy Central" movement in 2014, whose spokesman Steffen Seibert issued a statement on May 5, 2017, announcing that "leaders of Hong Kong and China are obliged to protect the freedom in Hong Kong under the principle of 'One Country, Two Systems'," and that "the right to protest and demonstration are at the core of all freedoms."<sup>27</sup> This is a gross interference in China's internal affairs. Germany's endorsement of the illegal "Occupy Central" participants in the name of defending Western values clearly contravenes the status of all-round strategic partnership between China and Germany.

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25 Klaus Stratmann, "Germany, Italy and France Push for E.U. Powers to Block Strategic Investors," February 14, 2017, <https://global.handelsblatt.com/companies-markets/germany-italy-and-france-push-for-e-u-powers-to-block-strategic-investors-704844>.

26 "Bundeskanzlerin Merkel gratuliert der designierten Regierungschefin der Sonderverwaltungsregion Hongkong der Volksrepublik China, Carrie LAM Cheng Yuet-ngor", April 5, 2017, <https://www.bundeskanzlerin.de/Content/DE/Pressemitteilungen/BPA/2017/04/2017-04-05-glueckwunsch-merkel-hongkong.html>.

27 "Germany Reacts to Arrests of Occupy Central Participants in Hong Kong," *Deutsche Welle*, May 6, 2017, <http://p.dw.com/p/2cWJv>.

## China's Response: Expanding Bilateral Cooperation

The “Europeanization” of German foreign policy undoubtedly poses challenges to its relations with China, but it also opens a new window of opportunity for both sides to go beyond the “simple trading relationship”, providing potential leverage for China to reshape the EU’s China policy. Germany has for a long time implemented a pragmatic China policy with economic interests at the core, which is on the one hand conducive to stable bilateral relations while on the other limits the sphere of cooperation and tightens the development space of Sino-German relations.

The current international environment is undergoing profound changes. The international standings of both China and Germany have also changed. Germany has not only re-emerged from within the EU but is also an ambitious participant to “shape the world” with its increasing global influence.<sup>28</sup> On the other hand, China has become the second largest economy in the world with a substantial increase in overall national strength. It is unprecedentedly close to the center of the world stage and has shown both the ability and willingness to provide the globe with much-needed public goods. This means that Sino-German relations are now beyond bilateral, and starting to develop strategic cooperation at both global and EU levels. Germany, however, does not seem that enthusiastic about this development and its diplomatic thinking toward China still stays at the level of simple trading relationship. Germany either avoids or puts aside key issues that concern the overall Sino-European relations, such as the market economy status, feasibility of a China-EU free trade area and bilateral cooperation under the Belt and Road Initiative. From Germany’s point of view, it should reject the temptation of forming a “special relationship” between Germany and China and instead act in accordance with the EU framework. According to the Chinese opinion, however, it reflects Germany’s

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28 Bundesministerium der Verteidigung, *Weissbuch 2016 zur Sicherheitspolitik Deutschlands und zur Zukunft der Bundeswehr*, June 2016, p.22.

indifference to the strategic significance of bilateral relations with China.

The rebalancing of German foreign policy under the current circumstances provides China and Germany with a historic opportunity to go far beyond the simple trading relationship. This readjustment will inevitably bring changes in two main areas. One is an increase in the weight of the European dimension by investing more political and economic resources in the European integration process. The other is an increase in the weight of the global dimension by promoting, in the name of Europe, the EU's global status and expanding the EU's international space for development. Under such circumstances, therefore, China should further broaden the frontier of Sino-German relations, and actively guide the restructuring of policy goals resulting from the "Europeanization" of German foreign policy. The two countries should strengthen practical cooperation in global economy, China-Europe relations and security to enhance the strategic connotation of bilateral relations.

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First of all, China and Germany should expand their cooperation in maintaining an open world economy. Both countries are major trade and investment powers with global influence, whose economic development requires an open world market. Currently, the global economic growth still remains fragile without sufficient dynamics, and some even think that the world economy has entered a protracted state of stagnation. Growth and prosperity would bring about material wealth as well as an atmosphere of international relations infused with optimism, confidence, openness and friendly cooperation, while recession and crisis would instead generate economic depression and even breed an environment of international relations characterized by pessimism, parochialism, isolationism and beggar-thy-neighbor policies. This is the cause of surging trade protectionism in recent years. Under such circumstances, it is of particular importance for the world's major economies to provide sound political commitment and

support for free trade. It also provides both China and Germany with space for global cooperation. On January 25, 2017, not long after Donald Trump was inaugurated as US President, Merkel held a telephone conversation with Chinese Premier Li Keqiang and they both agreed to maintain “free trade and a stable world trade order.” On the eve of her visit to the United States, Merkel held another telephone conversation with Chinese President

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Xi Jinping on March 16, 2017, during which both sides reaffirmed their support for free trade. Within the framework of the China-Europe all-round strategic partnership and the G20, China and Germany can explore and develop a broader space for cooperation on global economic governance.

Second, both sides should increase the weight of “European agenda” in their bilateral dialogues and cooperation. Germany, as a beneficiary of economic globalization, is an important driving force in support of free trade within the EU. It is particularly imperative for China and Germany to engage in active dialogues against the backdrop of the EU’s increasing trend of trade protectionism against China. The EU is not only one of the WTO members launching the most anti-dumping and countervailing investigations against Chinese products, it has also openly denied its obligations laid down in the Protocol on the Accession of China into the WTO. Article 15 of the Protocol allows WTO members to apply the “surrogate country clause” in implementing anti-dumping measures against Chinese products, but the clause also clearly states that such practice shall expire by December 11, 2016, an obligation to which the EU has not yet abided. Dialogues and cooperation between China and Germany might be conducive to promoting positive policy changes from the EU. Sino-European cooperation under the Belt and Road Initiative could be another important aspect of Sino-German relations. At present, the Belt and Road Initiative is widely regarded by most European countries as a major opportunity to

emerge from economic downturn, but undeniably some political elites in Europe still have suspicions that China has ulterior geopolitical motives behind the Belt and Road Initiative. For example, Germany has remained doubtful about the “16+1” cooperation mechanism between China and Central and Eastern European countries, which has become a major obstruction to Sino-European Belt and Road cooperation. Through dialogues and cooperation, China must better interpret to Germany its development concept, its international responsibility as a major country and its capability to lead in global governance, and in so doing encourage Germany to become a genuine supporter of the Belt and Road Initiative that provides new impetus to Sino-European relations.

Third, China and Germany should fully explore the potential for security cooperation. The Ukraine and the refugee crises have largely worsened the geopolitical environment across Europe. In the minds of many Europeans, the post-WWII peace order in Europe has been threatened. Moreover, tensions in the Asia-Pacific region in recent years have also raised the Europeans’ concerns about regional stability. In sharp contrast to the United States, Europe lacks military presence in the Asia-Pacific and its considerable commercial interests might not be effectively protected in the event of a military conflict. Under such circumstances, the traditional approach of promoting European political integration through economic integration might change in short and medium terms. For the moment, security concerns that are higher on the agenda of many European countries might become the new driving force of political integration, and Germany could undoubtedly play a pivotal role.<sup>29</sup> Meanwhile, China’s security concerns are now beyond its political boundaries. On the one hand, the ever-expanding overseas Chinese interests require further protection; on the other hand the international community expects China to play a positive role in resolving regional security issues. Thus, international security cooperation has become an important part of the overall national security concept proposed

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29 Stefan Froehlich, “Berlin’s New Pragmatism in an Era of Radical Uncertainty,” *Transatlantic Academy Paper Series*, No.1, January 2017, p.19.

by President Xi Jinping, and security cooperation has naturally become the focal point of Chinese and German interests. Since 2015, the two sides have successively set up mechanisms of strategic dialogue on foreign and security policy and high-level dialogue on security, highlighting the development trend of bilateral relations. In the context of intertwining traditional and non-traditional security factors, security cooperation in Sino-German relations will bear greater growth and potential in the future.

## Conclusion

In the wake of Brexit and the gradual decline of French economic power, Germany can no longer sit back and freeride as it did before when Britain and France acted as the vanguard of EU interests. When “the purpose, even existence, of our Union is being questioned,”<sup>30</sup> Germany has no option but to stand up for the EU, putting integration and solidarity within the EU at the top of its foreign policy agenda and even sacrificing some of its national interests. German foreign policy is rebalancing between economic globalization and European integration, which means Germany will from now on attach more importance to key EU concerns such as regional security, human rights protection, market access and fair trade. Consequentially, this could lead to an adjustment to Germany’s pragmatic China policy, currently centered on exploring economic interests, and probably cause fluctuations in Sino-German and Sino-European relations in the short run, which is real challenge for China. In the long run, the rebalancing of German foreign policy will further consolidate its leading role in the EU. Given this, China has to make strategic preparations, breaking through and broadening the status quo of its relations with Germany, and proactively utilizing Germany’s leverage within the EU to exert positive influence on the EU as a whole. 

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30 “Shared Vision, Common Action: A Stronger Europe-Global Strategy for European Union’s Foreign and Security Policy,” June 2016, p.3, [https://europa.eu/globalstrategy/sites/globalstrategy/files/eugs\\_review\\_web.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/eugs_review_web.pdf).