JASON LEE

REVIEW ESSAY

Can Germany Find a Better China Strategy?

Under Merkel and Scholz, Germany was criticized as being soft on China. Three new books explain the backstory to Berlin's relationship with Beijing, and how — with a new Chancellor incoming — the prospect for change has never been so great, nor so uncertain.

MICHAEL LAHA — MARCH 6, 2025

POLITICS

Reviewed:

- Andreas Fulda, *Germany and China: How Entanglement Undermines Freedom, Prosperity and Security* (Bloomsbury Academic, 2024)
- Christopher Heusgen, *Leadership and Responsibility: Angela Merkel's Foreign Policy and Germany's Future Role in the World* (Siedler Verlag, 2023, German edition)
- Janka Oertel, *Ending the China Illusion: How We Can Deal with Beijing's Claim to Power* (Piper, 2023, German edition)

"The chancellor could also be quite stubborn," remarked Christopher Heusgen, recently departed chair of the Munich Security Conference, about Angela Merkel, Chancellor of Germany from 2005 to 2021. Heusgen, who had been Merkel's foreign policy advisor until 2017, said that when it came to hosting high-level Chinese visitors in Germany, Merkel unrelentingly insisted on a joint press conference. This was something her Chinese guests did not always like; Heusgen notes it is "where they lost control."

Fearing embarrassing questions about political repression at home, the Chinese side would try to either nix the press conference or limit the number of questions and demand to know

them ahead of time. All to no avail. During a 2014 visit to Berlin by former Premier Li Keqiang, Merkel's staff had to fend off a last-ditch effort to declare an entire topic off-limits: Beijing's crackdown on protesters in Hong Kong. The request was denied, and inevitably a journalist asked the Premier about Hong Kong. "His face turned red and the veins on his neck began to swell," Heusgen writes with a palpable sense of satisfaction.

This anecdote is one of many Heusgen relays in his German-language book *Leadership and Responsibility: Angela Merkel's Foreign Policy and Germany's Future Role in the World* (Siedler Verlag, 2023, German edition). Together, they add up to challenge the prevailing narrative surrounding Merkel's foreign policy — that she was too accommodating to Beijing — by recasting her as principled in the face of a politically repressive Chinese leadership. Germany should be confident that it can and does conduct a values-based foreign policy, Heusgen would like his readers to believe.

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Heusgen's book appeared in German two years ago. A few months later, after years of Covid restrictions, Germany and China held their first in-person *Regierungskonsultationen* meetings — minister-level convenings that Germany reserves for about a dozen partner countries of special strategic importance. They brought together a new chancellor, Olaf Scholz of the Social Democratic Party (SPD), and a new Chinese premier, Li Qiang. After the talks, all eyes were on the press conference. Yet Premier Li, in a seemingly endearing gesture while chuckling embarrassingly, reached toward the chancellor's face to help remove his earplugs, through which he had listened to the simultaneous translation. The assist seemed designed to hasten their departure from the stage. There would be no questions from journalists.

Germany's press corps was enraged. "This is clearly Chinese blackmail," said Theo Koll, head of the Berlin office of ZDF, one of two major German federal public broadcasters. "Either [we have a press conference with questions] or no press conference at all." Elsewhere in Berlin, the jugular veins of other politicians threatened to burst. Friedrich Merz, leader of the opposition party Christian Democratic Union (CDU), who is almost certain to be the next chancellor of Germany, criticized Scholz for making an unprecedented concession to the Chinese: "Both of your predecessors, Angela Merkel and Gerhard Schröder, never accepted that."

In the lead-up to this press debacle, the situation had already become tricky. The government consultations coincided with the release of Germany's first ever "China strategy," a policy document meant to broadly articulate Berlin's approach to Beijing. In fact, the release of the China strategy threatened to collide with the meetings. Scholz decided to delay its release until after so that its contents — tougher on China than he wanted, but much less so than others in his cabinet had argued for — wouldn't be a killjoy for his guests. "China has changed," the document read. "As a result of this and China's political decisions, we need to change our approach to China."

Germany's relationship with China is one of the world's most pivotal. While Germans agree that their China policy needs to change, there is little agreement on which direction to turn and how far. Germany, meanwhile, is the world's third largest economy, after the U.S. and China. What Germany does with China matters, not just to Germans but to the entire world.

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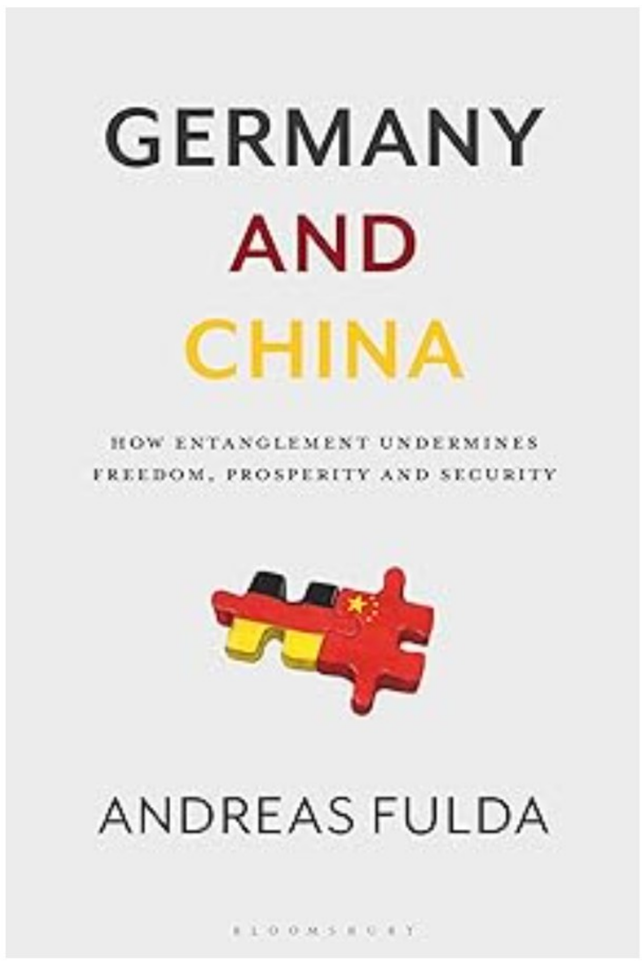
The question of who is giving in to whom in the German-China relationship animates a new book by UK-based German scholar Andreas Fulda. In *Germany and China: How Entanglement Undermines Freedom, Prosperity and Security* (Bloomsbury Academic, 2024) he offers a frightful assessment: that Germany has been dangerously unaware and yielding in its dealings with China.

Fulda places much of the blame not on Merkel herself but on Frank-Walter Steinmeier, a veteran SPD politician who served as foreign minister in Merkel's government and has been Federal President of Germany since 2017. Steinmeier was a big promoter of "closeness through enmeshment" (*Annäherung durch Verflechtung*) and "change through trade" (*Wandel durch Handel*). These narratives are not unique to Germany. The U.S. similarly held onto the "promise of engagement" for decades after the re-establishment of diplomatic relations in 1979.



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According to Fulda, Germany's relationship with China was shaped by decades of flourishing trade at the expense of its values. Germany's industries — especially its chemicals, machinery and automotive sectors — were an especially good fit for China's needs. Yet the trade-first mantra led to deep entanglements that set the stage for a series of policy failures in Berlin, says Fulda. Across half a dozen chapters he lays out the demise of Germany's solar industry, the sale of Germany's robotics company Kuka to a Chinese company, and Berlin's hesitancy to lock Huawei out of Germany's telecoms infrastructure.

Fulda's chief contribution is that he introduces English readers to the German institutions — its NGOs, business associations and government agencies and ministries — that fill the Sino-German bilateral relationship with substance, illustrating how the partnerships they built have bent under pressure from Beijing. Specifically, he believes that three main political foundations — the Konrad Adenauer Foundation (associated with the CDU), the Friedrich Ebert Foundation (linked with the SPD) and the Heinrich Böll Foundation (close to the Green Party) — represent a liability to freedom, as they are under pressure to censor publications and programming at home to maintain their representative offices in China.

Yet these foundations are unlikely to leave anytime soon. They run valued people-to-people exchanges, not least of all for members of the German parliament, and are one way by which parliamentarians get their information about China. The two largest foundations convene party dialogues (*Parteiendialoge*) with the Chinese Communist Party (CCP). The SPD was the first, in 1984, to inaugurate such meetings, and to this day the social democrats enjoy a privileged standing in Beijing (the CDU followed suit in 2002), helping to weave a dense fabric of party-to-party contacts. China is good at pitting political parties against each other by treating preferred persons with preferential access. It would seem sensible for these foundations to organize delegation visits together, rather than flex their individual access.

Fulda reserves some of his most forceful criticism for the main players of Germany's corporate world. He praises the German Federation of Industries (BDI), which in 2019 raised concerns about the potential for German business becoming complicit in human rights abuses in Xinjiang. He criticizes the Asia-Pacific Committee of German Business (APA), primarily for the public statements of its leaders who have concurrently served as CEOs of major German companies. These two powerful business lobbies indeed hold different public positions but have largely overlapping corporate memberships, and are themselves deeply intertwined (for instance, APA staff are housed in BDI offices). This means that there aren't really two clear corporate camps — one pro de-risking and one anti de-risking — but one large corporate community struggling to reconcile two opposing imperatives of short-term versus long-term interests.

A significant portion of Fulda's second chapter is dedicated to Germany's "strategic culture," which he believes is sorely lacking. This is indeed a recognized deficit. The ideal strategic culture is seen in Germany as a form of measured political assertiveness — not without backbone, but never too aggressively, especially when exacted through military force. Fulda argues that Germany uses the absence of strategic culture as an excuse for inaction. That contrasts with an unburdened American confidence in talking about and planning for war that German observers find perplexing.

A sizable chunk of U.S. strategy on China is informed through the conduct of war games in think tanks and various U.S. departments, in particular over a potential conflict over Taiwan. When I recently spoke with a German China watcher about "strategic culture," it occurred to us that what U.S. analysts call war games, German counterparts insist on calling "table top exercises" (*Tabletop-Übungen*). For Germans, the phrase "war games" (*Kriegsspiele*) conjures up images of Adolf Hitler leaning over a map of Europe. A word used with ease in the U.S. is weighted with the sins of the past in Germany.

A still from a video of CSIS war games over a possible Chinese invasion of Taiwan. *(Youtube/WSJ)*

During a 2014 visit in Berlin, as described in Heusgen's book, Angela Merkel admonished Xi for his aggressive foreign policies. She noted that Germany's history of aggression during the first half of the 20th century led it to pursue a policy of restraint — one that was attuned to the needs of smaller neighboring countries. Xi drew a different conclusion from his own country's history: namely, as Heusgen paraphrases it, that "China had always been the hegemon in Asia." It was merely a matter of time until China would reinhabit the position.

Fulda helps explain why Merkel's attempt at comparing China's present to Germany's past was doomed to fail. The CCP takes credit for having expelled Japanese invaders from China during WWII, and has since organized that victory under an overarching narrative of a Chinese nation, led by them, marching forward out of a period of national humiliation. Here the historical narrative is flipped from that in Europe. Germany references its crimes during WWII as a caution against aggression. Yet, in Asia, Japan was the aggressor, China the victim and then the victor.

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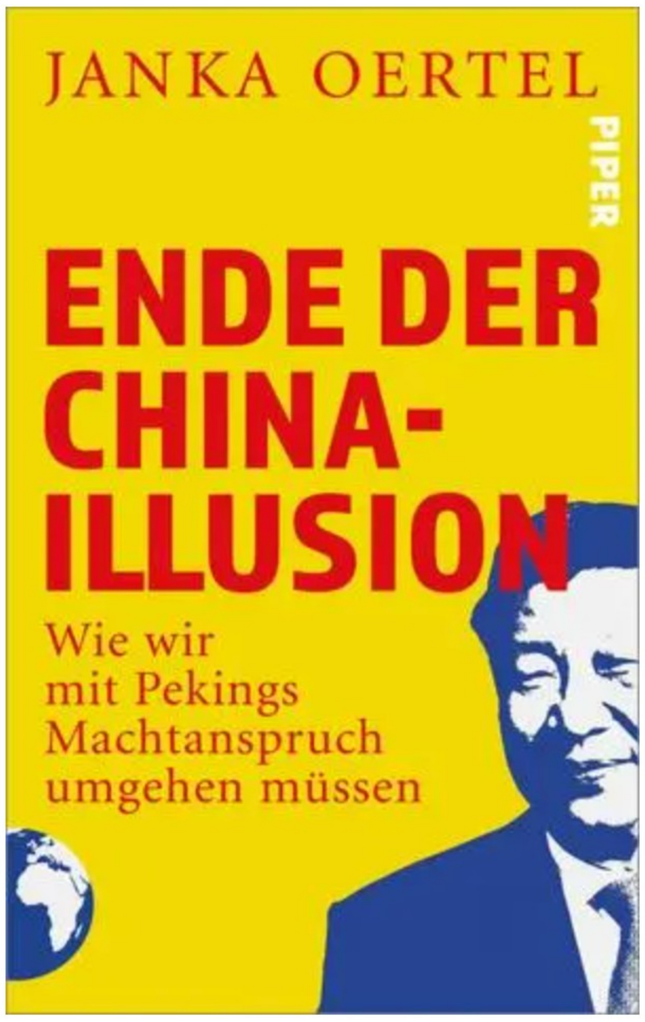
Merkel herself remains curiously reticent on her China policy. In her autobiography *Freedom* (St. Martin's Press, 2024), she divides a 9-page section of her 700-page work between two emerging world powers, India and China. In it, she remains stubbornly committed to a close trade relationship with China that is now the subject of de-risking debates being pushed by her CDU contemporaries, including Merz. Merkel is sceptical of de-risking, writing that the difference between "de-risking" and "decoupling" is slight. Finding the right measure, she writes, "requires negotiating skills and an appreciation that no global problem can be solved by going it alone." Beyond this, we learn very little about what she thinks about China.

Meanwhile, Fulda's book, unlike Heusgen's, will have a disproportionate impact on the world's understanding of Sino-German relations, simply because it is written in English. The dearth of English language writing on Germany's relationship with China was already evident to me during my master's studies in history, when I had a special interest in China's Republican Period. One of very few books available in English on Sino-German relations during that time was Bill Kirby's *Germany and Republican China* (1984). Any further reading required proficiency in German and Chinese.

It isn't as if others have not already been writing, in German, about the state of Sino-German relations since. Take, for instance, Janka Oertel's *Ending the China Illusion: How We Can Deal with Beijing's Claim to Power* (Piper, 2023), which appeared in German a year and a half ago (as with Heusgen, there is no English translation). While Fulda believes it is Germany's "entanglements" with China that have led it astray, Oertel, who leads the Asia Programme of the European Council on Foreign Relations, believes the central problem is the prevailing assumptions Germans have about China.



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Oertel takes a more contemporary look at the topic. She implores the lay German reader (as opposed to Fulda's primarily academic audience) to reconsider long-held beliefs about China's intentions. She writes that Germans continue to see China as a country ruled by a Party that offers stability rather than risk, helmed by leadership happy to play second fiddle to the U.S., a military power not bent on global dominance, a climate partner, and a global actor indifferent to the transatlantic partnership.

Nearly all of these ideas will be familiar to American observers of China in the not-too-distant past. Yet, none represent the prevailing U.S. view anymore. Why the divergence? Oertel notes that Germany, and Europe at large, sees China as less of a security threat than the U.S. does. She argues that Germany simply does not have the expertise to look at the problem; the "China challenge" arrived much later in Germany, and continues to develop at a glacial pace. This challenges a widely used explanation for the transatlantic divergence on China, that the U.S. and Europe share their assessment of China's threat but have different stakes in their respective relationships with Beijing. Put more simply: the U.S. is a Pacific power, while Germany and other European nations are not.

There are many gaps in Germany's understanding of China, but none is more apparent than the lack of expertise in the German parliament (Bundestag). In the U.S., the Congressional-Executive Committee on China (CECC) and the United States-China Economic and Security Review Commission (USCC), since their creation in 2000, have been pumping out annual reports on China's human rights record and trade behavior as long as 900-pages — to say nothing of the newer U.S. Select Committee on the CCP.

No equivalent bodies exist in the Bundestag, automatically yielding ground in Sino-German relations to the partnership side of the debate. In 2023 the CDU tried to set up a special "de-risking commission" (with a not-so-implicit focus on China), but it was voted down by the governing coalition. Distractors may suggest that the Mercator Institute for China Studies (MERICS), Stiftung Wissenschaft und Politik (SWP) and European Council on Foreign Relations (ECFR) fill the gap, but they are not based within the parliament and the number of their researchers on China is easily outnumbered by various China analysts sprinkled among all the D.C. think tanks.

One issue particular to Germany and Europe is the debate surrounding "strategic autonomy" — namely, European nations' ability to forge their own path (an issue especially relevant in the wake of America's diplomatic about-turn on the Ukraine war). Oertel describes the celebration of the 60th anniversary in 2023 of the 1963 Elysee-Treaty between Germany and France — a foundational document that launched the modern-day Franco-German friendship. In his speech, Germany's Scholz voiced frustrations about the current state of global affairs. Europe should "not be deceived by those spreading the gospel of de-globalization or decoupling," he said, referring to the U.S.

This feeling is part of a concept called "European strategic autonomy," an idea French President Emmanuel Macron pushed in 2017 when Europeans became increasingly distraught by the Trump administration, at a time when tensions with China were also on the rise. It was time to stop relying on the U.S. and look for strength within, Macron implored his European compatriots. This is music to Beijing's ears because, as Oertel points out, China wants nothing more than for America's partnerships and alliances to crumble.

U.S. Vice President JD Vance delivers his speech during the 61st Munich Security Conference, February 2025. *(Thomas Kienzle/AFP/Getty)*

In light of President Trump's deal-making with Vladimir Putin, the disastrous Trump-Zelensky press conference, and Vice President Vance's speech at the Munich Security Conference calling on Europe to work with its far-right parties, these mild European jabs at American brinkmanship seem oddly dated. However, when Americans wonder why Europe is so aghast, reading Oertel's book reminds us that anxiety over the possibility that America's values and interests in Europe would diverge had long been smoldering beneath the surface, and left indelible etchings on European thinking on China along the way. A notable subset of intellectuals always felt that Germany and other European nations needed to hedge their bet with their U.S. partnership. Today, they may feel vindicated. Many Germans and Europeans believe this nightmare scenario has become reality, and it may trigger a dash into the open arms of Beijing.

To help things along, Beijing has long weighed in on what European strategic autonomy ought to look like. The CCP tries to cultivate a European approach to China that can serve as a counterweight to, or softening of, what they see as an American "cold war" mentality that threatens to stall the country's rise. "This relationship does not target any third party, nor should it be dependent on or [be] dictated by any third party," Xi told Emmanuel Macron last spring, in a clear reference to the United States. Macron reciprocated by declaring that the EU should stay out of the Taiwan question, and was promptly criticized for it by Europe's community of China critics.

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As Oertel writes, "Europe seems to want a demarcation from the U.S. as much as it wants a close connection." The tussle between German ties to China and the U.S. was exacerbated by a disunity in German politics that hindered the execution of an overarching China strategy. Take, for example, a spate of visits to China by German ministers last year. Scholz visited in mid-April 2024, followed by Vice Chancellor Habbeck in mid-June, then Minister for Transportation Valter Wissing just weeks later (without consulting his cabinet colleagues, leading to a reprimand from Scholz).

Former German Chancellor Olaf Scholz sits next to Xi Jinping at the G20 Leaders' Summit in Rio de Janeiro, November 2024. *(Mauro Pimentel/AFP/Getty)*

Germany has neither the winner-takes-all electoral system of the United States, that sends one party into the executive branch, nor its bipartisan consensus on China. The German political system has baked into it a higher degree of diverging perspectives that first need to be reconciled. Yet one cannot help but wonder what the purpose of a China strategy is, if not to reconcile competing visions and to prevent exactly such a series of ministerial visits at such odds with one another that they necessitate a sit-down with the chancellor.

In the German elections two Sundays ago, Merz's center-right party, the CDU, won most of the votes. Yet strong gains were made by the far-right Alternative for Germany (AfD), whose leader Alice Weidel previously lived in China (where she is called "the Iron Lady" on social media) and takes views favorable to the CCP. That signals the possibility of significant disagreement on China in parliamentary debates. Assuming he can form a coalition with the SPD or another combination, Friedrich Merz is poised to lead the next government of Germany. The question is whether he will move Germany's China policy out of the Merkel and Scholz model, into one that is focused on risks as much as rewards.

Based on his speeches over the past few weeks, Merz seems to want to do just that. At an event organized by the German Association of the Automotive Industry (VDA), he said that he was convinced the U.S. is the better partner over China. In another speech at the Körber Stifung in early February, he pledged to boost Germany's strategic culture. That was before Vance's speech in Munich. By the time of the federal elections on February 23, the gravity of Trump's and Vance's changes had sunk in, with Merz commenting during a post-election debate:

> I would never have thought that I would have to say something like this in a TV show but, after Donald Trump's remarks last week … it is clear that this government does not care much about the fate of Europe.

The irony is that the more estranged Germany feels from the U.S., the more it needs to become like the U.S. itself. That is to say, there is a legitimate and intensifying craving for a distinctly German or European approach to China. But if that replaces the American-supported approach, then Germany and Europe need to fill the security gap opened by the U.S. by taking on the job itself. In the wake of Trump's disengagement from European allies, exactly this appears to be happening. Just this week, the CDU and SPD agreed to push a €500 billion defense and infrastructure package through parliament. European ambition is growing, and while Ukraine is the current emergency, a Merz-led Germany seems intent on increasing its analytical capacities and getting tough on China.

This shift won't come easily. The authors of these books on Germany's relationship with China help us to understand the individuals, institutions and ideas that Germany will need to confront or leave behind in order to succeed. They shed light on a Germany that, when

studied from the vantage point of the U.S., is better equipped for economic partnership with China and less so for scrutiny of security questions and broader geopolitical competition.

There is an American saying about how government bureaucracies shape national perspective, called Miles' Law: "Where you stand depends on where you sit." When it comes to its China policy, Germany has been sitting in a dark room in which it dares not stand up, for fear of tripping over a piece of precious Chinese porcelain. Are they finally about to switch on the lights? ∎

Header: Former German Chancellor Angela Merkel meets Xi Jinping at the Great Hall of the People in Beijing, May 2018. (Jason Lee/Pool/Getty)

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