Convergence but competition in French and German China-policies: Toward an understanding of underdeveloped EU foreign policy

by

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Abstract

The China-policy of the European Union (EU) continues to be characterized by underdevelopment, even as it becomes more and more important to engage a China developing economic and political world power status. A general consensus has developed that EU Member States are largely responsible for the current state of EU China-policy. How they are specifically to blame is still controversial. The prominent study by John Fox and François Godement, “A Power Audit of EU-China Relations” (2009), suggests Member States, particularly the “Big Three,” Germany, France and the UK, are to blame because they take different political and economic “approaches” to China—approaches which may change from one administration to the next. National interests might naturally be assumed to play an important role in such approaches. National interests are generally regarded to be an important factor in the level of support given to EU common foreign and security policy (CFSP) formation by Member States. Keukeleire and MacNaughtan (2008) explain that Member State interests may contribute to under-supported common foreign policy either by being “divergent and incompatible” or “convergent but competitive” with each other. This paper seeks to understand to what extent Member State interests vis-à-vis China fall into one of these two categories, and to determine the theoretical implications in the sphere of European integration. The paper uses a case study methodology of China policies in the period 1997 to 2008 of two powerful Member States, Germany and France, to determine the focus of interests. It then investigates the extent to which these interests are cooperative or competitive. The paper calls largely on news reports and government documentation of official state visits of German and French executive leadership to China, as well as personal interviews with French and German experts in academia, civil society and government. The analysis suggests that French and German interests toward China focus heavily on benefit to their respective national economies—a focus which is largely competitive in nature, implying for theory that realism may still hold a place in explaining aspects of European integration, in particular failures in CFSP formation.
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To my parents, Monte and Nancy
Introduction

The economic and political entry of China onto the world stage has proven both an opportunity and challenge to Western governments, the result of which in any case has necessitated engagement of the rising power. China has been seen as an opportunity for its unhindered market growth at a time when markets in the industrialized world, including North America and Europe, have been comparatively stagnant, as well as its production of cheap goods that keep inflation low. China has been viewed by some Western countries as an opportunity to reinvigorate global institutions such as the G8/G20 and UN and global issues like climate change. At the same time Western states have been challenged by continued offense of Western values, which have been painstakingly institutionalized since the Second World War. Since the brutal suppression of protests in China in 1989, China has flaunted calls for it to practice its rhetorical ascension to the Universal Declaration of Human Rights, and to sign on to the UN Covenant on Civil and Political Rights. China has also come under criticism from the West broadly for its international economic policy, which has seen the support of condemned regimes such as those in Zimbabwe, Sudan, and Iran, and challenged Western development notions with what some have called a new “Beijing Consensus.” Western countries also criticize China for continuing to flaunt demands made for its political responsibility in international organizations, and its further economic opening. Though rhetorically Western countries weight these issues differently, they all agree that China must be engaged in coherent and focused manner.

An increasingly global actor in its own right, the European Union (EU) affirms this same position, while its China policy currently lies in a state of underdevelopment, short of the common policy for which it has ambitions. Namely, the legal foundation of the relationship remains purely commercial, while the European Commission seeks to upgrade it to encompass politically controversial issues. The legal foundation of the EU-China relationship is the 1985 “Trade and Economic Cooperation Agreement,” whose purpose is “to promote and intensify trade between [the EC and China]; to encourage the steady expansion of economic cooperation.”¹ Even the “China Country Strategy Paper 2007-2013,” while noting China’s “global significance and responsibilities,” and that it “is … moving away from the status of a traditional ODA recipient towards that of a strategic partner with whom the EU engages on a

wide range of policy issues,” still views the relationship primarily in aid and development terms: “Europe has an important economic and political interest in supporting China’s sustainable development and successful transition to a stable, prosperous and open country.”

The content of the paper betrays a relationship still founded upon the 1985 agreement. Indeed, the “Country Strategy” category of paper in the European Commission is one used in EU development policy, and restricts its content to that of European assistance for the benefit of a third country.

However, work began in January 2007 on a “Partnership and Cooperation Agreement” (PCA) between the EU and China, which would form a new legal basis of the relationship. The PCA addresses the major issues between the EU and China, including, on the Chinese side, market economy status, the arms embargo, and the one-China principle, and on the EU side intellectual property rights, investment and trade barriers, and human rights. The difficulties encountered by the negotiations are evidenced by the comment of one French expert, who notes that lately when asked about the PCA, many EU officials say, “PCA, what PCA?”

The lack of a more comprehensive agreement between the EU and China demonstrates not only the difficulty in overcoming different economic and political interests and values between the EU and China, however, but also between Member States of the EU. The issues raised by the PCA confront a variety of competences within the European Union policy-making system, including a large representation of exclusive Member State competence. Although the Maastricht Treaty of 1993 creating European Union calls for the formation of a Common Foreign and Security Policy (CFSP), under which a number of the issues in PCA fall, the issue areas in which Member States choose to cooperate and go further to create common policy is, in reality, left completely at their discretion. Because EU Member States have not yet seen fit or been able to transfer power in many areas of China policy to the EU’s supranational decision-making structure even as China’s importance on the world stage and for individual Member States grows, China has become an integration issue for Europe.

In spite of Treaty provisions codifying common foreign policy creation, individual Member States maintain and often take advantage of their right to be the masters of foreign policy. The TEU boldly lays out the provisions for a CFSP, giving it the same priority as other

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3 Ibid.
4 French China-expert with an advisory role to government. Personal interview. 30 Nov. 2009.
5 Ibid.
common policy areas which have since seen great advances. Indeed, amongst preamble resolutions of the national signatories to “establish an economic and monetary union including, in accordance with the provisions of this Treaty, a single and stable currency,” “to establish a citizenship common to nationals of their countries,” and “to facilitate the free movement of persons, while ensuring the safety and security of their peoples,” one finds the resolution “to implement a common foreign and security policy including the progressive framing of a common defence policy, which might lead to a common defence in accordance with the provisions of Article 17, thereby reinforcing the European identity and its independence in order to promote peace, security and progress in Europe and in the world.”

The high ambition for CFSP in the preamble is filled out in Title V of the Treaty articles. Paragraphs 1 and 2 of Article 21 establish common principles and common goals to drive common policy. Article 24, paragraph 1 states, “The Union’s competence in matters of common foreign and security policy shall cover all areas of foreign policy and all questions relating to the Union’s security,” and Article 22, paragraph 1 before it notes that this may “concern the relations of the Union with a specific country or region or may be thematic in approach.” One could interpret these two provisions as a mandate for a China-policy, among others. Article 24, paragraphs 2 and 3 state the ambition of CFSP with clarity and bear reproduction at length:

2. Within the framework of the principles and objectives of its external action, the Union shall conduct, define and implement a common foreign and security policy, based on the development of mutual political solidarity among Member States, the identification of questions of general interest and the achievement of an ever-increasing degree of convergence of Member States’ actions.

3. The Member States shall support the Union’s external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity and shall comply with the Union’s action in this area.

The Member States shall work together to enhance and develop their mutual political solidarity. They shall refrain from any action which is contrary to their mutual political solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations.

These provisions make impressive demands upon Member States to support the CFSP. Member States have the responsibility toward each other of developing “convergence” in their actions and “political solidarity.” They have the responsibility vis-à-vis the Union of “comply[ing]” with Union action “actively and unreservedly in a spirit of loyalty and mutual solidarity,” but also the responsibility to “refrain” from any action that diminishes the political solidarity
amongst them or that is “contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations.”

However, the responsibility for active promotion is often undermined by the continued autonomy and final say of Member States in matters of foreign policy. The Treaty provides that foreign policy matters under CFSP shall, in the end, be subject to unanimous voting. Keukeleire and MacNaughtan explain, “The limitations on the use of QMV [qualified majority voting] imply that member states can block any decision, regardless of the gradually broadened scope for majority voting introduced by the Amsterdam and Nice Treaties.” Such limitations are explicit in the Treaty. Article 31 is one example:

If a member of the Council declares that, for vital and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken. The High Representative will, in close consultation with the Member State involved, search for a solution acceptable to it. If he does not succeed, the Council may, acting by a qualified majority, request that the matter be referred to the European Council for a decision by unanimity.

The European Council, not to be confused with the Council of Ministers, is a decision-making body that is nevertheless made up of the Member States of the EU, in addition to representatives of the other EU institutions. Unanimity would, then, require the agreement of all the Member States.

It is apparent from the above just how much power and responsibility individual Member States hold for the development of common policy. Surveying developments in the short history of CFSP, while they acknowledge impressive advances in some areas of common action, particularly in crisis intervention, Keukeleire and MacNaughtan observe that “all too often, non-cooperation and member states’ unilateral actions have continued to prevail.”

EU common policies must not only be accepted by individual Member States, however. Rather, they depend upon “systematic cooperation between member states, on their active support and on member states adopting complementary actions … Support, particularly from those member states that can make a difference in specific policy dossiers, is often essential for EU action and success.” The ability and desire of Member States to cooperate is, then, of central importance. It is of particular importance that the most powerful Member States cooperate—those with material and immaterial resources for supporting common policy.

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7 Ibid., 5.
8 Ibid., 111.
Therefore, investigation into the underdeveloped nature of EU China policy necessarily probes the policies of individual Member States and their propensity to cooperate. A number of recent studies raising critical awareness of the EU’s China-policy do just that, and do not attribute failure to implement a more robust China-policy to the European Commission; rather they attribute fault to the Member States themselves.\(^9\) One such critical text which has been particularly prominent in the intra-European debate on EU China-policy is the 2009 policy report by John Fox and François Godement, “A Power Audit of EU-China Relations.”\(^10\) In the 100-page report Fox and Godement criticize an EU whose official policy betrays an outdated view of China as a developing country, and which “frequently changes its objectives and seldom follows through on them.”\(^11\) In their view the EU Member States “acknowledge [the] existence of the de facto policy of “unconditional engagement” with China, as they term it, “largely ignore it in practice, and pursue their own, often conflicting national approaches towards China. Some challenge China on trade, others on politics, some on both, and some on neither.”\(^12\) Fox and Godement place the Member States in one of four different categories, based upon the Member State’s “approach” in China policy on a scale of politically more supportive or critical, and economically more liberal or protectionist. For Fox and Godement, the approach of a Member State is often dynamic, having the ability to change from one national administration to the next: “personality and political affiliation both matter.” Moreover, Fox and Godement place the greatest amount of responsibility for the state of EU China policy in the hands of the ‘Big Three’, Germany, France and the UK:

Each of these countries competes to become China’s partner of choice in Europe. They openly disparage the European Commission’s trade position on China, arguing variously that it is too liberal or too protectionist, and discount it altogether on political issues. This me-first strategy is blind to the reality of the overall relationship. None of the three countries can hope to displace the other two in China’s affections for more than a few years or even months; the net effect of their policy is to undermine each other, and EU policy more generally.\(^13\)

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9 See Fox and Godement (2009), Stumbaum (2009), Keukeleire and MacNaughtan (2008), Casarini (2006).
10 A majority of experts this student interviewed while researching the topic, including high-level diplomats, had read the brief, often had communicated with the authors since its publication, and often had a copy of the brief in their office.
12 Ibid., 2.
13 Ibid., 28.
Fox and Godement, then, primarily criticize the most powerful Member States for sabotaging the EU policy with short-sighted, self-interested and competitive individual China policies, which are, at the same time, potentially continually in flux.

Because of their focus on laying blame for underdeveloped policy on the Member States, and their desire to that end to include a survey of all 27 Member States, Fox and Godement shy away from a theoretical explanation of the individual policies of the powerful Member States. Such an explanation requires extensive analysis and confronts the enormous, age-old debate in the International Relations discipline of the relative importance of interests, values and identity in foreign policy-making. The debate is one that is too large for this paper as well.

However, with their analysis Fox and Godement pave the way for a more humble investigation into the China-policy of the EU that nonetheless has theoretical implications: the nature of national interests vis-à-vis China.

When defining the role of national interests in underdeveloped common policy, Keukeleire and MacNaughtan provide two options: interests can “converge but member states are competitors,” or interests can “diverge and are incompatible.” As an example of interests that “converge but member states are competitors,” the authors claim “member states can have the same interests such as developing privileged political relations or military cooperation with a third country, or obtaining contracts for national businesses. However, in pursuing these interests, member states compete for a limited number of opportunities.” Interests that “diverge and are incompatible,” on the other hand, could include “the promotion of human rights and democracy in a third country such as Russia … versus the economic interest of obtaining energy contracts in Russia and the geostrategic interest of obtaining its support in the UN Security Council.”

Fox’s and Godement’s analysis of the theoretically neutrally-termed “approaches” leaves an explanation of Member State interests incomplete. What national interests underlie the different approaches to China of the Member States? Do these describe a situation where interests “converge but member states are competitors” or a situation where “interests diverge and are incompatible?” Further, if “approaches” are dynamic, are interests, or alternatively termed, “preferences” also truly dynamic based on “political affiliation” or “personality” of the specific administration, as Fox and Godement claim?

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14 Keukeleire and MacNaughtan, Foreign Policy, 136.
15 Ibid.
16 Ibid., 136-37.
The questions left open by the “Power Audit” are part of a long-standing debate in conceptualizing European integration within the “intergovernmental” school itself—a school which has, in large part, claimed that state interests are the most important variable. On the one side are the liberal theorists, the most prominent of whom since the 1990s is Andrew Moravcsik with his “liberal intergovernmentalist” explanation of European integration. Moravcsik’s work has focused on big steps in European integration such as the Treaty of Rome, Single European Act, and Economic and Monetary Union, and has shown how European nation states, acting rationally upon preferences supplied by the strongest domestic political interests, have made the “choice” for European Union.\(^{17}\) “the EC is best seen as an international regime for policy coordination, the substantive and institutional development of which may be explained through the sequential analysis of national preference formation and intergovernmental strategic interaction.”\(^{18}\) With this claim, Moravcsik—accompanied by all intergovernmental theorists—rejects functionalist notions of integration, in which each progressive deepening in economic and political integration occurs by necessity out of those preceding, helped along in particular by “the archetype of an activist bureaucracy”, the European Commission.\(^{19}\) The great leaps in European integration confirm the liberal notion that although the international system is anarchic, states “seek cooperation to create mutual benefit,” suggesting “the normal state of the world is cooperation,” instead of conflict.\(^{20}\)

Realist conceptions of intergovernmentalism differ from Moravcsik’s theory on several accounts. In contrast to Moravcsik’s intergovernmentalism, the realist variety not only sees states as the sole decision-makers in international agreements, but also sees their preferences as \textit{ex ante}—unaffected by dynamics in the domestic political environment, such as a change in the leading political party, rather attributable more closely to “human nature or the inherent properties of states.”\(^{21}\) For example, in his seminal realist international political economy paper, Krasner identifies such stable preferences in international trade as “political power, aggregate


\(^{19}\) Ibid., 475.


national income, economic growth, and social stability.” Secondly, states’ preferences are not only more stable, but they are more determined by external structural factors. The primary “structural” factor determining policy is the existence of anarchy in the international system. This anarchy precludes the most meaningful forms of international cooperation, since there is no third-party “police” to uphold such agreements. Lastly, instead of meaningful cooperation, competition in the international system is most often the result of anarchy. According to Joseph Grieco, anarchy leads states primarily to seek “survival” rather than “well-being” as their “core interest”—a quest that is competitive and that finds states seek[ing] to prevent increases in others’ relative capabilities. As a result, states always assess their performance in any relationship in terms of the performance of others.”

Therefore, in asking of Member State interests whether they are convergent but leave Member States to be competitors, or whether they are simply divergent and incompatible, an analysis of Member State interests lends itself well to an appraisal of these two theoretical stances within intergovernmentalism. A closer inspection of the China-policies of two important Member States, Germany and France, from 1997 to 2008 bears out realist expectations. The China-policies of both Member States during this time period reflect stable national preferences and suggest rational competition rather than cooperation. Indeed, both states primarily sought the benefit of their national economies in relations with China over this time period, irrespective of domestic political changes, and saw the other Member State primarily as a competitor in pursuing this interest rather than as a potential partner.

France and Germany prove a rich testing ground, and have been chosen for several specific reasons: the provocative attention given to both in critical works on EU China-policy, most notably that of John Fox and François Godement; their status as a “most-likely case” for cooperation leading to common policy; and their place in recent commentaries on the likelihood of a rebooted European integration project.

France and Germany garner significant attention in the paper from Fox and Godement. Significantly for this paper, in addition to being two of the “Big Three” given most responsibility for underdeveloped EU China policy, they are treated implicitly as being primarily motivated by

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economic factors, and they are the authors’ example of how the approach to China can change drastically under new leadership.

Implicit in the authors’ description of the approaches is a certain emphasis on the importance of good economic relations above all. France provides a particularly pointed case for the authors of economic focus:

A striking example of the failure of bilateral approaches to China can be found in France’s short-sighted assumption that good political relations will lead to major business deals. Not only has France’s trade deficit with China massively increased over time, but its recent criticism of China over Tibet has been met with a particularly aggressive response.24

While the German approach might be different, the underlying interest shines through. The authors claim that Germany has also put its economic relationship first to the detriment of overall relations and EU policy:

Germany’s own strategy – to separate politics from trade, as an influential policy paper advised in 2007 – has also proven difficult. In effect, Germany has concentrated on its bilateral trade interests, while the divisions within the EU have rendered Chancellor Merkel’s attempt at a political stance inoperable.25

In terms of the dynamics undergirding “approaches” of Member States, Fox and Godement claim that under Chirac France was “one of the most significant Mercantilists,” but Sarkozy “has adopted a new approach, taking publicly critical positions on Tibet and attempting to use the issue of his attendance at the Olympics to influence China’s behavior.”26 In the authors’ view, Germany also moved out of the “Accomodating Mercantilist” camp from one administration to the next: “while former Chancellor Schröder competed with President Chirac for good relations with Beijing, Angela Merkel has brought in a new focus on human rights.”27

France and Germany are also significant for testing as a “most-likely case.” If a common policy were to form between any number of EU Member States, France and Germany might be thought of as the two most likely candidates. The institutional linkages between the two countries are arguably the most extensive in the world. Moreover, there is much precedent in bilateral cooperation on the integration project, in particular in the years leading up to the Economic and Monetary Union, during which France and Germany were thought of by many as the “motor” of European integration.

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24 Fox and Godement, “Power Audit,” 29.
25 Ibid., 29-30.
26 Ibid., 27.
27 Ibid., 24-25.
While the idea of a Franco-German duo driving integration has largely fizzled since its popularity in explaining the great steps in integration of the 1990s, many recent commentaries see French and German agreement as at least a necessary condition for further integration: “France and Germany cannot move Europe alone, but Europe without them cannot move at all.”

At the same time, many still hold out hope for the reinvigoration of the duo as the only option for integration going forward, and notably exclusive of the UK. Martin Koopmann elucidates the position: “The European Union needs a Franco-German bilateralism capable of developing its institutional structures as well as of conceiving bilateral and European political projects. There is no question of replacing the Franco-German driving-force by a Paris-Berlin-London triangle or by an exclusive co-operation of the prominent Member States.”

Dominique Moisi puts it bluntly: “Are there alternatives to Franco-German leadership of the European Union? Joining Great Britain with them in a Club of Three would be a good idea, but it is out of the question nowadays. Britain has largely excluded itself from any leadership role in Europe.”

The present analysis, then, enters this specific debate on the role of France and Germany in European integration.

Along with the choice to analyze French and German policy, the specific methodological choice of the paper is also noteworthy. To analyze French and German interests for focus and for the possibility of change from one administration to the next, this paper looks primarily at official state visits to China of Jacques Chirac, Gerhard Schröder, Angela Merkel and Nicolas Sarkozy, using news reports and official government documents as the primary sources. The question of competition versus cooperation necessitates a political-economic approach moving beyond a simple investigation of market competition to the political nature of such competition, particularly as it appears in a Chinese state-controlled market. This section uses a variety of official statistics and documentation and secondary sources.

Both major sections of the paper also use comments made by experts from government, academia and civil society during interviews this student carried out in Europe between November 2009 and February 2010. The purpose of these interviews was to inform question-asking in the preparation of the paper, as well as to provide expert anecdotal evidence alongside the empirical study. Altogether, fourteen experts were interviewed in Berlin, Paris and Brussels.

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30 Moisi, “Return.”
Due to the purpose of the interviews, the questions asked were not limited to a standardized set. Rather, they were tailored for each interview to take advantage of the expert’s specific area of specialization or responsibility. The interviewees are named in the bibliographic information of the paper.

This paper is certainly not the first work to approach French and German China-policy in light of integration. In fact, it is arguably late, as more than ten years ago Hans Mauß raised the issue rather presciently in 1999 in his foreword to Christoph Neßhöver’s seminal work comparing French and German China-policy. The appropriateness of his words bares their reproduction at length:

The result of meticulous, balanced and pointed stock-taking of these two China policies portrays a picture of astounding parallels and commonalities in spite of truly different starting points and fundamental foreign-political orientations of both states. Whether these commonalities, though, could also provide the foundation for a more strongly coordinated, integrated common China policy of these two key members of the European Union and a foundation of its endeavor for a Common Foreign and Security Policy, is a completely different question, and one which should more likely be viewed skeptically: In the end the commonalities are primarily characterized by the diplomatic efforts for economic benefits—and with that at least potentially, and at times also actually, an element of direct competition between the diplomacies of France and Germany.\(^{31}\)

A reassessment of French and German China policies picking up where Neßhöver left off proves timely at this juncture in EU China-policy. To such a reassessment one must add an analysis of the nature of these economic preferences—whether competitive or cooperative—as Mauß suggested as a logical step. Although this paper stops short of attempting to explain definitively the underdeveloped China-policy of the EU, its analysis and interpretation of Member State interests makes strides to this end. Ten years after Neßhöver’s study and Mauß’s commentary on its implications, French and German China-policies still reflect a preference for national economic promotion over other issues of bilateral relations with China, and this has led primarily to competition rather than cooperation. The implication for European integration theory is a controversial one: that the international relations paradigm of realism still holds explanatory power in certain circumstances.

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Background

As suggested, the French and German pattern of promoting national economic interests first and foremost in China-policy is not a story that begins with this study’s starting point of 1997. Christoph Neßhöver’s 1999 study of French and German China policies from 1989 to 1997 claims that in a tug of war between “interests and values,” that is, between promotion of national economic interests and support for human rights in China, economic interests won out. Already at the end of the 1970s, a new political climate weakening “block-thinking” and the beginning of a race by Western countries for a place in China’s newly opened market led France and Germany to focus their relations with China on a concern for trade: “Mit einem Wort: Chinalpolitik wurde mehr und mehr zum Synonym für Chinahandel.”

However, the Tiananmen Square massacre in June 1989 and the putdown of political protests in Tibet in April posed a new challenge to relations between European countries and China. The European Community condemned the Chinese government actions and placed a package of sanctions on the Chinese regime, including a ban on arms sales, as well as a postponement of official export finance and development projects. France and Germany levied their own sanctions in addition: Germany froze development aid and halted export credit guarantees to China, and France froze export finance and financial aid to China.

Nonetheless, Neßhöver claims that between 1989 and 1997 both German and French policy toward China went through an “economisation or mercantilisation.” Both countries began phasing out their additional sanctions levied against China shortly after Tiananmen Square. France led the way with its first easing of sanctions in late 1989. While the human rights situation in China remained one that garnered much public and official attention, both countries, while at different speeds, took on a policy of “quiet diplomacy” and “change through trade,” when addressing the issue, so as not to endanger large economic projects.

Germany led the way in developing the policy. Neßhöver quotes former Foreign Minister Kinkel under Chancellor Helmut Kohl as claiming in 1992, “In particular cases, more is possible

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35 Ibid., 239.

36 Ibid., 176.

37 Ibid., 151.
through quiet help than through loud tones.” Subsequent state visits by Chancellor Kohl in 1993 and 1995 bore out this strategy of addressing human rights quietly to net economic gains. Kohl brought 40 German businessmen in-tow on his November 1993 state visit, which saw 6.3 billion DM in public contracts awarded to the likes of Airbus for planes and Siemens, AEG and Thyssen for subway networks. At the same time Kohl “avoided any compromising remark” on the topic of human rights. He merely “called attention to the great meaning of the question in Germany and to the engagement in particular of the younger generation in the question,” and handed over a list written up by Amnesty International of 18 dissidents in prison in China that the organization would like to see released. In the same manner, the extent of Kohl’s efforts in the human rights sphere during his 1995 state visit was handing over a list of 15 dissidents held in prison. During the same visit Kohl saw to the building of institutional connections of the German economy within China with the formation of a bilateral high technology council, improving the position of German high technology exports, and the mandate of the working group on infrastructure, which was largely responsible for negotiating large projects, was extended five years.

Quiet diplomacy and change through trade remained the policy even during more apparently problematic times in relations, such as in 1996 when Kinkel criticized China strongly before the United Nations Commission on Human Rights (UNCHR):

The wish for freedom sits deep in the heart of the Chinese. Harry Wu brought the foundations of our work to the point: the universality of human rights. The observance of human rights is no question of poor or rich. Freedom of religion, of thought, and of the press do not cost a penny. The lack of observance of these fundamental rights cannot be excused with poverty or underdevelopment.

1996 also saw a crisis over Tibet when the Bundestag decided on a resolution on the human rights situation in Tibet, leading China to cancel the planned trip of Foreign Minister Kinkel. Nonetheless, these events were not allowed to reach a level where they harmed economic relations.

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38 Ibid., 121.
39 Ibid., 130-131.
40 Ibid., 131.
41 Ibid., 132.
42 Ibid., 148.
43 Ibid., 149.
44 Ibid., 155.
46 Neßhöver, Chinapolitik, 162.
France was slower to take up a policy of quiet diplomacy and change through trade. However, the rapidly increasing economic importance of China eventually guided policy. The policy of the Mitterrand government took a more critical tone. In October 1990 Mitterrand and the National Assembly welcomed the Dalai Lama at the Nobel Prize ceremony, an action that, as will be clarified in later incidents, the Chinese treat as a great affront to their national interests. The Mitterrand government also approved the provocative sale of six naval frigates to Taiwan in 1991 and 60 fighter jets to Taiwan in 1992, the combination of which saw major diplomatic and economic sanctions from the Chinese until an apology from the French in 1994.

The reappraisal of the economic importance of the People’s Republic of China caused a marked change. Premier Minister Balladur, in the first official French visit to China since the Taiwan arms issue, said in [spring 1994] he wanted to handle the human rights issue “discretely,” and that to speak “loudly and openly” was only hindering in the human rights dialogue. The first French trade mission that followed in July, leading 120 businessmen, returned to France with 5.4 billion FF in contracts.

The approach of Germany and France to addressing human rights in their bilateral relations with China coincided awkwardly with the continued common approach of EC countries since 1989 of tabling a resolution against China in the Office of the United Nations High Commissioner for Human Rights (OHCHR). It was in this context that France under President Chirac “became the first democratic nation to push for the abandonment of attempts to condemn China in the [OHCHR] and instead opt for a ‘constructive dialogue’ with the Chinese authorities on this delicate issue. This choice of policy, which contrasts blatantly with the one adopted for instance towards Burma or later Belarus, was initially opposed by some EU member states more sensitive to human rights, such as the Netherlands and Denmark.”

Dirk Pleiter of Amnesty International in Berlin notes that it was the Chinese authorities who were pressing for having this dialogue with France, and indeed with a number of western countries, in order to avoid a resolution in the OHCHR. The German dialogue with China began in the same way, if later than

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47 Ibid., 183.
49 Neßhöver, Chinapolitik, 207.
50 Ibid., 210.
that of France.\textsuperscript{52} As a result, “the following year the EU stopped trying to force a discussion on the China situation at the OHCHR in Geneva.”\textsuperscript{53} Nicolas Casarini attributes the shift directly to “the large EU member states hav[ing] consistently sought to maintain good political relations with Beijing in order to obtain politically motivated commercial advantages.”\textsuperscript{54} Moreover, “it thus emerged that the European failure of conducting a coherent, consistent and coordinated human rights policy towards the country was due to a competition of the material interests of the major EU-China partners.\textsuperscript{55}

In spite of a domestic and international concern for the human rights situation in China in the years after China’s suppression of widespread protests in 1989, Germany and France acted independently, though similarly, to maintain the benefit to their core national economic interest. The continuation of such a set of policy priorities into the Chirac and Schröder years in France and Germany suggests a stability of core national interest in these years that is especially important later in the 2000s when a shift in leadership in both countries was to have meant a changed “approach” to China policy. Changes in China policy did occur from Kohl and Mitterrand to Schröder and Chirac. However, the major change in human rights policy was a further sidelining of the issue. The rising economic importance of China meant that the governments that followed under Chirac and Schröder largely forgot the “Wandel durch Handel” argument in human rights but actively and concretely promoted economic interests. Moreover, the rising prominence of geopolitical issues in relations of both was largely rhetorical. In spite of the apparent interest in China of both Germany and France in geopolitical fads, such as multipolarity, and true interest-motivated trends, such as multilateralism, a China that is physically far away and rather benign has not been a central security factor for France and Germany, and therefore not a central geopolitical focus.

\textsuperscript{52} Pleiter, Dirk. Telephone interview. 3 Dec. 2009.
\textsuperscript{53} Cabestan, “Role of France,” 131.
Chapter 1 - Chirac: neo-Gaullism, multipolarity, and a new focus in China policy?

Much has been made of the “neo-Gallist” foreign policy of Jacques Chirac, which is supposed to have focused on renewing France’s geopolitical stature in a post-Cold War world with new parameters. Such claims about the basis of French foreign policy during the Chirac presidency have also been extended to French China policy. Indeed, Jean-Pierre Cabestan claims, “the main driver of this rapprochement [shortly after the Tiananmen massacre] had been France and China’s shared perception that after the collapse of the Soviet Union, the world was unbalanced because it was overwhelmingly dominated by the United States’ unipolar power.”

Moreover, “the Gaullist syndrome in France’s foreign policy is not restricted to one political party. It is a powerful force that is perceived by most French politicians as the only way for France, and also for the French language and culture, to continue to exist, make its voice heard and exert an influence in a world that is no longer organised around the old Europe and its major powers, but more and more around the US, Asia, and in particular China.”

Writing in 2006, while he doubts the likelihood of a “Paris-Beijing Axis” forming, Cabestan claims France’s geopolitical interests in China were genuinely of primary importance. He cites a number of examples from Chirac’s early presidency, including the establishment in 1997 of a “comprehensive (or global) partnership” with China, close cooperation between France and China in the United Nations Security Council, and France ending its support of a resolution against China in the United Nations Human Rights Commission. Later relations were to have deepened in the same direction, with the “comprehensive (or global) partnership” elevated to a “comprehensive (or global) strategic partnership” in January 2004, Chirac’s open blame on Taiwan for worsening relations with China, also in January 2004, and since 2003 France’s attempt to convince its European partners to lift the arms embargo. Chirac’s China policy, in Cabestan’s view was “not mainly driven by business considerations. In developing a friendly, and what both Paris and Beijing perceive as a privileged relationship with China, the French Government is of course trying hard to promote its exports and help its large companies

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57 Ibid., 339.
58 Ibid.
59 Ibid., 330.
conclude deals with their Chinese partners. While every government does that, Chirac’s rationale is more global.”

However, many have expressed doubt in the extent to which geopolitical ambitions or concerns drove French China policy during Chirac’s presidency. Christian Lequesne, for one, claims that the rationale behind Chirac’s quiet approach to human rights in China and his push for the lifting of the arms embargo reflect the priority of promoting good results for French companies bidding for public contracts in China. Several French experts including one diplomat that this student interviewed also voiced skepticism of the true policy implications of France’s “multipolar world order” stance. In agreement with these latter critics, the content of state visits between France and China from 1997 to 2006 evidences a French policy based primarily on economic interests.

With the arrival of Jacques Chirac, the pertinent question is not whether human rights issues lost significance in French policy toward China, but rather whether geopolitical issues had become the focus of relations. Indeed, Chirac’s quiet approach to human rights speaks volumes. Chirac’s practical abandonment of human rights concerns in forming China policy is evidenced throughout his presidency, in the abstention from bringing a resolution against China in the Human Rights Council of the UN, in the choice for a “constructive dialogue” on human rights, and the call for the removal of the arms embargo. Under Chirac France became the first western country not to vote to bring a resolution against China in the Office of the United Nations High Commissioner for Human Rights (OHCHR), which had been an important symbolic gesture ever since Tiananmen. In place of such overt criticism, Chirac opted for a “constructive dialogue” with China, which had both practical and philosophical justifications: overt criticism had not worked, and a dialogue would be “respectful of the history, mentality, tradition, rhythms, in short, [respectful] of each other’s identity.” This dialogue took place behind closed doors, with Chirac or the Elysee mentioning later that human rights were spoken about and a list of political prisoners handed over. In his 1997 state visit, for example, Chirac discreetly raised the issue of Tibet and human rights generally in a private meeting with Chinese president Jiang Zemin, and handed him a list of 17 political prisoners that President Chirac wanted to see

60 Ibid., 331.
The same pattern was followed later in his presidency, when in 2004 he did not address the human rights issue publicly, while handing over a list of dissidents in private.

Lastly, Chirac began calling in 2003 for the arms embargo to be dropped in spite of China’s failure to make significant strides in human rights protection. Chirac’s justification of promoting the abolition of the embargo in a 2004 press conference with President Hu Jintao evidences human rights concerns were not part of the picture:

China has seen extremely rapid economic development in recent years, and this momentum will further develop, which makes it necessary for China to follow the road of democracy and freedom unswervingly. We have also noticed that there are already good ties between China and the European Union, and that such ties can be further improved. It was in this spirit that France proposed at the EU summit in Brussels yesterday the lifting of the 15-year arms embargo against China, as this embargo is no longer in keeping with the times.

Chirac sees the continued existence of the arms embargo as inappropriate not because China had since made progress in respecting human rights, but simply because the arms embargo was “no longer in keeping with the times”—times in which China’s economic importance was increasing exponentially and relations with the EU were growing. Such cases show a low priority of human rights in French China policy under Chirac.

Based on a constructivist argument on the importance of leader character for national interests, or even a liberal argument pointing to Chirac’s representation of neo-Gaullist domestic political ambitions, it is not surprising that human rights were not as great an issue under Chirac. Such arguments would, however, expect geopolitics to have led China policy. While geopolitics held a higher profile than human rights issues, and Chirac’s perception of China as a geopolitical partner is evidenced in relations, the geopolitical relationship is significantly lacking in substance. It is true that France and China both voted against a military intervention in Iraq, and exchanged late night phone calls on the issue, but legal agreements between the two are rather weak geopolitically, and calls to drop the arms embargo are unconvincing as geopolitically motivated.

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When Chirac signed the “comprehensive partnership” with China during his first visit in 1997, he “acced[ed] … to Beijing’s desire since the mid-1990s to establish ‘partnerships’, or privileged, economically cooperative, and politically non-confrontational relations, with key nations. France was the second country after Russia (which in 1996 concluded a ‘strategic partnership’ with China) and the first Western nation to sign such an agreement with China.”

In “acceding” to such a partnership Chirac granted the Chinese leadership a political concession. Moreover, of the 20 cooperation agreements signed during Chirac’s 2004 visit, all but six were economic contracts for French firms. Nor were these six particularly convincing in their political depth.

The call for dropping the arms embargo is not convincing as a geopolitical move. For one, Chirac claimed that he did not think it would have any strategic implications. In a joint press conference with Hu during Hu’s January 2004 visit, when asked what “impact the solution of this question [of the arms embargo] would have on the balance of forces in the world and between the two sides of the Taiwan Strait,” Chirac answered, “I do not think it would have any impact on strategic relations.”

He insisted that it had “lost its significance.”

In comparison to the little attention to human rights issues and the lack of substance in the geopolitical realm of relations, economic interests received extensive political support. State visits are the clearest examples. In state visits in 1997 and 2004 businessmen traveled like ministers, economic stops were high on the agenda, and business contracts were secured by Chirac himself. Chirac led a delegation of 60 French business executives on his 1997 trip. On the first day of his 1997 trip he and Jiang Zemin signed more than $1.5 billion in aviation deals for Airbus and Aerospatiale. Chirac spent the last two days of the trip in the economic capital of China, Shanghai, where he opened a large French high technology exhibition in which 300 of France’s leading businesses were represented. In 2004 he led a delegation of 52 business executives and signed over $4 billion in deals. The first day of his trip was spent in Chengdu, “in response to President Hu Jintao’s introduction on western China development strategy made

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69 Ibid.
during Hu’s visit to France.”71 A Deutsche Bank research paper from 2004 calls the region “The as yet undeveloped West,” noting that “Two-thirds of total investments flowing to the West of the country come from ethnic Chinese firms located in Hong Kong, Taiwan and Southeast Asia,” and that “There are hardly any German companies represented there.”72 An early 2006 report on French foreign direct investment in China noted the “French passion to invest in China’s Western Regions.”73

Indeed, many of the political elements in French China policy during the Chirac years were motivated more by the hope of good economic relations with the increasingly important market than anything. It is more than suspicious that the abstinence from criticism in the Human Rights Council happened just weeks before Chirac’s first trip to China, which won billions in contracts for French firms. It is also no coincidence that calls for the arms embargo to be dropped were made publicly either during or just before state visits between France and China, during which large economic contracts were signed.

Indeed, French China policy under Chirac evidences a strong continuity in the promotion of national economic interests over other elements of bilateral relations. While human rights firmly took a backseat, the more likely challenger, geopolitical interests, lacked significance. The rhetoric of multipolarity as it pertained to China policy appears to have been largely just rhetoric. A sharp discontinuity in this element of policy when Sarkozy took power suggests as much.

Chapter 2 - Schröder: “Door-opener” for business interests

The beginning of Gerhard Schröder’s chancellorship led some to posit a change in German China policy. In December 1998 following the September change in government, some members of the media reported a “shift of Germany’s cautious China policy” when Foreign Minister Joschka Fischer met with prominent Chinese opposition figure Wei Jingsheng in the German Foreign Ministry. At a news conference in Bonn, Chancellor Schröder’s spokesman, Uwe-Karsten Heye said, “The German government regards it as natural that such talks take place,” and “We do not recognize any bans on meeting or talking.” This seemed to contrast clearly with Foreign Minister under Kohl, Klaus Kinkel, who reportedly refused to meet with Wei at the ministry, insisting rather on a neutral location. Later in December Fischer “strongly criticiz[ed] “excessive” jail terms given to two dissidents in China, and [said] “The defendants had done nothing more than peacefully exercise their rights as set out in the Chinese constitution.” This was followed in March by Fischer’s severe criticism of a Chinese veto levied on a continuation of U.N. peacekeeping efforts in Macedonia: “We very much deplore the decision taken by the People’s Republic of China in the council … We believe that this decision is a senseless decision – a decision that proved to be wrong – and we deplore the fact that the Security Council was not able to play the role it ought to play.” Such critical tones and controversial actions, especially on the human rights issue, seemed to indicate a new approach.

The sequel, however, proved more continuity than change in policy toward China. Speaking of German foreign and Europe-policy in general, Elfriede Regelsberger claims that in the shift from Helmut Kohl’s CDU chancellorship to the Schröder SPD and Coalition 90/Greens, though a change in political style is evident, the new government continued the previous policy almost “mantra-like [gebetsmühlenhaft].” China-policy is no exception. In the same way as in France under Chirac, the German policy on China’s human rights situation under Schröder mirrored “quiet diplomacy” while leaving out a “change through trade” logic. Again in a similar

75 Ibid.
76 Ibid.
fashion as France, geopolitical issues seemed to gain increasing attention under Chancellor Schröder, and indeed in some of the same issue areas, while economic interests remained primary. Indeed, Schröder, who was notoriously direct in style, was open about the primacy of economic relations and sought to live up to his desire to be identified as the “door-opener” for new economic projects in China. In 2002 Sebastian Heilmann could comfortably claim, “There is no question that in the German view, bilateral relations [with China] are directed towards export-promotion and securing the German economic presence in China.”

The establishment of Germany’s own “constructive dialogue” on human rights in China under Schröder evidences continuity in the policy of quiet diplomacy. Schröder established the Rule of Law Dialogue (Rechtsstaatsdialog) during his first trip to China as Chancellor in 1999. Schröder’s justification for founding the dialogue was to “address the issue in a low-key manner and to discuss what can and must be improved,” because “this is better than just making statements for the press at home.” The establishment of the dialogue did not mean that Schröder would not mention human rights in public settings in China. Indeed, his words were fairly clear in a speech to intellectuals in Shanghai: “Germany and China needed to have an honest dialogue about the rule of law, an inalienable principle which affected not only the judiciary but also the economy and government administration.” His words were even slightly critical: “A state that does not freely offer information does not really allow the rule of law.”

However, the Rule of Law Dialogue effectively moved the competence for the human rights issue out of the Chancellor’s office and into the Justice Ministry, giving Schröder justification for abstaining from criticism during high-profile visits where economic matters were high on the agenda. The effects are clear: in all of the federal government’s (Bundesregierung) reporting on Schröder’s 2004 visit, for example, only once does it say, in point form, “human rights addressed.” Moreover, Schröder ended the practice of bringing a list of dissidents the German government was concerned about to Chinese attention, arguing that the dialogue made such an action unnecessary.

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83 Ibid.
As in France, geopolitical interest in China rose in Germany during Schröder’s chancellorship, however the majority of issues evidence a strongly economic logic. Indeed, Germany lobbied China heavily for support in UN reform and support of its bid for a permanent seat in the Security Council. During his December 2004 visit Schroder raised the issue of UN Security Council reform, a likely product of both German desire to have a permanent seat at the Security Council, and indirectly to encourage a greater role for the UN as the centre of multilateral cooperation at a time when the United States had very recently flaunted the organization to go to war in Iraq. Nuclear nonproliferation was also already an issue Schröder was addressing with his Chinese counterparts.

However, other geopolitical issues raised either amounted to political concessions or lacked substance. Schröder’s call for China to be brought into the G8 and his call for its swift accession to the WTO were two such concessions. He made the call for it to enter the G8 apparently without talking to other members of the organization, and did so the day before his planned visit to China in 1999, while he was still in Japan—a country which would certainly be strongly opposed to such a plan. Such a controversial action leaves one to infer a concession for gains in other areas of China policy. During the same visit to China in 1999, Schröder called for China’s immediate WTO accession, while in apparent response, Pascal Lamy, EU Trade Commissioner “said the EU was in no hurry to rush China into the WTO, asserting that “substance, not timing” was key.”

Similarly to France, the arms embargo issue and political agreements lacked geopolitical substance. Along with repeated calls in 2003 and 2004 for dismantling of the arms embargo, during the December 2004 state visit to China, Schröder clarified that China does not wish for weapons delivery from Germany, nor was Germany thinking about such deliveries at the moment. Though this paper has already challenged the substance of the multipolarity rhetoric of Jacques Chirac, such rhetoric under Schröder is absent, further challenging a geopolitical motivation for calls to end the embargo. The “Strategic Partnership” agreed upon during Wen’s 2004 state visit to Germany was very largely of an economic nature. Schröder described that it “means that we build our relations in all attendant fields – in politics, economics, science, but

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87 Bundesregierung, “Vertrauensvolle.”
even in culture.” However, when speaking of concrete goals, he mentions only the “doubling of bilateral trade by 2010.”

While human rights left the spotlight and geopolitical issues were a mix between sincere pursuance and political concession, economics received clear and focused attention. On Schröder’s first trip to China as chancellor, his first day was spent in Shanghai, the economic capital as far as German industry is concerned, where he saw a meeting between Shanghai’s mayor and German businessmen and toured a VW joint venture, which just after announced it would add $12 billion to its mainland investment. Like Chirac, Schröder saw personally to the signing of economic contracts. He and Premier Zhu attended together the signing ceremony of 6 billion DM in deals between Bayer and BASF and Chinese partners.

Schröder’s 2004 visit shows the same economics focus. It shows the same pattern of visiting high-profile locations for German business, seeing personally to contract-signing, and bringing business executives along. On the first day of the trip in which China received the title, “the most important economic partner in Asia” for Germany, the Chancellor saw to the signing of billions in contracts for Airbus and Siemens and also visited two joint ventures, Ameco between Lufthansa and its Chinese partner and a steel factory of Georgsmarienhütte and a Daimler-Chrysler factory. The government’s news service noted the second day of the trip “was all about economic relations,” as Schröder spoke at the German-Chinese Economic Forum, where he voiced the goal of doubling bilateral trade by 2010 to $100 billion, and “stressed the significance of China as the largest trade partner of Germany’s in Asia.” The same day he held a talk for the Chinese Industry Association, and traveled to Changchun for a ribbon-cutting ceremony for a new Volkswagen plant, where he explained, “The extremely high market share that VW has in China not only helps the economy in China to develop, but it also stabilizes the

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89 In 2005 there were 8,000 Germans living in Shanghai, 800 German firms present, making the Yangtze-Delta the largest German industrial location outside of Europe, with the largest single investors Shanghai Volkswagen, Siemens, ThyssenKrupp, BASF, and Bayer. See Bundesregierung, “Chinas Dynamik ist nicht zu überbieten.” 23 May 2005. 3 March 2010 <http://www.bundesregierung.de/nn_914476/Content/DE/Archiv16/Artikel/2006/05/2006-05-23-chinas-dynamik-ist-nicht-zu-ueberbieten.html>.


93 Bundesregierung, “Beispiellose.”
concern – and with that also the employment and investment possibilities in Germany.”\textsuperscript{94} At the same stop in Changchun he spoke at the conference, “Economic- and Trade Cooperation between Germany and the 3 Northeast Chinese Provinces”.\textsuperscript{95} In this sixth trip of his chancellorship Schröder took along a 43-strong business delegation, as well as Interior Minister Otto Schily and Transportation Minister Manfred Stolpe.\textsuperscript{96}

The focus of China policy under Schröder is nicely summarized in a statement made during his 2004 visit:

China is one of the most important markets, and for that reason I do not understand those who criticize economic cooperation. Our people here take advantage of it. … For good reasons we foster a close political and economic cooperation, not last of all in the economic interests of both sides, but also because we are together of the opinion that the problems of the world are only to be solved peacefully.”\textsuperscript{97}

The controversial issue of human rights seems far from the picture, and while an allusion to Germany’s perception of China as an important supporter of multilateralism in the global political arena is present, it is overwhelmed by the focus on economic interests.

French and German national foreign policies toward China under Chirac and Schröder continued to display the “astounding parallels and commonalities in spite of truly different starting points and fundamental foreign-political orientations,” that Hans Maull noted of earlier policy in Neßhöver’s 1999 volume.\textsuperscript{98} The analysis shows that the interests of these two important Member States converged during this period, instead of diverging, beginning an explanation of the nature of interests in underdeveloped common policy, which is incomplete without an exploration of coordination versus competition to be carried out later. It also shows continuity in core interests from the mid-1990s to the mid-2000s, suggesting explanatory power of the realist intergovernmental thesis in European integration.

After such an overt economic focus in China policy during Chirac and Schröder, Merkel and Sarkozy branded themselves as harbingers of a new policy with values at the core. Such a change in both, if substantiated, would challenge the thesis that national interests have been stable and reflect “convergence” leading to competition. However, although the tone on human

\textsuperscript{94} Ibid.
\textsuperscript{96} Bundesregierung, “Bundeskanzler Schroder: Das nutzt unseren Leuten hier.”
\textsuperscript{97} Ibid.
rights has become louder, especially in the German case, overall critical tones should not be interpreted as a change in the focus of relations. Promotion of economic interests remains of primary importance. The primacy of national economic promotion no longer means a pure focus on netting business contracts as it did under the previous administrations, since issues of intellectual property rights, persisting trade and investment barriers and currency valuation grew more important as China advanced in the stages of its economic development. However, economic interests have remained of primary importance and have been couched in national terms.
Chapter 3 - Merkel: A new “Values-led” China policy or merely a change in tone?

Merkel and her CDU party campaigned and came into power hailing a new “values-led foreign policy,” of which relations with China were a central target. Well into Merkel’s chancellorship in the Grand Coalition (2005-2009), the importance of human rights in foreign policy received much attention. Volker Kauder, CDU parliamentarian states the priority of human rights in German foreign relations: “A central goal of our foreign policy is a world order in which the basic political order is based on two central values: the inviolable worth of the individual and a certain amount of guaranteed personal freedom.”99 Such a priority was openly promoted by Chancellor Merkel as well. It is hard to mistake the pointed criticism of the former Schröder-led government’s China policy in her call for such a policy:

The foreign and security policy of the federal government is always built on values. It is ordered by values. German foreign policy does not take place in a vacuum. Therefore it is valid to say human rights policy and the representation of economic interests are two sides of the same coin and should never be allowed to be stood against each other.100

A number of commentaries believe Merkel has made good on her intentions. In the thesis of Fox and Godement, Germany has legitimately changed approaches toward China from the Schröder-to the Merkel-led governments: “while former Chancellor Schröder competed with President Chirac for good relations with Beijing, Angela Merkel has brought in a new focus on human rights.”101

The question raised by this new leading party, new chancellor and new “approach” is to what extent it has meant a fundamental change in the priorities of German China-policy. Have human rights supplanted economics as the focus of relations? At the same time, have geopolitical issues gained even more standing in a Germany becoming more internationally self-aware? Or is the change nearer the one that Elfriede Regelsberger suggests characterized the shift from Kohl’s CDU-led government to Schröder’s SPD-led coalition, namely a shift in

101 Fox and Godement, “Power Audit,” 24-25.
political style while the previous policy is carried forward?\textsuperscript{102} Events since Chancellor Merkel’s election suggest in large part a greater change in tone than focus of policy.

Human rights have indeed received more attention and a bolder approach under Merkel than under Schröder, as evidenced by Merkel’s willingness to be more openly critical of China on the issue, and by her willingness to meet political dissidents. However, her continuing of the Rule of Law Dialogue as the primary method of addressing the issue and lack of substantial change in policy suggest more continuity than change.

Merkel indeed spoke very directly, openly and critically to the issue of human rights deficiencies in China, and did so even during state visits. Her words in a press interview on the last day of her first state visit to China in 2006 are exemplary: “China still has deficits in human rights; there is absolutely no question. … We absolutely must also have the courage for critical tones. And they are tough negotiators. And for that reason we must also hold strong against that.\textsuperscript{103} Her words contrast sharply with those Schröder uttered, in which he urged China to secure political rights advances along with its economic reform. There is a degree of confrontation in her words.

Nor has Merkel hesitated to meet personally with Chinese political dissidents, including during state visits, a controversial action seen as at least highly offensive by the Chinese government, and perhaps even as a challenge to national security. During her 2006 visit she met with human rights activists, and also with a Catholic Bishop who had spent 27 years of his life in prison and labor camps.\textsuperscript{104} In her August 2007 visit she again met with dissidents critical of the Chinese government, openly talking with them about human rights and press freedom. She also visited the German-Chinese Legal Institute in Nanjing, saying that “a problem alongside the continued development of China is certainly the topic legislation and legal system.”\textsuperscript{105}

The strongest example given for change by a number of expert observers this student interviewed is Merkel’s meeting with the Dalai Lama in November 2007 in her office at the Bundestag. In this meeting, Merkel apparently broke two main Chinese diplomatic rules in

\textsuperscript{102} Regelsberger, “Deutschland und die GASP,” 35.
meeting the exiled Tibetan spiritual leader: she met him in her office, connoting an element of official reception, and she did not warn Chinese officials that she would do so when she visited China just four weeks earlier. One German diplomat interviewed, who is close to the CDU party claims, “Those who were surprised simply hadn’t studied Merkel—she had criticized Bush and Putin also. They could have expected it. She had said she would meet with him; but maybe they thought she would do like Schröder—mentioning he would meet with him during the campaign, but then turning hard realist thereafter.”

While Merkel’s open and critical handling of the human rights issue in China suggests a higher profile and changed tone on the issue, especially in her willingness to meet with dissidents in China and with the Dalai Lama, the lack of substance to this approach brings doubt that it has gained a more important position in German China-policy. Speaking of the methods at the disposal of German foreign policy to promote human rights advances abroad, with specific reference to China, the CDU parliamentarian Volker Kauder notes that in second place after dialogue, foreign policy may use “support for elements of the political opposition.” Interpretation of Merkel’s meetings with opposition members and groups, in which human rights are discussed, is a subjective matter; however this student does not interpret such action as substantial, as supporting political opposition in an active way. Moreover, while the Dalai Lama meeting in November 2007 sent a major political statement to Beijing, there is some doubt as to the extent of the intention to challenge Beijing. Stefan Friedrich from the Konrad Adenauer Stiftung expresses such doubt: “Many made much of the visit that it took place in Merkel’s office. I do not understand this, because it was on a Sunday, and she always works on Sunday in the chancellor’s office. It just happened that she met with him for an hour in this space; she did this expeditiously—it was practical.”

Primary doubt about an elevated position for human rights in German China policy stems from the continued emphasis on dialogue in general, and especially the Rule of Law Dialogue, as the primary form of human rights promotion in China. One must remember that the Rule of Law Dialogue began under Schröder as an effort on the part of both Germany and China to move human rights out of the spotlight. China encouraged dialogues with other countries, most notably France, in order to move human rights out of the domain of open criticism in the UN in the late 1990s. In Kauder’s speech on human rights in German foreign policy he places the Rule

106 German diplomat. Personal interview. 15 Jan. 2010.
of Law Dialogue at the front of policy tools as the policy relates specifically to China. He emphasizes, however, that “for the very reason that this dialogue is so important, it cannot be weakened by the impression that for us it is only about dialogue, and not about human rights. … The dialogue on human rights is necessary, but not sufficient.”\textsuperscript{109} Merkel also expressed such significance of the Dialogue, and desire to see its substantial outcome. During her 2007 visit she stated, “I think we do well to continue to speak with each other about this issue. The Rule of Law Dialogue is a possibility to do so. I think this discussion will accelerate in the next months, because China is preparing itself for the Olympic Games.”\textsuperscript{110} The Olympic Games showed, rather, that China was as unwilling as ever to bow to international pressure on human rights issues. Dirk Pleiter at Amnesty International expresses a view from civil society on the focus on the Rule of Law Dialogue:

There has been a strong focus on one instrument [to engage human rights issues in China] and that was the Dialogue. … We keep saying the Dialogue has some opportunities, but in particular with respect to China, we [at Amnesty International] consider this insufficient, mainly because we expect dialogue only to be active if there is a certain amount of will on the part of the counterpart to have changes, and you have the dialogue on how to implement these changes. But if there is little willingness to change anything, certain levels of pressure are required.\textsuperscript{111}

After dialogue and “support for elements of the political opposition,” Kauder says as a last resort, the use of economic pressure “in order to act politically against gross violations of human rights,”\textsuperscript{112} was a possible German policy tool. China is quite apparently not an option for economic pressure, as Kauder named Zimbabwe, Cuba, or Birma as specific candidates, leaving China unmentioned.\textsuperscript{113}

Holding Germany to such a standard in human rights promotion is not the objective of this paper. Indeed, no other country used economic pressure on China in this area. This merely shows that substantively, policy has not changed. Pleiter concludes that in general, human rights still play a minor role in China policy:

[W]e still have the situation, and moreso, that human rights play a minor role when looking at the relations [with China] as a whole. Individual ministries might say it plays a large part, but as a whole, it does not. … [W]e do not have yet a coherent human rights

\textsuperscript{109} Kauder, “Wertegeleitete Außenpolitik,” 19.
\textsuperscript{111} Pleiter, Dirk. Telephone interview. 3 Dec. 2009.
\textsuperscript{113} Ibid., 21.
policy, [which] has for instance part of creation of policies that it is not only affecting some parts of relations but rather all relevant parts of relations, and that also has its own goals where you are then able to say, ok, we had some success in our human rights policy.\textsuperscript{114}

In the end it appears promotion of human rights under the new Chancellor and new CDU-led coalition reflect a change in tone rather than policy.

Merkel has also carried her critical tone into geopolitical policy, calling for a more “responsible” China in the issues of Iran’s nuclear ambitions and climate change,\textsuperscript{115} leading to the question engaging German foreign policy more broadly since the fall of the Wall, whether a more self-aware sovereign Germany has been leading to a greater importance of geopolitical issues in foreign policy, and a willingness of Germany to assert itself more confidently internationally. However, as concerns China policy, geopolitical issues still prove minor in the overall policy spread. As under Schröder, many of the seemingly geopolitical issues in German China policy under Merkel carry economic baggage. China’s responsibility to play its part in the global climate change battle is an issue in connection with which Merkel raises Germany’s willingness to “strengthen the technological exchange between the two countries”\textsuperscript{116}; in the area. The economic agenda behind such an exchange is apparent as Merkel noted clearly that intellectual property rights associated with such technologies must be protected.\textsuperscript{117} She speaks of the G8 initiative of Germany called the “Heiligendamm-Prozess” that Germany began during its presidency, under the theme “Growth and Responsibility,” to include the O5-Countries: China, India, Brazil, Mexico, South Africa into the decision-making structure had as its first points of discussion, “investment conditions, worldwide openness for investments, over promotion and protection of innovations, development cooperation, energy efficiency and new technologies.”\textsuperscript{118} Economic issues and interests were obviously high on the agenda for such an initiative.

National economic interests continued to trump human rights and geopolitical elements under Merkel’s coalition government. The louder and more critical tones in controversial

\textsuperscript{114} Pleiter, Dirk. Telephone interview. 3 Dec. 2009.
\textsuperscript{115} Bundesregierung. “Rede von Bundeskanzlerin Dr. Angela Merkel vor der Chinesischen Akademie für Sozialwissenschaften.”
\textsuperscript{117} Ibid.
\textsuperscript{118} Bundesregierung. “Rede von Bundeskanzlerin Dr. Angela Merkel vor der Chinesischen Akademie für Sozialwissenschaften.”
economic issues when compared to China policy under Schröder may partly be attributable to style, but China’s growing stature and competitiveness in the global market and specifically in relation to Germany certainly also explains the new critical elements. During her first visit, while she continued to voice the importance of China for Germany as a trade partner, “Yet she also referred to China as a “future competitor” for the first time.” Such an attitude evidences itself most clearly in the criticism of intellectual property rights violations in China. Speaking with the press during her first visit to China in 2006, Merkel said openly, “We were hard and clear in acting to protect intellectual property rights.” In a speech before the Chinese Academy of Social Sciences during her August 2007 visit, Merkel gave clear example of the importance to Germany of the issue:

Soon an annual automobile show will take place in Germany: the so-called International Auto Show in Frankfurt. You know the Germans are very proud of their automobile manufacturers. So, when a car all of a sudden appears in Frankfurt that looks like a “Smart,” that is, a product of Daimler … but is not a “Smart,” rather a copy that was not completely legally developed, then that is not good. We speak very openly about that. Merkel was not only openly critical about intellectual property rights, but also the climate of awarding contracts in China. Speaking of Germany’s bid to build a high-speed rail line from Shanghai to Beijing using German mag-lev technology, that is “Transrapid,” she speaks to China’s rising responsibility as an economic power: “An economic power like China must learn to pay normal prices, also in the case of the Transrapid.”

Germany’s China policy continued to play the role of providing political flanking for German businesses in China, as Merkel followed patterns very similar to Schröder before her. In her first visit Merkel played the same role of political flanking, seeing to the signing of 19 contracts by the likes of Siemens for 500 locomotives and Lufthansa for a cooperation agreement. Like her forerunner she visited Shanghai and she gave a talk to several hundred representatives from the business sector in the German Trade Chamber in Shanghai and noted that Germany “knew the importance of China as a trade partner.” The visit to Nanjing during her second visit in August 2007, during which she met dissident groups, was arguably more heavily focused on industry, as she visited and gave a speech welcoming further construction of

120 Merkel, Bundesregierung, “Chinas Dynamik ist nicht zu überbieten.”
122 Ibid.
123 Ibid.
a Siemens factory in Nanjing. Not only that, but she opened the “Germany and China – Moving Together” project, in which for three years from fall 2007 to fall 2010, “Germany will be presented in different centres in China as active economic partner, tradition-rich cultural country and as modern education, research, and investment location.” During both trips she took large business delegations along, though it certainly can be argued that her 25 does not compare to the numbers present earlier in the decade.

In summary, national economic interests continued to play as strong a role under Merkel as they had under Schröder before her. This core national interest of Germany in relation to China withstands critical tones, in the sense that promotion of investment and trade issues continues to be important, and can even be seen as the cause for much of the critical tone, as China’s rising economic competitiveness would suggest. The candidly spoken words of one high-level German diplomat with responsibility for relations with China, when asked if there was marked change in China policy from Schröder to Merkel, explain well a large part of the continuity:

Schröder [went] every year to China; Merkel has said she wants to go every year; no there’s no change. There have been bumps in the road, like the Dalai Lama visit, which sometimes create longer or shorter irritants in the relationship … You have to deal with China—it’s very important to Germany economically. For example, Volkswagen now sells more cars in China than in Germany. The Chinese market grows each year—only the market—with a rate of the whole German market, which means three or four million cars each year. Imagine our market chances, as Germany still has a very strong auto industry. And I just talked to a Chinese governor last week from Shenyang where BMW produces, and he told me that for the S-Class Mercedes, the market in China is now bigger than [the market] in Germany. And of course when you have more money and a middle class, they want brand names, and that’s good for the German auto industry and of course we want to keep it that way. For us it’s very important for us to have stable relations with China. And that’s why we need government-to-government-level, frequent contacts to keep trust. You know there are differences, but if you know each other you can handle them.

125 German diplomat. Personal interview. 11 Jan. 2010.
Chapter 4 - Sarkozy: Multipolarity comes and goes but the economy remains important

Like Merkel, Sarkozy came into leadership making the promise of leading a new “moral foreign policy.” This was to translate in a strong focus on promoting human rights abroad. Shortly after becoming president of France in May 2007, when asked in an interview what the long-term foreign policy goals of France should be, after naming the “security and independence of France,” Sarkozy stated, “Our second major objective must be to promote internationally the universal values of freedom, observance of human rights and respect for human dignity, since France is really herself only when she embodies freedom from oppression, and reason to combat chaos.” Economic interests were named as the third objective. Such an avowed policy seemed substantiated by Sarkozy’s appointment of Bernard Kouchner as Minister of Foreign and European Affairs, whose history of promoting human rights included his co-founding of Médecins Sans Frontières. Sarkozy also approved Kouchner’s request to form a new post of Human Rights Minister, to which Sarkozy appointed Rama Yade.

Sarkozy’s China-policy explained from a liberal or constructivist viewpoint sees true change in relations broadly speaking. As one French expert engaged in the debate on China policy put it “when Sarkozy arrived in power, first he doesn’t like Chirac very much [and so pursued] change for change’s sake; second he was [closer] to the liberal segment of the right, which is not the Gaullist part; and third he was taken by the need to be realist – to found the Franco-China relationship on some kind of quid pro quo, so he went looking for that.”

However, Sarkozy’s policy direction up to the end of 2008 proved quite similar to his predecessor’s. Sarkozy pursued an uncannily similar quiet diplomacy with China in human rights issues. His geopolitical approach to China removed weight from the idea of a multipolar world. While in economic affairs, similar to the case of Merkel, a changed tone should not be mistaken for a changed policy focus. As in Germany, topics of intellectual property rights gained critical attention but political flanking of domestic national champions continued.

In contrast to Merkel, in his first year and a half in office Sarkozy carried forward the method of “quiet diplomacy” in human rights. On his first trip to China in November 2007

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128 French expert. Personal interview. 30 Nov. 2009.
Sarkozy left Rama Yade, his newly appointed Foreign Minister responsible for Human Rights who had begun accompanying him on international trips, in Paris, sending the signal that human rights would not be central to the visit. Indeed, they received the same minimal attention that Chirac had given them. In his version of quiet diplomacy Sarkozy mentioned in a press conference the human rights issues that were spoken about in private: “We [spoke] about human rights. I declared the progress made over the last 30 years in this area and also gave the reminder that France places value on further progress, in particular in the rule of law, journalistic activity and the death penalty.” Such a non-confrontational tone contrasts with Merkel’s on the issue. Sarkozy also states his expectation that China would join the pact on Civil and Political Rights in the UN, a statement that seems empty given Chirac’s campaigning for the same with China since early in his presidency, and the Chinese saying it would be considering it “as soon as possible since the year 2000.”

Sarkozy did meet the Dalai Lama in December 2008, which his predecessor did not do; however this should not be seen as an explicit policy move, as commentators are fairly certain Sarkozy did not expect such a negative reaction from Beijing, due to the location of the meeting and a sort of fair warning to the Chinese government that he would do so beforehand. In comparison to Merkel, Sarkozy did not meet the Dalai Lama anywhere near the Elysée in Paris, but rather at a ceremony in Gdansk, Poland in honor of Lech Walesa. In fact, in August 2007 when the Dalai Lama visited Paris he explicitly refused to meet with him. A French expert consulted often on China-policy notes the significance of location: “The rule is that you can’t meet the Dalai Lama in your office, and Sarkozy did the politically correct thing and met him at a Nobel Prize ceremony, and they said he changed the rules, but they changed the rules.” The same expert notes, furthermore, that during his visit in August 2007, Sarkozy had at least “talked about the need for the Chinese leadership to meet the Dalai Lama and that was before the March 2008 riots in Lhasa, so it was not a complete surprise that if the man says you should talk with the Dalai Lama, it follows that the man is probably going to meet with the Dalai Lama himself.”

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130 Ibid.


132 French expert. Personal interview. 30 Nov. 2009.

133 French expert. Personal interview. 30 Nov. 2009.
Human rights have continued to take a back seat in French China-policy, then, in spite of the new President’s vow to promote them centrally. A French diplomat responsible for policy toward Asia gave his view of the reason for the continued weak approach to human rights:

China is not a huge issue in France in terms of human rights, even in the general population … the problem is that we expect Europe to take the human rights message in our name … Of course it’s very convenient; you don’t have to any more bring a list of prisoners to your bilateral visit because it’s done at the European level. It would be good if at the European level we were strong enough to bring a message, and to bring it even stronger than at the bilateral level … During the 90s we were bringing human rights issues at the bilateral level, and then it stopped and was done at the European level. It’s true that we were not very successful at the bilateral level, so maybe there was the idea, ok, let’s move it to the European level. But then we fell asleep, and not just France but everyone.\textsuperscript{134}

While a number of geopolitical issues have proved important for French policy toward China under Sarkozy, an overt pro-US stance and a disappearance of “multipolarity” from the China rhetoric throws into question the earnestness of geopolitics as a focus of French policy with China. In his first state visit Sarkozy did mention China’s role in Africa gently, though critically and its responsibility to confront climate change. However, as with Merkel, Sarkozy emphasized the readiness of the French to help China tackle climate change by “technology transfer,” that is, sales of French high technology products. He said during his visit in November 2007, “We hope China’s growth continues to be strong but becomes low-carbon and environment-friendly. This is in the interest of China and the world. We are moreover ready to transfer clean technologies and cooperate with our Chinese friends.”\textsuperscript{135} Like Germany, though it certainly should not be seen as purely economically-motivated, the presence of the economic incentive to promote climate change action in China, a vast and as yet untapped clean technologies market, is conspicuous.

Finally, the secondary nature of geopolitics as an issue in French China-policy proves itself through Sarkozy’s practical dropping of the focus on China as an important partner in promoting multipolarity, which Chirac had followed. Indeed, the subject of multipolarity was not broached by France in talks with China in the first year and a half of Sarkozy’s presidency.

One expert with an advisory role to government and one from government in France in

\textsuperscript{134} French diplomat. Personal interview. 8 Jan. 2010.
\textsuperscript{135} French Embassy in the UK. “Visit to China – Preliminary statement made by M. Nicolas Sarkozy, President of the Republic, at his joint press conference with Mr Hu Jintao, President of China, at the Great Hall of the People.” 26 Nov. 2007. 08 February 2010 <http://www.ambafrance-uk.org/President-Sarkozy-s-joint-press,9929.html>.
\textsuperscript{133} French expert. Personal interview. 30 Nov. 2009.
interviews admit that multipolarity has not only lost emphasis, but was never really an issue. The expert with an advisory role claims, “In the mythology of relations in the two countries there are useful phrases, multipolarity has become one,” while the diplomat was more explicit:

For [China] this catchword of multipolarity was really useful … They thought in the 90s that multipolarity was a way to say goodbye to the US … They thought that France was going their way, that we could be a pawn in their game, but we have never divorced from our Atlantic relationship. We have had our downs, like 2003, but it happened many times before.

France is still embedded in the West, and a close ally of the United States, in the end. It is firmly embedded in the NATO alliance structure, where it looks primarily for promotion of its security.

Similarly to Merkel, Sarkozy has taken a critical stand on increasingly important economic issues, while maintaining the classic political flanking of business interests carried on since Balladur and Mitterrand. Both suggest, in comparison to human rights and geopolitical issues, national economic interests still maintain priority. Currency and intellectual property were an issue of China’s “responsibility” under Sarkozy. The latter issue was set in national terms, with two firms’ complaints (Danone and Schneider) receiving particular attention. Sarkozy’s first visit to China in November 2007 is largely regarded as a kind of Schadenfreude with benefits: he went to China with 40 business executives on the tail of Merkel’s meeting with the Dalai Lama and severe scolding, and netted major economic deals. Stefan Friedrich claims that Sarkozy “[stepped] in to try to be [China’s] best friend” after Merkel met the Dalai Lama. Another German expert with an advisory role to government interprets Sarkozy’s action similarly: “He tried to exploit the fact that [Merkel] had fallen from grace.”

Whether this is the case or not, during the trip he did see to the signing of 20 billion Euros in contracts for Airbus and Areva, the French civil nuclear power plant builder, far and away the most ever for a French state visit. During his joint press conference with Hu Jintao on his August 2007 visit, Sarkozy emphasized his desire to promote economic interests: “With respect to rail transport, I insisted on the relevance of the Alstom project for the Beijing-Shanghai high-speed rail link. I wanted to be involved behind the French small and medium companies wishing to work in China. …” Mathieu Duchatel agrees that under Sarkozy policy

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137 French Diplomat. Personal interview. 9 Jan. 2010.
139 German expert. Personal interview. 24 Nov. 2009.
140 “Visit to China – Preliminary statement made by M. Nicolas Sarkozy.”
was mainly economics oriented: “Paris needs large contracts to shore up the support given to the
government by the major enterprises, as well as to improve France’s trade balance and reduce
public deficit. It wants to continue to make economic cooperation and trade the driving force in
bilateral relations.”

Although to different degrees and in different style, Angela Merkel and Nicolas Sarkozy
carried out policies toward China that were still focused on the benefit to their respective
national economies, suggesting “convergent,” not to say cooperative, ex-ante interests. The
continuation of a strongly economic focus in China-policy by both Germany and France
throughout this study’s period suggests that China-policy in the EU has not been inhibited by
national Member State interests that “diverge and are incompatible.” The question remains,
however, if interests between these two important Member States converge, would they
contribute to common policy development or inhibition?

142 Keukeleire and MacNaughtan, “Foreign Policy”, 136.
Chapter 5 - Competing national economic interests

In seeking to explain an important element in an underdeveloped EU China-policy, a case study showing that the policies of powerful Member States are primarily focused on promoting national economic interests tells only part of the story. It explains why a common conception of human rights in European countries could not lead in itself to a common policy containing political and economic positions. It also explains why a common position on climate change, the need for reform of international institutions like the G8 or UN, or a belief in multilateralism would not be grounds in themselves for a common policy. Because national economic interests are so important in China-policy, one must consider primarily to what extent these interests lead to cooperation or competition. A comparison of French and German economic policy vis-à-vis China with this question of competition or cooperation in mind reveals economic interests that are primarily competitive. Such a result confirms realist political economy expectations of an international system characterized primarily be competition where fundamental national interests are concerned. It contributes to an understanding of why common European policy able to embrace a firm stance on political and economic issues of concern regarding China is untenable.

For the sake of understanding this new chapter’s position in the theoretical debate of the whole, one will recall that the power of Member States in CFSP matters necessitates an intergovernmentalist analysis, which leaves two theoretical schools with explanatory power. This student has claimed that the most popular intergovernmental theory in integration studies presently is Andrew Moravcsik’s liberal brand, but that this theory does not do well to explain why steps of integration have not taken place. Indeed, liberal theory in general favors a view of Europe in which the states of Europe are essentially cooperative, where even if states are seeking their own interests, these interests lead to cooperation. Convergent domestic economic interests in the most powerful Member States have, in Moravcsik’s view, made the “choice” for Europe possible. This rather rosy picture of European integration has more difficulty making a parsimonious explanation for the challenges in external economic cooperation. The theoretical paradigm of realism makes a much more plausible explanation, not only for the stability of national interests, which the first chapters of this paper flesh out, but also for the stability of the competitive, even conflictual, nature of these interests. In making such an argument, this paper, and this chapter in particular, admittedly take a rather liberal version of realism in which political power, or the conception of political economy as “waging war by other means,” is not necessarily the grounds for a lack of cooperation between Germany and France. This student
takes Barry Buzan’s view, who, when explaining the motivation behind international economic policy in states, claims, “I see no reason why the logic of power, self-interest and conflict cannot run in other sectors [besides high politics], nor, indeed, why the state should be seen as exclusively political. In my view, International Relations is a multi-disciplinary enterprise, and so is realism.”

In an analysis of whether Germany and France are primarily economic competitors with one another in their respective China policies, several elements should be included: the relative importance of China in trade and investment terms for Germany and France respectively; the extent of competition in industries active in China generally, and those promoted by government particularly; and the extent of agreement on critical economic issues vis-à-vis China. In a scenario where China has been of increasing importance for both Germany and France, and French and German firms of the same industries seek market presence in China, the political nature of the Chinese market encourages conflict and discourages cooperation. Moreover, critical issues in relation to China affecting both France and Germany have not suggested cooperation.

Germany has seen China as an extremely important economic partner in trade and investment terms for many years, and its objective importance has only grown. This is primarily because of the importance of exports in German economic production and the promise of China’s growing market. In the years 2006 to 2008 Germany’s trade to GDP ratio was 87.4, indicating a high dependence on exports for German economic well-being. In 2008 China ranked 4th in Germany’s export destinations at 3.4% behind the EU 27 at 63.7% and the United States at 7.2%, and Switzerland at 4.0%. China’s growing middle class holds much promise for the German economy: “There were an estimated 76 million prosperous consumers in China in 2001 (people who do not have to spend the lion’s share of their incomes on food and housing). This figure is larger than Germany’s entire population. Up to 2015, it could increase almost tenfold.” Indeed the expectation at the time of the above-cited report’s writing was that by 2015, there would be 284 million “prosperous consumers” in the United States, 76 million in

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145 Ibid.
Germany, 112 million in Japan, and 700 million in China.\textsuperscript{147} The importance of this rising middle class is clearly perceived presently, as the Ministry of Economy and Technology notes the number of “consumers with purchasing power” is rising, and with it “the demand for German consumer goods. Today [in 2009] about 200 million people belong to the Chinese middle class … By 2020 it should be around 680 million Chinese.”\textsuperscript{148} Besides China’s importance as an export destination, as in all Western countries, the German economics ministry notes the import of cheap Chinese goods plays an important role in price stability as well.\textsuperscript{149}

Alongside the trade importance of China for Germany, foreign direct investment (FDI) plays a related role. In their paper on German FDI in China, “Technology-based Investment of German Firms in China – Motives and Nature,” XiangDong Chen and Guido Reger explain that theoretically FDI has been thought of as having four primary motives: “(1) to seek natural resources, (2) to seek new markets, (3) to restructure existing foreign production through rationalization and (4) to seek strategically related created assets.” Among such motivations, however, the authors agree with a number of others in concluding that “being part of the industrial supply chain to satisfy demand from other European companies in China plays not an important role,” and that “low labour costs played a neglectable role,” while “[e]ntering into the Chinese market and increasing the market share play the dominant role.”\textsuperscript{150} In this sense “since FDI flows are now acknowledged to encourage exports, and the intra-firm trade exceeds the arm’s-length trade,”\textsuperscript{151} FDI in China is also of growing importance.

As with export volumes, FDI outflows to China have been low in comparison to overall German FDI. However, while in 2003, “German investments in China account for only 1.2% of total German FDI,” a 2004 Deutsche Bank paper notes, “A pan-Asian comparison (ex-Japan) reveals that since 1997 China has outstripped all other emerging countries of Asia with regard to...
German investor interest,” and since the late 1990s German FDI to China as a percentage of total FDI has been growing slowly.

In comparison with Germany’s 87.4, France’s 55.2 trade-GDP ratio shows a significantly lower importance. Nonetheless, it is not without reason that Mathieu Duchatel claims in 2007, “Paris … wants to continue to make economic cooperation and trade the driving force in bilateral relations.” As in Germany, the growing Chinese market has held much importance for France. Like Germany, though at a lower value, China ranked fourth in 2008 in France’s merchandise exports at 2.2%, after the EU at 63.6%, United States at 5.9%, and Switzerland at 3.0%. The rising middle class has also had important implications for France in the consumer goods area, due to its food and beverage industries with large market shares in China (Danone and Carrefour), and reportedly growing market captivity in cosmetics and spirits.

Similarly to Germany, the logic of market opportunity is cited as the primary logic in French investment in China: “Market seeking sectors (food, energy and water supply and financial services) appear to be in the majority in French FDI in China, India and the CEECs, as regards both the number of transactions and the amounts actually involved.” The 2007 French white paper on investment in China agrees: “China is not a preferred destination for offshoring.”

At the same time, following a similar story to exports, investment numbers have suggested a low importance when compared to French FDI in general. Investment in China from 2001 to 2003 only stood at 0.5% of French direct investment abroad, and “[b]y the end of 2003 only 1.23% of FDI into China had come from France.” As with trade, “French net direct

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156 WTO, Trade Profiles: France.
159 Ibid., 7.
investment flows are structurally oriented towards EU-25 countries, particularly those in the euro area (54% and 39% respectively) in 2006.\textsuperscript{161} The Bank of France observes, “France appears to be less inclined to invest in the emerging economies than the other major, even European, industrialized countries: Thomson Financial shows that, in terms of the number of equity investments in the CEECs, India and China, France (7% of the total number of transactions recorded for 1983-2003) is outstripped by the United States (20%), Germany (14%) and the United Kingdom (9%).”\textsuperscript{162}

As in Germany, although the level of FDI in China is small in the period in question, it has been expected to grow. Moreover, a 2007 French white paper on investment in China claims the numbers are deceptive—that while French investment in China is certainly still low compared to its investment elsewhere and compared to other European countries, notably Germany and the UK, turnover tells a different story. The white paper explains that Bank of France figures show the stock of French FDI in China at just 2.7 billion Euros at the end of 2005, with net flows “in recent years” increasing only at the rate they did in the 1990s.\textsuperscript{163} At the same time, Chinese figures estimate the stock of French FDI at as much as 6.8 billion USD at the end of 2005. The report admits that French investment in China is still “insufficient” when compared to others’ investment in China, but that the figures do not take into consideration French investment travelling by way of third countries, and that when account is taken of the sales of French subsidiaries in China, the figure reaches some 20 billion Euros in 2006, compared to the 8 billion Euros in exports in the same year. The report concludes from these numbers that while many focus attention on the widening deficit in trade with China, “the real economic issue today seems rather for our companies to maintain the ability to expand their activities within China.”\textsuperscript{164} Moreover, the relatively low numbers are mostly to be blamed on the relatively late arrival of French investment in China and the late opening of some sectors to investment.\textsuperscript{165} The expected growth of the Chinese market proves important to France: “the reservoir of growth … is especially valued as growth remains sluggish and at least structurally less on the European and American markets, which are more mature or saturated.”\textsuperscript{166}

\begin{itemize}
\item \textsuperscript{164} Ibid.
\item \textsuperscript{165} Ibid., 21.
\item \textsuperscript{166} Ibid., 23.
\end{itemize}
In spite of relatively low numbers in trade and investment with China in comparison to those with their other major partners, the Chinese economy held major promise and a growing importance in the period in question for both France and Germany. A closer look at the industries represented in the open market in China as well as those competing for public contracts reveals a largely competitive picture between France and Germany for the Chinese market. Moreover, this competition is not purely economic, as Chinese industrial policy means the French and German governments intervene to promote their national industries with Chinese decision-makers.

A look generally at the industries present in the open market shows a large degree of market competition. In 2002 about “two-thirds of all German investors [were] manufacturing firms, mostly from the automotive, electrical engineering, chemicals and mechanical engineering sectors.”\footnote{Deutsche Bank. “Foreign direct investment in China,” 3.} The numbers in 2002 clearly show the dominance of manufacturing. Deutsche Bank’s report shows 9.3% of investment from the chemical industry, 5.7% from mechanical engineering, 14.1% from electrical engineering, 30.4% from the automotive industry, 8.0% in other manufacturing, 0.4% in wholesale/retail trade and repairs, and 2.1% from financial institutions.\footnote{Ibid., 4.} The primary importance of these industries had not changed by 2008, when the Federal Ministry of Economics and Technology notes, “[T]he Chinese market in specific sectors like machine construction, automotive parts, and chemicals is of central importance for German firms.”\footnote{Bundesministerium für Wirtschaft und Technologie. “Wirtschaftliche Beziehungen – China.”} In contrast the service sector only accounted for 3%, but the Deutsche Bank report noted that since China’s WTO accession in 2001, more services companies were entering the market, the largest present in 2004 being “Metro (wholesale and retail trade), Allianz (insurance), Deutsche Post’s DHL subsidiary (logistics), TUI (travel) and most large German banks are present in the Chinese market.”\footnote{Deutsche Bank. “Foreign direct investment in China,” 3.} Areas of growing importance and future interest for Germany in the late 2000s were “transportation infrastructure, energy generation, mining safety, environmental protection technology and health care.”\footnote{Bundesministerium für Wirtschaft und Technologie. “Wirtschaftliche Beziehungen – China.”}

The makeup of French industry in China shows a large degree of competition. In 2005 French direct investment “ha[d] focused mainly on manufacturing industries such as chemical, automobile, machinery, food, and so on, which accounted for 56 percent of total stock, with that in energy, finance and enterprise service accounting for 16 percent, 12 percent and 9 percent
respectively.” Qi Jianhong and Zhou Jieqiong observe, “French direct investment in the second industry accounts for more than 70 percent of its total, which was consistent with not only that of Germany … but also the general case of FDI in China.” France has, at the same time, placed considerable emphasis in the 2000s on the future potential of similar areas as Germany such as transportation infrastructure, power generation, and environmental protection.

A closer look at the major French firms with significant operations in China is one way to see competition with German interests. The French white paper on investment lists firms for whom the Chinese market is of particular importance in terms of the percentage of China in their global turnover:

- CMA CGM has managed to place second company Foreign behind Maersk Line … At a lesser but still very high, the Chinese market currently contributes up 20% sales of Airbus aircraft. In the area of manufacturing cement, Lafarge carries 14% of its global production in China. Before the merger with U.S. firm Lucent, turnover of Alcatel in China also exceeded 10% of its world turnover. Some other groups doing in China a significant turnover between 5% and 10% of world total. This is the case of Rhodia (10% of sales), Ensival Moret (10%), Alstom (8%), PSA (7%), Delachaux (7%), Schneider Electric (7%), JC Decaux (7%) and Ipsen (6%). For the vast majority of groups, the contribution of China to turnover world remains low, reaching less than 5%. Firms belonging to this category include: Areva (4%), Biomerieux (3%), Veolia (about 3%), Lafarge Gypsum (almost 3%), Faurecia (2.5%), Carrefour (2.5%), Seb (less 2%), Essilor (just over 1%), Sanofi Aventis (less than 0.5%) as well as Total EDF, Thomson, France Telecom, Accor, all of our banks and our insurance companies. For SMEs, the situation is actually not very different.

It is widely agreed that the French market presence in China is dominated by as few as 20 large enterprises, most of which are listed above, which are then of central importance to the French economic interests in China. Comparing these with German industries involved in China evidences much overlap. Germany’s Hapag Lloyd shipping company competes directly for market share in China shipping with CMA CGM and as part of an overall hope in capturing the logistics market is important to German interests. Germany’s Telekom has been in the same market as Alcatel for building mobile networks in China. Rhodia’s top competitor is Germany’s Bayer AG, which has also made large entry into China. Alstom competes directly with Siemens in numerous areas of electrical and mechanical engineering, such as for transportation

173 Ibid.
175 Jianhong and Jieqiong, “French direct investment in China,” 3.
and energy infrastructure. PSA Peugeot-Citroen competes directly with Volkswagen for market share in the personal automobile market. Delachaux competes in similar infrastructure areas in railways and cables (fibre optic etc.), competing with Robert Bosch among others. Schneider Electric competes in green energy solutions, while Electricite de France competes in large energy generation infrastructure. Véolia competes with German water supply and wastewater companies.

While there is a general market competition between France and Germany, the fact that the Chinese market is so political turns market competition into a political game. In this political game, Germany and France prove that it is still national economies that matter in relation to China, not the European economy as a whole. The comments of one German diplomat interviewed, who has responsibility for economic policy with China, strike at the heart of the political aspect of economic engagement in China and the implications for Europe:

> It is the case that the Chinese aren’t stupid. With large projects, they play the European partners against each other happily. When the French and the Germans and then perhaps the Koreans and Japanese and Americans are vying for the same contract, I don’t think you can say that there is a common European position or a corresponding influence of ‘Europe’ as a player—it simply can’t sensibly—the interests are too much different for them to be able to say, we have here a single united player. So that, while Europe is as large an economy as the United States, … it doesn’t succeed to put forth effort in this power. As a large economic player, it is easier for Germany to manage than it is for others. We have the feeling that we can deal quite well with the Chinese by ourselves. Smaller [Member States] don’t find it easy.177

However, the Europeans are not dumb either and play the game to the best of their ability. The apparent role of granting political concessions to China in exchange for the award of lucrative contracts is one powerful way of seeing this game. It is, however, a hypothesis that cannot be followed past proving that it is plausible. The claim made earlier about Schröder’s call for China to be admitted to the G8 is a good example. This student claimed that the timing of these calls, namely, that they were made just before Schröder’s state visit to China while he was visiting Japan, would have been politically harmful in Japan, who would have little interest in seeing China join the G8. It also appears that Schröder had not consulted any of the other G8 partners, as one reads nothing more of this specific call after the China visit. This student claims, then, that this alone weakens the geopolitical value of such a claim, while it could be easily explained in light of the good economic relations and valuable contracts sought during the China visit.

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177 German diplomat. Personal interview. 21 Jan. 2010.
While there is indeed a pattern of political concessions to China made just before or during state visits, it is very difficult, for obvious political and diplomatic reasons, to trace definite causality between these political concessions and the award of economic contracts. Instead, one must settle for the obvious and open promotion of respective national industries by German and French politicians and diplomats. Such promotion has already been touched on above in the mention of visits made to respective French and German firms’ operations during state visits, as well as briefly in mentioning contracts signed during state visits. A case study will suffice in this section to show a competition over time in one particularly lucrative sector where the countries have sought Chinese government contracts: rail transportation. The same could, however, be followed in other areas where the state plays an especially guiding role in China, such as the many other infrastructure-development sectors.

The area of railway infrastructure evidences clearly a competition beyond the market for Chinese market presence. The promotion of their respective industry’s role in the development of this sector in China has seen political involvement at the highest levels of French and German diplomacy over the years. The best example is the Beijing-Shanghai high-speed railway. The 775-mile project, which the Chinese government began planning in the late 1980s/early 1990s, was said to have been worth at least $22 billion, but is more lucrative as a precedent for future deals, given China’s reported desire in 2004 to build up to 20,000 km of rail tracks “in coming decades.” Both Germany and France lobbied at the highest levels of government for years to receive the contract, which would see not only a general economic boon, due to the strong emphasis by both countries on the mechanical and electrical engineering and general manufacturing industries in China, but would also support national champions such as Siemens and Alstom. It was also of particular importance to Germany, whose new Magnetic Levitation technology stood to gain valuable legitimacy through the huge project. Already in 1999 Chirac was lobbying Chinese President Jiang Zemin for award of the contract to French firms. When Jiang visited France in October, “Chirac was eager to push the French-developed high-speed train as ideal for linking Beijing with Shanghai,” and after hosting the Chinese President at his country home, “Chirac showed off one of the [TGV high speed] trains to the Chinese president


Rail transportation infrastructure was also used as an example for French and German competition by a number of experts and diplomats. One German diplomat responsible for China policy notes the national competition explicitly:

> Of course there’s competition—take the case of the railway … when [the Germans and French] compete in China, the German finance minister or economics minister will of course lobby that the German company get the bid and not the French company, and in that way also the French minister will continue to lobby. We are 27 sovereign states.\footnote{German diplomat. Personal interview. 2 Dec. 2009.}

The competition for contracts to enter the Chinese market is, then, a highly political process which involves the highest political powers in Germany and France promoting their country’s economic interests against the other.

Even in areas where direct competition for contracts is not clear, where, for example, either Germany or France has overwhelming market captivity, there is competition. In water treatment, for example, large French firms have a commanding market presence, with a
subsidiary of Suez having been the first to enter the market, and another large French firm, Véolia, having fifteen years and $1 billion in investments in the Chinese market. Suez has had a part in “more than 125 drinking and wastewater plants, supplying about 20 percent of the urban population in China (400 million people). [Its subsidiary] won nearly 20 long-term water contracts in China and invested a total of $210 million in China … Véolia Water has 15 years and $1 billion investment in China’s water market, and has succeeded in joining or establishing 84 water supply and wastewater treatment plants.”\textsuperscript{188} Germany’s largest water company, Berlin Water, did not enter the Chinese market until 1998 and has a much smaller list and value of projects.\textsuperscript{189} However, a German diplomat responsible for economic policy vis-à-vis China commented on this area as one where German ministers have been seeking to help German companies compete:

We understand very well in which areas the French are in the fore, and I wouldn’t say we are angry about that, but we seek of course to compete against that … We have for example [the] area of water where the French have these huge projects, where we have only smaller companies where it’s difficult for them to come into fully new markets. We as a ministry have started a German Water Partnership, in which we seek to bind together those who are willing to go abroad, so that they can perhaps make offers together and start up in bigger markets. That of course the French don’t need with their big companies.\textsuperscript{190}

This is a less overtly political form of national economic promotion, but still evidences two national economies that are aligned more largely against each other than for each other, which finds its way into the government/political field in both countries.

The picture is not without its ambiguity in both open market competition and that for Chinese public contracts. Indeed, one French diplomat to the EU interviewed perceives the complication of discerning the extent to which they are competitors: “We don’t sell exactly the same thing … they sell machinery, we sell Carrefour—supermarket things. So we aren’t competitors. Well we are, but Germany is selling three times what France is selling to China, so we are not really competitors.”\textsuperscript{191} In 2007 the largest French employer in China was Carrefour with 40,000 employees.\textsuperscript{192} Moreover, some high growth in the service industry does not appear

\textsuperscript{189} Ibid., 35-36.
\textsuperscript{190} German diplomat. Personal interview. 21 Jan. 2010.
\textsuperscript{191} French diplomat. Personal interview. 1 Dec. 2009.
to compete with German interests, for example the hotel industry, where France’s Accor has seen growing captivity.  

In addition to not competing in every sector of the open market in China, France and Germany even cooperate to some extent to win contracts for Airbus. One expert with an advisory role to government in Germany notes, “Sarkozy came back [from his 2007 state visit to China] and he had basically contracts for Airbus. Now Airbus, last time I looked, was not a French company, it’s a European company.” However, a German diplomat with responsibility for economic policy with China notes that although Airbus is a “German-French community company,” it is “somehow very strongly perceived as French,” and can also be considered strongly French “coming from the production capacity, which has much weight in France.” Indeed, it is noteworthy that while almost every French state visit in the period in question saw the signing of a purchase or investment contract for Airbus, German visits rarely saw such contracts signed. Keeping these elements in mind still reveals a largely competitive picture.

However, Germany and France are not only political-economic competitors in China on the grounds of their competing market interests and the political promotion of them in China, but even in terms of common critical issues. It has already been mentioned that the issues of currency valuation, trade and investment barriers, and intellectual property rights are critical economic issues held in common in Germany and France vis-à-vis China, particularly since the Merkel and Sarkozy governments. However, these critical issues are limited in their focus toward a common policy, since France and Germany have fundamental differences in how to confront them. These differences can be explained by a France that is prepared to allow more state involvement especially in the direction of protectionism and a Germany that is in large part more liberal.

While France has often been eager to follow a more protectionist path, Germany’s interest is in maintaining liberal economic relations with China for the sake of its export interests. One French diplomat responsible for China quoted to me an article written in 2009 by Valery Giscard d’Estang in which he said Europe should not be afraid to take protectionist measures against China if it is to protect, for example, the social welfare system, etc.”

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193 See ibid., 16.
194 German expert. Personal interview. 24 Nov. 2009.
195 German diplomat. Personal interview. 21 Jan. 2010.
196 French diplomat. Personal interview. 8 Jan. 2010.
French readiness should be compared with a German aversion to market interruption: “France is not as open as we are. You see that in the anti-dumping field. Here we are very liberal: we are no friends of anti-dumping measures. I won’t say that in a few cases where our industries are particularly ill-affected that we won’t take anti-dumping measures against China, but it is not our philosophy.”

This means that even in areas of EU policy where the Commission is typically thought to have firm competence, such as trade policy, different positions found between Germany and France are stumbling blocks. A good example is the textile dispute of 2005. Weske summarizes well the textile dispute, where “[d]ue to the different structures of their national economies, France and Germany pursue different goals in the European context.”

Millions of Chinese textiles were blocked at European ports because they exceeded import quotas. The backlog stemmed from goods that were already in transit when the two sides had reached an accord to limit imports of Chinese textiles in June 2005. The agreement the EU and China finally came to in August 2005 was the result of very intense discussions. But not only between the EU and China, also within the EU, there was no consensus how to proceed. Countries with large domestic textile industries, like France, insisted on strict compliance with the import quotas decided in June. Others, like Germany, backed their retailers’ cry to let the textiles pass the borders and referred to the customers’ benefit when buying cheap clothes. EU-Commissioner Peter Mandelson did not only have to negotiate with his Chinese counterpart, but first of all, he had to define [a single] “European” standpoint.

Indeed, because of the policy-making structure in the EU, even areas of external relations that are decided upon by the “Community method” must see Member State agreement. This is because in such areas, external trade being the example at hand, the supranational Commission and Parliament have say alongside the Council of Ministers. One German expert with an advisory role to government uses the textile issue to show “very different interests in the EU Member States in relation to China”: “You have a few countries that really feel threatened by this Chinese competition, but for example Germany produces textile machinery, and we had no problem selling these to China which allowed them to flood markets with textiles.” As Weske points out, “Such inter-European disputes weaken the position of the EU in international negotiations and benefit above all the negotiating partner – in this case China.”

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197 German diplomat with responsibility for economic relations with China. Personal interview. 21 Jan. 2010.
199 Ibid., 4-5.
200 German expert. Personal interview. 24 Nov. 2009.
201 Weske, “The Role,” 5.
conflicting interests in trade policy make a broader common policy on China troublesome, particularly in PCA negotiations where China is interested in market economy status.

However, the example is also clear in the common issue of intellectual property rights and “forced” technology transfer, where an EU common position would look something like a common external industrial policy—that is, where Germany and France, and presumably other European governments, would need to negotiate for Chinese contracts together, so that they would have a better bargaining position against forced technology transfer. Industrial policy with respect to third countries does not exist, and is perhaps especially elusive vis-à-vis China. One non-governmental French expert prominent in the national and European China-debate, when asked about the potential of a sort of industrial bargaining partnership between Germany and France and the rest of the EU, showed reflective doubt on the prospect:

Talk about technology and industrial policy and it’s an obscene word that should not be used at the European level, the same as protectionism. In the EU, we’re about anti-trust, etc. All the leverage is on market-opening. None of it is on top-down technological, industrial, or investment policy. In order to receive some kind of reciprocal relation with China in some of these areas, you first need to reform some of the EU policy tools to move to a new conception. I’m afraid this sounds too French—too close to the traditional French neurosis: Colbertist policy, dirigisme and so forth, and it’s going to be rejected by other Europeans for those reasons.202

The differences especially between Germany and France in this area of industrial promotion are strong. One German diplomat responsible for economic with China perceives it as an important difference in German and French economic policy vis-à-vis China:

The French understanding of economic policy is simply much more etatist-shaped. Just look at the economic departments of French embassies abroad: they are enormous, and they carry out, so to speak, lots of little demands of French companies. The economic departments in German embassies abroad are much smaller … We have a very functional network of German trade chambers, [Deutsche Auslandshandelskamern], which support German companies in the market through market entry studies, contact mediation, [and] advising … The French are organized much more state-oriented with their embassies [at the head of] economic promotion. While we do these kinds of things also, this function is primarily outsourced to such structures as the trade chambers.203

French and German conceptions of how to handle economic issues of common concern, then, do not reflect cooperation but rather conflict.

Because of the actual and promised importance of China for the German and French economies since the late 1990s, greatly overlapping industries make the two political-economic

203 German diplomat. Personal interview. 21 Jan. 2010.
competitors in China. Moreover, common policy to confront economic criticisms the two have of China have been forestalled by their different interest-laden conceptions of how to solve the issues.

The analysis of economic competition rounds out the picture of national interests vis-à-vis China within the European Union. Where underdeveloped common foreign policy is concerned, of the two possible roles national interests play, convergence but competition and divergence and incompatibility, the national interests of France and Germany strongly suggest the former is relevant.
Conclusion

The case of Germany and France from 1997-2008 shows that national interests, an important determinant of common policy, have been convergent but competitive vis-à-vis China. In comparison to the admittedly different “approaches” to China which have arisen with the changes in chancellor/president and political party, underlying national interests in France and Germany vis-à-vis China have been stable. The critical importance of China as an economic market has overshadowed interest in its human rights problems and its increasingly prominent geopolitical role. While a pattern of “quiet diplomacy” in French promotion of the human rights issue persisted from the mid 1990s, Germany’s tone under Merkel became louder, but policy failed to change substantively. In the French case, the brand of multipolarity which seemed ready to encourage support of a rival to U.S. power proves to have been a fad. While geopolitical issues in both France and Germany were not unimportant, the emphasis on economic issues at the highest levels of government outweighed these issues. Indeed, China is still far away and benign in terms of the key geopolitical interest of security.

An analysis of these national economic interests suggests they are conflictual rather than complementary. Conflict stems not only from an abundance of competing industries in China, but from the political implications of Chinese industrial policy and a lack of common solutions to common critical issues.

The above suggests the theoretical paradigm of realism still has a place in explaining elements of European integration. The stable national preferences evidenced in French and German policy suggest the focus on domestic political elements is an unnecessary burden to understanding national interests as they pertain to China. Realism also better explains the conflictual nature of these economic interests.

This thesis leaves plenty of room for further research. The inclusion in the interest-analysis of other powerful Member States such as the UK would only make this analysis stronger. Due to the importance of interests from both a realist and liberal perspective, and the importance of Germany and France as actors in the EU, a comparison of French and German policy with a case-study methodology is likely enough to explain why a stronger common foreign policy vis-à-vis China could not have arisen. However, due to arguments about the importance of values, identity, and constitutional provisions of Member States, the preceding study of interests should be seen as preliminary. Further study including France, Germany, and the UK, along with other Member States should seek a thorough examination of other elements
in these countries’ foreign policies. Such analysis would make an explanation of EU China-policy more thorough.

Nonetheless, this thesis has important implications for EU China-policy and for CFSP. Firstly, a number of experts interviewed suggested the Lisbon Treaty might be an important tool to bring about a common China-policy. The argument is that the creation of a President of the European Council and a High Representative of the Union for Foreign Affairs and Security Policy would encourage common policy formation institutionally. Accepting the importance of Member States’ foreign policies, such cosmetic institutional advancement would likely not have a substantive result on common policy. Moreover, these figureheads would face an uphill battle trying to overcome conflicting national interests, which this paper has proven are present.

Another claim is that the changing nature of China into an economic competitor of Member States might encourage a common policy. The case of the Beijing-Shanghai high-speed rail project is a good example of this process. Neither France nor Germany won the contract in the end. Rather, China is building much of the project itself, while contracting out smaller pieces to a number of different multinationals. This view holds more promise when considering the political nature of public contracts. In a scenario where winning these public contracts were less of an issue, less conflict could be imagined, and agreement on common policy made easier.
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Personal interviews. This student carried out a number of interviews with experts from academia, government and civil society in addition to those cited explicitly in this list of citations. In the paper their positions have been described but their names not given due either to diplomatic protocol or personal desire to remain anonymous. The full list of those interviewed is, once again, Markus Kaim, Gudrun Wacker, Bernt Berger, Stefan Friedrich, Christine Hackenesch, Dirk Pleiter, Sabine von Oppeln, Eike Sacksofsky, Heinrich Kreft, Jörn Rohde, François Godement, Sophie Maysonnave, Arnaud d’Andurain, Joan Valadou.


