The Illusion of the China-US-Europe Strategic Triangle: Reactions from Germany and the UK

Richard J. Cook1 · Maximilian Ohle2 · Zhaoying Han1

Accepted: 3 October 2021
© Journal of Chinese Political Science/Association of Chinese Political Studies 2021

Abstract
The dawn of the Sino-US peer competition has broken, denoting a new status quo of instability as Beijing and Washington vie for influence. As leader of the rules-based international order (RIO), Washington under the Trump administration nevertheless adopted an “America first” posture, which triggered a transatlantic discord. Simultaneously, Beijing, having signalled discontent with existing settlements, has sought to alter international arrangements to cement its leadership role. Europe has been identified as a significant theatre for the emerging competition, with Germany and the UK recognized as essential target states for Beijing’s efforts, yet are simultaneously major stakeholders in the US-led RIO. As such, this article sets out to operationalize a European narrative of hedging. The article poses the questions, how does the transatlantic discord and Beijing’s leadership ambitions impact the hedging strategies of Germany and the UK, and why do such coping behaviors differ in various indices? Utilizing key signals from policy practitioners, policy elites’ rhetoric and national strategies, it is contended that while the UK is struggling to formulate a coherent foreign policy and now finds itself aligned with US foreign policy narratives, Germany is unlikely to signal its wishes to become strategically independent, if the US and EU foreign policy imperatives accord with Berlin’s political and economic interests. These two case studies reveal that both European powers are decidedly wary about Beijing’s signals and intentions, and are likely to retain closer alignment with Washington, foregoing strategic independence and illustrating the temporary nature of the transatlantic discord. Both will not, however, wish to relinquish Beijing, so long as attractive economic benefits can be attained, resulting in an inexplicit strategic hedge.

Keywords Hedging · Foreign policy · China · US · Germany · UK

Zhaoying Han
zhaoyinghan@nankai.edu.cn

Extended author information available on the last page of the article

Published online: 20 October 2021
Introduction

While not a Cold War, better represented as a “Scold War”, contemporary Sino-US relations are rapidly accumulating misunderstandings and distrust, shrouded in a range of increasingly aggressive rhetoric depicting the relationship as being in a state of competition [100]. Given that rising powers, in this case China, tend to alter existing arrangements of the international political and economic arena to better suit their interests, established powers such as the US mobilize their power resources to restrain the former in the international system [69]. Without doubt, these circumstances are proliferating across the world, due to their growing intensity, velocity and diversity within an era of power diffusion, ushering in a status quo of instability. The impact has called into question states’ strategies and their ability if not their culpability in coping with the emerging stresses when interacting with these two leviathans [71]: 211. Although the Asia-Pacific region canalizes scholarly attention as the primary theatre for this rivalry, shifting power dynamics have entrapped a plethora of European states within the wider scope of the Washington-Beijing clash [84]. United Nations Secretary-General Antonio Guterres has repeatedly flagged concerns over this evolving clash, noting, “the great fracture: the world splitting into two, with the two largest economies on earth creating two separate and competing worlds” [35]. Here, Beijing has adopted a more confident foreign policy posture, shifting from “rule taker” to “rule maker” in order to realize its interests, chiefly along its periphery but reaching out to Europe as well. Likewise, a more ambitious China paired with President Trump’s disruptive tenure in Washington, culminating in a transatlantic discord, has led European powers to face significant policy formulation stresses [25]. As the Biden administration has opted to maintain the antagonistic approach towards Beijing, Europe must establish a calculus for how closely to align with Washington, yet balance this stance with economic benefits, both in trade and investment that flow from Beijing. Such a situation insinuates a hedging posture, given that while the Sino-US competition which reinforces the systemic pressures is now unfolding, Europe is seeking to accommodate both alliance commitments to the US and economic engagement with China.

Scholarship has offered additional theoretical lenses to engage with the debate on the coping behavior of secondary states, chiefly in the form of accommodation, buck-passing, soft-balancing, offshore-balancing and institutional-balancing [30, 39, 56, 64, 69]. Here hedging, however, offers three fundamental benefits, which denote: (1) a clearer conceptualization of a third strategy between balancing and bandwagoning for potential hedgers; (2) the identification of a geographical area where intense great power competition takes place; and (3) the identification of pressures

---

1 Here the status quo of instability refers to the circumstance where one or more powers have incentive to change the power dynamics of the international system, as opposed to Gilpin’s notion of “where no one has an incentive to change the system, the status quo may be said to be stable” [29]: 11-12. Thereby, as a rising power gains incentive and aims to adjust power dynamics in the international system, for its own benefit and interests, it inevitably clashes with the existing power, as they would seek themselves to maintain their relevant power. This circumstance triggers instability, which becomes the protracted norm throughout a period of competition, as the system struggles to readjust.
posed by a great power on potential hedgers to clarify their positions amidst the
great power competition [51]. As such, hedging presents a beneficial lens for application
to Europe in order to grasp their strategic adjustments amid the Sino-US competition.

Hardly along China’s periphery, Europe is not immune from the potential benefits accruing from China’s leadership ambitions. The Belt and Road Initiative (BRI), transcribed as Beijing’s chief foreign policy orchestration has been received in Europe by a number of states, either signing up or engaging with various projects. Europe is geopolitically and geo-economically positioned as the final stop for both the “New Eurasia Land Bridge Economic Corridor” and the “21st Century Maritime Silk Road” [2]: 6-7. Germany and the UK have been identified as essential targets for Beijing’s efforts within the European theatre, both representing the largest economies in Europe by gross domestic products (GDP), and the largest recipients of cumulative foreign direct investments (FDI) from China, thereby signifying strategic significance. While Germany is recognized as the major stakeholder within the European Union (EU) in terms of economic engagement with both the US and China, the UK retains a similar position outside the EU, representing case selection diversity. Yet, recently both states have reassessed their China strategy and what Beijing’s leadership ambitions entail. The Johnson administration has raised issues of national security, while the previous Merkel administration’s similar value driven signals and more recent assessments see China, in addition to its function as a cooperation partner in the economic domain, as a systemic competitor due to diverging models of political and economic governance [4]. Nevertheless, Washington’s “America First” posture under the Trump administration and signals towards its allies have raised significant anxieties, particularly towards NATO partners, with accusations of “free riding”, including suggestions of a “Cost Plus 50 formula” for a US security presence or garrison reductions and base closures [66, 95]. Transatlantic trade disputes with a history of scant resolutions have also ignited concerns. Enflamed further by Trump’s rhetoric stating “[Europe] treats us worse than China”, the launch of a trade investigation under section 301 was initiated [92, 93]. Against this backdrop, this article assesses how Germany and the UK, as two major European powers, whom both represent constituents in the US-led RIO and as target states for Beijing’s leadership ambitions, have reacted to the changes under these strategic circumstances. As such, this paper poses the following two questions: How does the transatlantic discord and Beijing’s leadership ambitions impact the hedging strategies of the Federal Republic of Germany and the United Kingdom? And: Why do such coping behaviors differ in various indices?

The analytical framework of the article is as follows. First, the developing status quo of instability is critically reviewed, explaining the evolving systemic pressures for Europe as being caught in the middle. The second section explicates the theoretical dynamics of hedging and poses a European narrative of hedging. The third and fourth sections contain the empirical analysis on Germany and the UK, in which the European narrative of hedging is operationalized, elucidating the emerging trends. Assessing key signals posited by policy practitioners, policy elites’ rhetoric and governmental policy changes in each respective case study, the strategic pressures vis-à-vis the emerging Sino-US competition are revealed. Here, the selection criteria
encompass the practices, which the respective actors have signaled to execute since the BRI was launched in 2013. These practices are related to (1) Sino-German or respectively Sino-UK economic arrangements, and (2) the responses to US security concerns, involving both alignment and divergences. These measurement parameters have been selected, as they reflect the key interests of the actors involved and, thereby, provide insights into why Germany and the UK adopted a hedging strategem as a coping mechanism amidst the Sino-US great power rivalry. In conclusion, the article discloses the illusion of a strategic triangle, yet acknowledges the existence of an inexplicit strategic hedge by both Berlin and London, with their own unique features.

**Framing the Developing Status Quo of Instability**

The Sino-US competition has given rise to a scholarly debate as to how to contextualize its conflict potential and the impact it has on the international system. The said rivalry has engendered particular systemic pressures on various second-tier states that are caught in the middle, leading to the revelation of specific behavioral patterns that could be characterized as hedging. This chimes well with contemporary assessments from the Asia-Pacific and Europe. More precisely, the EU seeks to become strategically independent from either geopolitical pole, in order to avoid choosing one side, yet the results have been so far lackluster (e.g. the circumstances surrounding the ratification of the Comprehensive Agreement on Investments). Essentially, the EU and NATO member states have aligned their foreign policy imperatives with the US-led international order, otherwise labeled as “Rules Based International Order” (RIO), originating from normative and value-based practices – that is respecting human rights, democratic principles and the legal state doctrine that the EU seeks to translate into its policies – and market economic structures [47]. Also, Washington’s long-time provision of public goods to Europe acts as a “regional stabilizer” [57]: 349. In that light, European allies of the US, most notably Germany and the UK, are major stakeholders of the RIO, given the preservation of similar values and norms, which would insinuate stronger alignment with US foreign policy imperatives. As G. John Ikenberry stipulates, the US-led international political order “is not simply organized around the decentralized cooperation of like-minded democracies – although it is premised on a convergence of interests and values among the democratic capitalist great powers. It is an engineered political order that reconciles power and hierarchy with cooperation and legitimacy” [46]: 95. The US has, thus, installed various nodes of influence, in order to recalibrate its foreign policy imperatives to the conditions in Europe and the Asia-Pacific [73]: 267. However, with the “Pivot to Asia”, the US under President Obama shifted its geopolitical focus to the Asia-Pacific, signaling its pursuit of challenging a rising China in various issue-specific domains [15]. This has been further redefined by the Trump and Biden administrations within the framework of the Free and Open Indo-Pacific strategy, which seeks to provide sufficient engagement reassurances for multiple US-allies or those seeking alignment with the US, while the geopolitical and geo-economic competition between Washington and Beijing has been unfolding [83].
Such recalibration of foreign policy imperatives has intensified the systemic pressures of the Sino-US competition, given China’s increasing economic and political capabilities to engage in consolidating its role as a rule-maker and “responsible stakeholder”, instead of being a rule-taker [41, 76]. More precisely, China not only challenges the existing narratives of the RIO, but also provides alternative forms of political and economic engagement [108]. Concurrently, going from “rags to riches” in a relatively short space of time, bolstered Beijing’s confidence, as China, while in pursuit of the self-declared minzu fuxing [national rejuvenation] and Zhongguo meng [Chinese dream], emphasizes a growing global status [55]: 1. As Zhang acknowledges, China has been consistently seeking to become an architect of its own international political order, considering its tremendous economic growth since the reform and opening up was launched in 1978 [106]: 2. Here, Yan Xuetong further characterizes Beijing with wangdao [humane authority] and as a benevolent hegemon, when assessing its emerging leadership roles, able to fulfill various economic and security needs for those states that acquiesce to China’s rule making [104]: 44. Beijing envisions that this pursuit be materialized through the utilization of Zhongguo fang’an (Chinese solutions) – including issues such as poverty reduction, climate change, economic development and cyber security – for a multitude of secondary powers seeking economic incentives without political criteria [8]: 179. These efforts are conceived to dissuade actors that are skeptical of Beijing’s intent, yet have had lackluster results, particularly in RIO stakeholders. Said actors can be categorized into “dragon slayers” which would opt for countering Beijing assertively, and “panda huggers” which signal a Sinophile and amicable signaling posture [65].

Under the Sino-US competition, is seeking strategic independence achievable in light of finding middle ground between the commitments to the normative and value-based US-led international order and comprehensive economic relations with China? Prima facie, strategic independence can be defined as “the ability to set one’s own decisions in matters of foreign policy and security, together with the institutional, political and material wherewithal to carry these through – in cooperation with third parties, or if need be alone” [63]. Mark Leonard and Jeremy Shapiro contend that “in a world of superpowers, collective action can allow Europe to be a player in geopolitics. But, today, it is unclear whether the EU has the collective ability to protect European sovereignty, enhance the independence of its member states, and defend their interests and values” [59]: 2. This connects with Meijer and Brooks’ assessment of why Europe’s motion towards strategic autonomy is limited due to defense capacity shortages and strategic cacophony, i.e. “continent-wide divergences across all the domains of national defense policies” [70]: 9. Put simply, “if the U.S.-backed NATO were to disappear, this would undermine the institutional framework that has fostered some degree of coordination in Europe […] and partly contained Europe’s strategic cacophony” [70]: 10. Given the manifold heterogeneous interests and policy preferences of the EU member states and non-member states, such notions accentuate Europe’s undecided stance as to how to deal with the on-going systemic rivalry between the US and China, which is reinforced by two major concerns. On the one hand, the aggressive and at times erratic signaling of the
Trump Administration has significantly caused tension in transatlantic relations [42, 50]. These frictions have been caused by mutual dissatisfaction with existing bargains such as trade practices, contributions to NATO or the debate about Nord Stream 2. On the other hand, the current Biden Administration is seeking to revitalize the bargaining dynamics as an attempt to reinvigorate the traditional bond between the US and Europe, which may alleviate the tensioned transatlantic relationship [11]. Yet, concerns have been raised about China’s intentions, specifically when it comes to its leadership ambitions, with scholars and policymakers alike emphasizing presumable ulterior motives behind Beijing’s development agenda, specifically within the framework of the BRI.

Such scenarios raise the question as to how second-tier states respond to the systemic pressures deriving from great power competition, and why they behave in a particular way. In order to explain these behavioral patterns, realists have conceived the dichotomy of balancing and bandwagoning [97]. According to Stephen M. Walt, “balancing is defined as allying with others against the prevailing threat; bandwagoning refers to alignment with the source of danger” [96]: 17. Randall L. Schweller further illustrates that under a bandwagoning constellation, a more vulnerable state makes specific concessions to a more powerful state and accepts a role of aligning its foreign policy imperatives with those of the latter, following a signal of willingness to do so, either based on a voluntary decision or for fear of facing detrimental consequences [82]: 80. This, however, only provides a polar and simplistic description of state behavior, thus neglecting alternative explanations of how second-tier and small states formulate their foreign policy under the conditions of systemic great power competition [30]: 3.

Recent scholarship has added hedging as a third category. According to Evelyn Goh, hedging is defined as a set of strategies which “cultivate a middle position that forestalls or avoids having to choose one side at the obvious expense of the other”, referring to “any behavior that sits in between balancing and bandwagoning” [30]: 3. Following this understanding, bandwagoning and hedging are not conceived as a dichotomy, but rather as a continuum that presents hedging as a middle strategy and, as such, a principal determinant to measure second-tier states and small states’ attachment to a particular international order [64]. Put simply, when states are hedging, they seek to minimize the risks and maximize the benefits generated by the engagement with a more powerful state [52]: 377. Simultaneously, however, it is acknowledged that such notions neglect the systemic impact on hedging behavior, deriving from great power balancing. Viewed through this lens, it can be deduced that the behavioral patterns of second-tier and small states represent unit level drivers of foreign policy alterations which have been influenced by the system level stresses caused by great power rivalry. In that light, Alexander Korolev contends “hedging is most useful if removed from the system level and tied more closely to regional (interactional) or unit-level independent variables” [52]: 377. This offers an avenue worthy of further investigation to explore how hedging is employed by second-tier and small states as a foreign policy directive as an attempt to respond to systemic pressures.
European Narratives of Hedging

While system-level stresses represent causes for great power competitions, secondary powers must adopt strategies to cope, influenced by uncertain power distributions and unclear threats [45]. Consequently, foreign policy behavioral patterns can be identified as specific domestic and external forces impact political settings [64]: 164. Nonetheless, system-level balancing is reserved for great powers, as secondary powers and their policies are designed for coping with the strategic instability, represented on the unit-level in such situations [61]: 141. These settings present an ontological difference between “international politics” system-level balancing parameters and the “foreign policy” unit-level hedging behaviors [53, 98]. While system-level balancing between great powers takes place, secondary powers can supplement the balance by either implementing unit-level alignment policies with the existing power, engaging in unit-level bandwagoning policies with the source of danger (i.e. the rising power), or opt for a unit-level neutral position with passive system-level acknowledgment of the ongoing great power competition. Hedging, on the other hand, while acknowledging the system-level balancing, represents states neither aligning with the established great power, nor bandwagoning patterns, better represented as diversifying cooperation with both sides aiming to reduce detrimental risks [30]: 3. As such, hedging literature attempts to provide a broad panacea, as the hedger attempts to offset risks by gaining a range of benefits, over which multi-vector or omnidirectional engagement can be identified [52]: 377. Notably, hedging does have serious limitations. As system-level balancing circumstances intensify with increased great power competition, the space for hedging begins to shrink [53]. Here, unit-level foreign policy behavior may therefore seek to diversify over reliance or overdependence on a great power(s) by engaging with other secondary powers too, in order to reduce risk [48]. Essentially, this may buy a state more time, yet it may well be delaying the inevitable hard bargain between the opposing sides. Considering the expanding Sino-US strategic competition, the increasing stresses placed on European states are highly noteworthy, in particular for Germany and the UK as two major European powers engaged with China and stakeholders within the RIO. Grasping these ontological assumptions nullifies the simplistic characterization of “balancing, hedging and bandwagoning”, often presented as three poles from which states prescribe foreign policy behavior [103]: 557. Therefore, the provision of system and unit-level overlays on hedging dynamics, better illustrates how this flexible, yet often restrictive foreign policy behavior is understood and employed.

For secondary states, their ability to employ hedging is restricted to their inherent foreign policy deployment capabilities. While hedging has appeared frequently as a go-to for Asia-Pacific states coping with the Sino-US competition, being on their doorstep, it too must be recognized that most secondary powers or minor states in the region lack the geopolitical space for maneuver, sufficient capabilities of major European powers, the absence of a multilateral security initiative, and such a stern stakeholder position in the RIO. Therefore, four factors
must be considered that differentiate the Asia-Pacific hedge to that of a European one: (1) geopolitical distance; (2) capabilities; (3) organizational coherence in pre-existing institutions; and (4) RIO stakeholder position. Here, Europe’s locus is not within the immediate crosshairs of Beijing and Washington, reducing the risk of geopolitical devastation. Major European states, such as Germany and the UK, possess greater capabilities than that of Asia-Pacific states in most indices, granting greater bargaining potential. Europe’s pre-existing alignment with the US through multilateral security institutions such as NATO represents greater organizational coherence than that of the Asia-Pacific’s hub-and-spokes system, and Europe maintains a core stakeholder position within the RIO due to aligned values and interests that it denotes.

Recognizing the complex determinants that illustrate hedging, as well as the considerations for the prospect of a European hedge, any notion of a European hedge will have a greater tendency to lean towards Washington, despite desires to seek economic engagement with China. By way of investigating contemporary signaling activities, the following analysis will trace Berlin and London’s policy concerns and alterations, depicting their attempts to cope with strategic uncertainties. Economically, being caught in the crossfire of the Trade War and the previous Trump administration’s tariff policies towards Beijing, many European states and firms disapproved of those tariffs, which resulted in pressures on their economic policies towards China [32]: 59. Likewise, European firms were also hit with various tariffs themselves, agitating their position with Washington. Also, security concerns with Beijing have seen Washington attempt to rebalance, calling on allies locally and from afar to play their part. Yet, while European states share Washington’s security concerns, most notably in the South China Sea, the Trump administration harangued allies to increase military spending, but declared alliance structures such as NATO obsolete, placing strain on European foreign policy formulation. However, following President Biden’s visit to Europe, Washington has been attempting to revitalize the Transatlantic partnership. This presents an unstable foreign policy narrative, given that it is diametrically opposed to what the Trump administration had envisioned. For Europe engaging in long-range security deployments, testing the limits of deployment capability, conforms to a security headache, and doing so transmits signals of discontent, a more aggressive posture towards Beijing, thereby reducing the space to hedge.

While various European states, including Germany and the UK, seek to benefit from Sino-European trade deals, their cautious signaling is a result of a comparatively strong alignment with US security concerns as to China’s potential ulterior motives. As the case studies shall further demonstrate, this stratagem however does not insinuate a European pivot to China, derived from skepticism toward Beijing’s intent, but instead reflects (1) the lingering contemporary disagreement toward the previous Trump administration’s policy-making and the on-going frictions within the transatlantic partnership, as well as (2) China’s ambivalent foreign policy signaling that reinforces Germany and the UK’s cautious approach to Beijing. Hedging offers a suitable lens to complement existing empirical research on the triangular relationship between the US, China and Europe, specifically if cross-compared with one another as an attempt to conceptualize a European way of hedging.
The Illusion of the China-US-Europe Strategic Triangle:…

**Strategic Oscillations in Berlin**

The question as to how to formulate a strategically independent foreign policy presents an on-going political predicament in Germany, given that it has been consistently signaling strategic ambiguity amid the two poles of Washington and Beijing [22]. This situation is the result of increasing discontent with the US and, more precisely, the Trump administration rather than a sign of appreciating China’s commitments to the world economy. However, the frictions between Washington and Berlin have long been looming over the transatlantic partnership, considering inter alia Germany’s decision not to join the Iraq Invasion (2003) and President Trump’s threats of sanctioning companies committed to the construction of the Nord Stream 2 pipeline [101]: 76. Such instances reinforce the pressures on Germany, compelling it to reconsider existing foreign policy narratives and arrangements.

This raises the question as to how China is able to benefit from German discontent with the Trump administration and to what extent Berlin is giving in to Beijing’s economic incentives, considering a potential quest for strategic independence. For decades, Berlin has been pursuing a foreign policy stratagem *vis-à-vis* China, which is labeled as *Wandel durch Handel* [change through trade]. It is characterized as a normative and value-based approach to China that prioritizes democratic standards and human rights as conditions for a more comprehensive economic engagement [3]. The conditionality aspect, though presenting the canon of the RIO, to which Germany is committed, has been frequently neglected, while prime emphasis is given to the bilateral trade volume. More specifically, corporate lobbyists are able to canalis their influence into the foreign policy making that consequently benefits German companies [26]. The German government has given corporations the lead to promote the economic relations between Berlin and Beijing, thus outsourcing its own foreign policy resources to the private sector [27]. As China has gradually become more attractive for trade and investments, it was assumed that economic engagement with China would increase Germany’s export volume and, thus, yield more absolute gains, despite the fact that the Chinese market was only ranked third with 7.1% in 2018 (after the US and Europe, with 8.7% and 68.5% respectively) in Germany’s overall exports, as illustrated in Graph 1 [27]. *Au contraire*, while the imports from the US accumulated 6.59% in 2019, the respective figures related to imports from China indicate a more sizable share (9.96%) in the same time frame. Companies have been accumulating profits mainly through knowledge and technology transfer, and the export of machine tools as the basis of their economic relationship [3]. This constellation sees Berlin as the supplier of know-how and relevant goods, the exports of which would further stimulate the German economy, while the Chinese market has been gradually increasing its volume, specifically after China’s accession to the World Trade Organization (2001) [18]: 8 (Graph 2).

Following the global financial crisis, China surpassed Germany as the third largest economy in 2009, which has significantly impacted the bilateral relationship, particularly in view of Beijing’s increasing power ambitions [19]. While
preoccupied with solving the global financial crisis, Germany largely neglected two significant initiatives that were launched upon Xi’s accession to power. Firstly, China’s 17 + 1 forum has emerged and is largely seen as an attempt to establish a platform, encompassing a multitude of Central and Eastern European states, and to provide economic alternatives befitting to the latter’s needs [85]. Conducting such practices in Europe, and more precisely in some EU member states, would aid China’s expanding influence in the political and economic realms of the EU, that in turn affects Germany’s agenda setting power. Secondly, Beijing has elaborated the Made in China 2025 Strategy, which is designed to trade high quality goods and frontier technologies instead of being regarded as

Graph 1  German exports to China and the US, 2011-2020 [89]

Graph 2  German imports from China and the US, 2011-2020 [89]
The Illusion of the China-US-Europe Strategic Triangle:…

the “world’s factory” [105]. This inevitably would challenge Germany, as Beijing’s approaches to economic development and technological innovations would indicate an analogy to Berlin’s “Made in Germany” that is widely acknowledged for these practices. In 2016, Germany nevertheless approved a 5 billion USD offer by Midea for Kuka, Germany’s prime robotics manufacturer, as no legal option was available to block the takeover. Subsequently, China, despite vocal disagreement from the US, also bought Aixtron, a German chip producer that supplied upgrades to the US Patriot Missile Defense System [3]. Such instances present an emerging signal of US discontent with Germany’s engagement policy, given that China could have been provided with further technological advantages in the military domain.

China’s most ambitious project, the BRI, is also a principal determinant, connecting the Chinese market with European partners, with Germany being recognized not only as a transit country, but also as a destination for the export of Chinese goods. Duisburg, a major industrial city located on the Rhine, plays a significant role in Xi’s plan for a connected Eurasia via the BRI. This city is conceived as the central hub for Chinese exports to Europe, due to having the largest inland port of Europe and being connected with major European cities. In order to stimulate the development that has contributed to a boom since 2014, there are joint plans on the local level to transform Duisburg into a smart city powered by Chinese 5G technology in coordination with Huawei [3, 60]. Here, China signals to opt for negotiating with a strategically independent Germany, as the latter would presumably define the interests within the framework of the BRI only based on economic interests, without being pressurized by the US to abide by the normative and value-based canon of the RIO as the criteria for engagement. Simultaneously, if Germany were to seek strategic independence, such signaling behavior would insinuate a hedging posture as an attempt to cope not only with realizing Berlin’s economic interests and further consolidating the engagement with China. If successfully achieved in view of Germany’s appreciable stakeholder position, such engagement subsequently might contribute to a more politically independent foreign policy stance of the EU that would strengthen the Sino-EU relationship as Washington’s leverage would have been drastically reduced. More precisely, Shi Mingde, former Chinese ambassador to Germany, acknowledges in an interview that Berlin has been widely praised for its role as the prime engine for forging the China-EU relationship due to the comprehensive economic interdependencies and political synergies related to multilateralism and international conflict resolution. He also puts forth that Europe has to become strategically independent, as the Trump administration became committed to an “America first” policy and trade protectionism, neglecting Washington’s allies and potentially portending a transatlantic divergence [99].

Since the Trump administration launched the “trade war” against China in 2018, the interrelations between Berlin and Beijing have been intensifying [5, 49]. As opposed to the US strategy of decoupling its firms from the Chinese economy, German firms have been seeking even closer economic relations, specifically concerning mutual investments, industrial and investment cooperation, as well as the integration of particular supply chains, in order to maintain a comparatively high profitability [101]. Concluding that decoupling would result in heavy economic losses if
applied in Germany, Berlin considered hedging a valid alternative, given the prospects of preserving the economic dividends derived from the engagement with China, while being able to retain its stakeholder position in Europe. Consequently, the Trump administration reiterated its harsh rhetoric concerning China’s presumably unfair trade practices as well as Germany’s freeriding in NATO and economic surplus to the detriment of US companies [12, 80]. Recognizing these convergences, China has signaled its attempt to drag Germany on to its side, emphasizing the economic gains to be made and seeking to set out a foreign policy agenda that envisions Germany (and the entire EU) as actors strategically independent from Washington. These signals of an open economic architecture have been welcomed by most German corporates [101]. For instance, Allianz, BASF, Siemens and BMW, received favorable investment and ownership conditions in China as vital incentives to materialize a more comprehensive engagement. In order to increase the understanding of the Sino-German relationship and expand the expertise among scholars and policymakers, Hans-Peter Friedrich has founded the association “China-Brücke” (China Bridge), which specifically involves companies, such as SAP, Alibaba, ZTE and Huawei, but also seeks to address sensitive issues via appropriate channels of communication [3, 94].

However, China has so far been unsuccessful to benefit from the frictions within the transatlantic relationship beyond the existing economic commitments. Essentially, while Germany acknowledges certain economic and political synergies, Beijing is labeled as a systemic competitor [101]. As outlined by the Bundesverband der Deutschen Industrie (BDI), concerns are raised about the tight state control under the authority of the Communist Party of China, ambitions to achieve technological supremacy, omnipresent surveillance, market restrictions for foreign firms, the pursuit of redesigning international institutions conforming to Beijing’s national interests and the expansion of political influence across the globe, even penetrating the RIO [4]. Germany is also specifically concerned about economic motives, as either Chinese firms are viewed as competitors having climbed up the supply chains, or local politicians are not significantly aware about the activities of Chinese firms seeking to strike deals with them, thus indicating Beijing’s political influence [3]. In light of this, Germany’s hedging position is similarly evident, given that it seeks to accommodate the economic prospects generated by the materialization of the said projects, while also addressing the security concerns sufficiently, in order not to put its security interests at stake.

Here, there is at least a political tendency of aligning with US foreign policy imperatives on various issues that, if applicable, German decision-makers emphasize when addressing China. Worth highlighting are former Chancellor Angela Merkel’s visits to China in September 2019 when she expressed her concerns about the Hong Kong SAR [54]. Berlin likewise shares the US assessment of China as failing to comply with WTO regulations related to market liberalization, state subsidies and the protection of intellectual property [101]. In such circumstances, Germany, along with the EU, either would strengthen the transatlantic bond due to a consistency with US foreign policy objectives if it successfully voiced its concerns and found policy synergies with Washington, or its pursuit of strategic independence would fail, as Berlin’s signals were deemed incoherent to adopt such a role amid the
great power competition [3]. In order to underline its commitment to formulating a cohesive EU policy, Germany organized the Leipzig Summit in March 2020 as an opportunity to coordinate areas of mutual interests along with Beijing, signaling less competition [3]. Although it was postponed because of the on-going COVID-19 pandemic, and the EU leaders met their Chinese counterparts on a digital platform, the Leipzig Summit was first scheduled for September 14 when Germany held the EU presidency [101].

In view of the pandemic, the meeting was arranged as a televised conference and a personal meeting was postponed to an undetermined future date, so that the question remains as to whether Germany would still hold the EU presidency during the EU-China Summit, in order to translate its leverage into a more substantial outcome of the policy coordination processes [36]. Simultaneously, if the gains stemming from the Sino-German economic engagement are high and at stake when Berlin is put under pressure to address sensitive issues, the German government is more hesitant in taking a leading role and German companies are more likely to give in to China’s policy imperatives, as opposed to situations when sufficient gains cannot be made [3]. Put simply, “Berlin’s regional strategy tinker around the edges of trade policy without risking the cost of a full-fledged strategic reckoning with China” [31]. Due to this state of Machtvergessenheit (i.e. the non-recognition of one’s own power capabilities), Germany is not able to canalize its leverage into the EU’s foreign policy agenda and, thereby, reduces the European bargaining power with China [26]. Machtvergessenheit is to be seen as the consequence in the broader context of failing to cope with the contemporary status quo, as the hedging stratagem and the ambivalent signaling behavior that Germany has been transmitting prevent Berlin from mobilizing more power resources. These are nevertheless necessary to adopt a consistent China policy, also within a European context involving the EU and its member states.

How do Germany’s oscillations impact the EU’s ambitions of becoming strategically independent? While such inconsistencies may not contribute to reinvigorating the transatlantic partnership, they neither hint towards “Germany’s pivot to China”, as Berlin has received incongruent signals from Beijing as to the latter’s recent practices and statements [101]: 81-82. Despite the frictions, Germany does recognize the necessity of reconsolidating the linkages within the alliance system of the US and strengthening the complementarities of their foreign policy imperatives within the RIO. This in turn hints that Germany cannot become strategically independent, as these linkages are closely tied to the RIO. The Asia-Pacific has become a target region for political and economic engagement that not only involves China, but also the ASEAN member states, Japan and South Korea. Here, Berlin has played a more cautious role that is promoting trade and investments without challenging existing local rules, although it does emphasize the importance of the EU and NATO for the reconsolidation of stability across the Atlantic, as outlined in the “Leitlinien zum Indo-Pazifik” [Guidelines for the Indo-Pacific] [23, 31]. In order to demonstrate its political commitment to regional security and to accentuate its role as a designer of rules-based practices in Asia-Pacific, Germany will dispatch a frigate, which simultaneously does not aim to violate China’s territorial claims in the South China Sea [58].
Such instances shed light on Berlin’s foreign policy behavior. If ever, Germany has adopted a hedging posture, seeking to obtain the best set of economic benefits possible from oscillating between Washington and Beijing, however, opting for the former in order to maintain its credibility and integrity as a loyal ally within the RIO to the extent that economic gains can be made. Therefore, it can be expected that Berlin will be seeking closer policy coordination with Washington vis-à-vis China based on the mutual values that both states have been cultivating since the end of the Second World War. Specifically, upon the ascent of the Biden administration a gradual alleviation of the frictions is discernible. The most recent instance is noted when President Biden visited Europe in June 2021, seeking to revitalize the Transatlantic ties at the G7 Summit to promote a more confident posture against China along with key allies [77]. Former Chancellor Merkel shortly thereafter visited the US. She underlined that “[n]o other two regions in the world share such a depth and scope of mutual interests and values as Europe and North America”, thus signaling the special bond across the Atlantic [24]. These tendencies are likely to continue even beyond the outcome of the recent parliamentary elections, which the Social Democratic Party of Germany won. Given that the most likely coalition partners – the Green Party and the Liberal Democratic Party of Germany – have raised concerns about China’s practices, the signals of seeking re-alignment with the US hint towards a strategic recalibration with Washington. However, should the Transatlantic rapprochement generate unreliable results, it is likely that Berlin would continue its hedging posture and strategic ambiguity based on a Machtvergessenheit predicament, which in turn reduces Berlin’s bargaining power not only to achieve more tangible economic gains, but also to reconsolidate its stakeholder position in the RIO.

London Leans towards Washington with the Tilt against Beijing

Grasping the tremors of Brexit, London has found itself at odds with how it should formulate a coherent foreign policy with Washington, Beijing and Brussels. First touted by former Prime Minister Theresa May, “Global Britain” became the slogan of post-Brexit strategic thinking and has become a chief factor of the Johnson administration’s strategic discourse. Central to a post-Brexit direction, was the proposition of Britain being able to forge new economic opportunities for trade and financing to fuel needed economic opportunities. The engagement with China was consequently considered a valid option to reinvigorate the national economy, particularly in view of a potential Sino-British free trade deal. Here May had previously signaled that a “Global Britain” and China were “natural partners”, as post-Brexit Britain would seek preferential treatment, while providing aid to China’s continued efforts to integrate with existing international economic arrangements [67]. Recently, the concerns and disquiet surrounding the Hong Kong SAR, Xinjiang, the South China Sea, digital security and increasingly politicized rhetoric, have tarnished the so called and short lived Xinhuaqinshidai (new golden age of Sino-British relations). While the Xinhuaqinshidai initially presented a major signal of reconsolidating the bilateral relations between the UK and China, the pressures from Washington and its prevailing security concerns seem to have trumped London’s
economic engagement strategy with Beijing. Yet, London’s own reservations over China’s behavior are increasingly noticed. Awash with signaling discrepancies, London nevertheless seems to be at odds with synergizing its basic values and interests, as well as formulating a long-term strategy when engaging with a more confident China. This is seen as an on-going dilemma for the UK, presenting hedging as a valuable foreign policy option to accommodate the economic engagement with China and alignment with US security imperatives, with varying degrees of commitment.

While championing the engagement policy headed by Washington towards China, particularly through the mid-1980s following the Sino-British Joint Declaration (1984) until the early 2010s, London had been orientated to forge economic opportunities adhering to China’s economic opening up, as well as promoting social and political reform under the pretense of liberalization [7]. Following the War on Terror (2001), Iraq Invasion (2003), the Financial Crisis (2008) and more recently the actions of the Trump administration, weakening British domestic support for its special relationship has been an additional major challenge, prompting British acquiescence to further deal with Beijing on a broader range of topics. The results proved somewhat fruitful, with increased education, cultural and economic linkages being formed. These arrangements were concluded when the space to hedge was comparatively large and the UK retained a position in which it was able to project sufficient power capabilities to oscillate between Washington and Beijing.

Under the Premiership of David Cameron, Britain would mute, or at least downplay, concerns over values after a 2013 “charm offensive”, directing British strategy along the lines of economic interests as it sought to bolster growth with domestic policy programs in order to tackle deficit spending problems lingering from thirteen years of Labour government [38, 86]. In 2015, Britain received President Xi Jinping on an official state visit, in order to attract lucrative Chinese finance. Coined Xinhuangjinshidai, then Chancellor George Osborne signaled, “The UK is China’s best partner in the West”, what some termed the Osborne Doctrine [75]. As such, Britain opted to respond to China’s emerging leadership roles by engaging proactively, most notably within the framework of the BRI (while not being signatory of it), and later the Made in China 2025, seeing both projects as commercial opportunities [10, 87]. This presents a major signal of substantiating London’s endorsement of Beijing’s initiatives, mostly due to their impact on the consolidation of the British economy, and the reinforcement of its efforts to achieve political and economic autonomy beyond the EU in the post-Brexit era. In 2015 Britain had also committed itself to the Beijing orchestrated Asia Infrastructure Investment Bank (AIIB), of which several senior British officials would become increasingly involved in, which stoked US anger. Successive Conservative Party efforts were seen by some as an effort to place the UK’s experience in global affairs at the forefront of Beijing’s rule-making projects. Such instances were noted, again, when there was a larger space to hedge, with leading decision-makers seeking to obtain the dividends when such arrangements were materialized. Recognized as an updated Macmillan Doctrine, originally devised towards US order construction projects in the early Cold War, Britain saw herself in the light, “These Americans represent the new Roman Empire [...] and we Britons, like the Greeks of old, must teach them how to make it go”, yet recalibrated for China’s rise [38]: 264. Additionally, it was thought that economic
intensifications with China were to act as a gateway for post-Brexit Britain to engage beyond Europe, establishing itself as a commercial hub for both the East and West to interact with [88]. Such vision would see the UK embracing a middle position which further reinforced its hedging stratagem vis-à-vis the US and China. As such, it was expected, at least before the ascension of Johnson, that the UK would muzzle itself over values in order to gain economic favor from Beijing, noting China as an economic arena in which British exports and tourism could steadily expand [78]. On the contrary, however, there still exist issues for British companies engaging within China, chiefly issues of market access, lack of a level-playing field, intellectual property rights protection, inconsistent regulatory standards, and human resources [9].

Throughout the successive Conservative governments’ engagement paradigm with China, infrastructure investment has retained significant attention, identified as a means to boost economic growth [38]: 251-252. The 2 billion GBP funding for the Hinkley Point nuclear power plant (part of a 14 billion GBP trade and investment deal signed in 2014), which was slated to create 25,000 jobs, drew critical attention [91]. Security concerns over China’s role (China General Nuclear Power Group) in the project, referenced to its access to critical infrastructure, proved to be the primary stumbling block. Accusations mounted in the form of potential Chinese intrusions into its computer system [34]. Despite such unease, Britain’s controversial high-speed railway project (HS2), additionally received a funding boost from Chinese investors, as well as the expansion of Manchester Airport, illustrating that while some projects retain sticking points, Westminster is keen to continue to appeal to Chinese projects for infrastructure upgrades.

Focally, the UK is currently recognized as China’s largest investment destination in Europe, a symbolic gesture of economic cooperation [13]. British trade, despite running a deficit with Beijing, has expanded in recent years too. However, as seen

Graph 3  British exports to China and the US, 2011-2020 [90]
The Illusion of the China-US-Europe Strategic Triangle:…

in Graph 3 and Graph 4, Britain retains a more diversified trading network, with only 6.14% (2019) of its exports heading to China, while only 9.33% (2019) of total imports head the other way. As seen, the US still accounts for the sizable share between the rivalry, while Britain’s European neighbors dominate the trade statistics over both.

Expanding trade relations with Beijing and their effects have positively impacted Westminster’s coffers with the potential to deliver needed economic reinvigoration to an otherwise stuttering UK economy, especially post-Brexit. However, hiccups concerning Johnson’s more hawkish turn towards China have revealed a greater set of political cracks in the relationship that may impact China’s willingness to engage upon mutual economic interests. Westminster’s concerns over the issues in the Hong Kong SAR, triggered a range of rhetoric driven by signaling from both sides. This emphasizes the UK’s shrinking room for hedging, as London is struggling to reconcile a middle position given that RIO values are weighing into national interests. While China maintains respect for its sovereignty is paramount, the UK signaled a range of value orientated statements fueling apprehensions, going on to pledge British National (Overseas) passports for up to three million in the SAR, suspending extradition treaties and ceasing training programs with the Hong Kong SAR police (the latter claimed as a precaution due to the Covid-19 pandemic). The Johnson administration’s backtracking and repositioning over Huawei’s involvement in infrastructure additionally prompted an angry backlash from Beijing, who sees British actions largely linked to Washington’s pressure. Johnson went further by recently floating the conception of a D10 group (10 democracies) of which adhere to RIO values, wherein alternative 5G equipment supplies could be acquired [6]. Thereby, Sino-UK relations are facing “difficulties and suffering serious setbacks”, by which former Ambassador Liu Xiaoming stated the UK has violated the basic norms of
“mutual respect for [...] sovereignty and territorial integrity [and] non-interference in each other’s internal affairs”, while making the “wrong decision” on Huawei [21]. The vocal offensive by London and its readjustment to utilizing and disseminating its values as a sticking point has illustrated the general desire, at least in government circles, for a re-pivot away from engagement with China. Considerations of China as an economic opportunity following Brexit seem to have evaporated as security concerns and a “weaponized” discourse on China have come to dominate British-China policy [38, 88].

Within the security realm, London has been focused on its transatlantic commitments with NATO, surpassing the 2% GDP spending target, as well as being the most senior member of Washington’s Coalition of the Willing following the conclusion of the Cold War. Recently, British rearmament focused chiefly on her Navy and Air Force, have allowed it to develop a global combat deployment capability. This was marked with the launch of the two Queen Elizabeth class super-carriers, HMS Queen Elizabeth (commissioned 2017) and HMS Prince of Wales (commissioned 2019) along with the new Type 45 destroyers, as well as an array of auxiliaries allowing greater deployment range. For some commentators, these developments represent, better still, symbolize London’s return East of Suez, and a security olive branch to strengthen ties with India, Japan, Singapore and Australia (emphasized with the recent AUKUS agreement) [14]. These re-deployments have signaled a greater urgency for strengthening security ties with allies in the Indo-Pacific region, mirroring Washington’s Pivot to Asia and more recently the Trump administration’s Indo-Pacific Strategy. In a speech at the Royal United Services Institute, then Defence Secretary Gavin Williamson signaled British security concerns, “all the while, China is developing its modern military and its commercial power [...] today, we see a world of spheres of influence and competing great powers” [102]. However, British deployments to the region must be taken with a grain of salt, as limitations on deployment duration mean these efforts are more symbolic rather than efforts at taxing European muscle from afar. Essentially, these deployments can be considered signals from London attempting to raise its profile in the region with other RIO members and the US, as a willing, valuable, yet distant junior power.

The scheduled deployment of HMS Queen Elizabeth and its accompanying carrier strike group to the “Pacific region” in 2021, flamed tension with Beijing as Liu Xiaoming countered with a broadside indicating a military response may be required by China [33, 40]. Beijing’s Defense Attaché to London, Major General Su Guanghui, bolstered the signal by stating, “If the US and UK join hands in a challenge or violated the sovereignty and territorial integrity of China, that would be a hostile action” [74]. Worse still, the announcement of the carrier deployment coincided with the UK’s reversal on the use of Huawei 5G equipment usage in the telecommunications sector. Tobias Ellwood, Chair of the House of Commons Defence Committee, referred to the signaling discrepancy by tweeting, “Talk of sending our carrier towards China on the day Huawei is banned is reckless. We need a foreign policy reset on China [...] ‘Tactics without strategy is the noise before defeat’ Sun Tzu” [20]. Concomitantly, the Royal Navy has been conducting a range of transits through the region, illustrating a commitment to its partners of which it has assets in Singapore and the Sultanate of Brunei, overshadowed by further commitments to
values surrounding the freedom of navigation movements and exercises, as well as managing the RIO. Likewise, the UK a member of the Five Power Defense Arrangements, retains focus on the region as 12% of its maritime trade passes through the South China Sea, albeit the bulk of the trade coming from China itself by which such security posturing is provoking it [1]. These signals have been transmitted, as a shrinking space for hedging was perceived, given the recognizable convergences with US security imperatives.

Further US influence can be expected over London as its peer competition with China intensifies. The recent consolidation of the Five Eyes Security Partnership also leans towards the UK bolstering security cooperation with likeminded partners such as Washington, specifically over digital security concerns from China. Yet, Washington here has sought a more proactive tactic of pressure as it increasingly contends with its digital competition with China. In December 2019, former US National Security Adviser Robert O’Brien warned the UK that it stood to lose state secrets, also re-emphasized by signals from former US Secretary of State Mike Pompeo concerning the 2020 Prague Proposals, that the US must protect itself from security risks and ensure data partners were “trusted” [79].

The Trump administration’s weaponization of economics through the trade war with China has also had a significant impact on Britain’s China policy. As Crookes and Farnell note, “evidence already suggests the US is ready to respond robustly to any foreign government, ally or not, that takes measures in respect of China that undermine US interests” [17]: 113. Specified as granting China market economy status, offering concessions that reduce international pressure for Beijing to abide by international rules and norms will allow Chinese state-owned or state-backed enterprises access to critical technology, either by technology-knowledge transfer or direct enterprise transfer [17]. Directly hindering British trade negotiations for the post-Brexit era, London via seeking a Free Trade Agreement (FTA) with the US will likely be subject to an FTA termination clause if it grants China market economy status, among other potential clauses which have impacted London’s apprehension in antagonizing Washington. Essentially, this too, paired with London’s own concerns with China, thwarts a Sino-British FTA. This emphasizes a significant strategic pressure for the UK, as it appears it is being forced to choose amid the Sino-US rivalry, reducing notions of being able to act independently [17]. However, diversifying the hedge to target other Asian economies seems to be the alternative motive for British interests in the region. A major achievement would be to gain membership into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) comprised of other disgruntled second tier states in the region. Such constellations would see the UK aligning with third parties which are similarly engaged in hedging.

The intensifying Sino-US strategic rivalry will likely have a lasting effect on London’s culpability to balance its economic interests, in which it sees China as a crucial economic partner, and its security concerns in defending the US-led RIO, which lean heavily on liberal values [43]. Dissatisfied with of the Trump administration’s management of the RIO and its often-contradictory posturing towards its allies, London began to prepare in advance for a new US foreign policy orientation under President Biden. Particularly, London, by recently re-emphasizing values and
leaning towards US concerns over China, has begun preparations for the long-term strategic competition, chiefly by formulating the Indo-Pacific Tilt [37]. Such signals are to be interpreted as an attempt of recalibrating London’s foreign policy to Washington’s security narratives. For instance, the 2021 G7 hosted by the UK continued to address collective concerns on China’s “human rights and fundamental freedoms” [28]. Likewise, at the 2021 NATO Summit, despite the Joint Communiqué firmly signaling concerns towards China’s ambitions and behavior, Johnson additionally underlined that he did not wish to “descend into a new Cold War with China” [44, 72]. Both signals epitomize a strong alignment with US security imperatives, yet the UK is also seeking to ensure a space for engagement with China. By repositioning its hedging strategy with greater emphasis on the RIO, London has not entirely severed economic prospects with Beijing, albeit the UK will prefer to defend the order in which it has been a senior stakeholder since the Second World War. Essentially, UK oscillations emanate from on-going uncertainty surrounding its interactions with the EU as it attempts to stabilize its newfound relationship, a grounded clash between its interests and values, as well as internal dialogue between its panda huggers and dragon slayers, the latter better represented with the formation of the Conservative Party-led China Research Group [45]. Its culmination, therefore, causes problems for Whitehall to build a coherent China policy and personifies an inexplicit strategic hedge for the foreseeable future.

The Illusion of Europe’s Strategic Independence

Although predominantly utilized in the Asia-Pacific region as a means to measure the culpability of secondary power’s coping strategies within the Sino-US competition, hedging in this paper has demonstrated a European narrative. In particular, it recognizes that Europe is similarly composed of various secondary powers, most notably Germany and the UK, which are caught in the middle and have developed their own mechanism to cope with the impact of the said competition. The distinct European feature is undoubtedly molded by Europe’s longstanding relationship with Washington and the value-orientated RIO. Emergent systemic pressures are clearly impacting the hedging narratives of European states in view of the aftermath of the transatlantic discord and China’s leadership ambitions. Adopting a hedging posture can therefore be understood as a signal of a potential preparedness for supplementing a balance, should Sino-US relations further deteriorate. Under the contemporary circumstances, hedging may also yield further economic benefits so long as they are available with Beijing. However, as Washington’s self-prescribed severity of its emerging peer competition with Beijing has gained prominence in Europe, and prospects of overcoming the transatlantic discord appear more likely than a fundamental change in China’s leadership ambitions, which would be deemed more fitting to the existing RIO, there is a shrinking room for hedging [68]: 665.

As the empirical findings demonstrate, Berlin and London’s distinct yet calibrated positions amid the evolving Sino-US rivalry are facing challenges and changes. While the Biden administration has been seeking rapprochement with European partners, as seen during Biden’s recent visit to Europe, the aftermath of
the transatlantic discord under the Trump administration is still recognizable in the foreign policy imperatives of various European states, inter alia Germany and, to a lesser extent, the UK. Given former President Trump’s aggressive rhetoric and erratic signaling behavior, transatlantic relations became strained, which in turn reinforced the trend of hedging among major European stakeholders in order to accommodate both the impact of the transatlantic discord and China’s increasing leadership ambitions. Concerning Beijing’s economic bargaining activities, as one commentator noted of President Xi’s visit to the UK in 2015 that, “it will not have escaped the Chinese leaders that they were received not for their civilization but for, and only for, the weight of their gold” [81]. For some Chinese policy analysts, a real risk of partners taking the investments, yet forgoing the add-ons of political, cultural and security requirements of China’s interests is a real and serious possibility. Analogously, China’s leadership ambitions and intentions have recently been interpreted with greater caution, in the wake of actions that present significant rifts over governance values and international practices [16]. This is a particular concern as economic bargains are beginning to spill over into closer political, and to a greater extent, security relations. Essentially, this circumstance defines China as both a strategic partner yet equally as a systemic rival to Europe [62].

Consequently, due to the convergences between these European states and Washington, strategic independence is not conceivable, casting doubt on Europe’s, the EU and non-EU states’ ability to coordinate coping responses regarding China. That said, China’s efforts thus far have only been proven disruptive to US regional supremacy, still limited in its ability to offer alternative institutional frameworks [107]: 8. The inescapable truth is that while Berlin and London can opt to lean towards Beijing for economic interests, both cannot constitute a reconciliation of values, nor ignore Washington’s security concerns. RIO values will continually be a stumbling block, despite potential prospects to reconcile economic interests. These discrepancies in values relate to the unavoidable frictions represented as increasingly volatile rhetoric from all parties, which is to be expected, particularly as the status quo of instability becomes the new normal and Europe is pulled ever deeper into the latest great power competition.

References

1. Amer, R., and Li. J. W. 2019. British naval activities in the South China Sea: A double-edged sword. China-US Focus. Retrieved from https://www.chinausfocus.com/peace-security/british-naval-activities-in-the-south-china-sea-a-double-edged-sword.
2. Aoyama, R. 2016. One belt, one road: China’s new global strategy. Journal of Contemporary East Asia Studies 5 (2): 3–22.
3. Barkin, N. 2020. Germany’s strategic Gray zone with China. Carnegie endowment of international peace. Retrieved from https://carnegieendowment.org/files/Barkin_Germany_China_Policy.pdf.
4. BDI. 2019. Partner and systemic competitor – how do we deal with China’s state-controlled economy? Retrieved from https://english.bdi.eu/publication/news/china-partner-and-systemic-competitor/.
5. Biba, S. 2020. Ganging up on Trump? Sino-German relations and the problem with soft balancing against the USA. Journal of Chinese Political Science, published online. DOI: https://doi.org/10.1007/s11366-020-09669-5.
6. Brattberg, E., and Judah, B. 2020. Forget the G-7, build the D-10. Foreign Policy Retrieved from https://foreignpolicy.com/2020/06/10/g-7-d10-democracy-trump-europe.
7. Breslin, S. 2004. Beyond diplomacy? UK relations with China since 1997. The British Journal of Politics and International Relations 6 (3): 409–425.
8. Breslin, S. 2021. Divided but not poles apart: Europe, the United States, and the rise of China. Asian Perspectives 45 (1): 177–189.
9. British Chamber of Commerce in China. 2019. Position Paper 2019 – British Chamber of Commerce in China. Retrieved from https://www.britishchamber.cn/wp-content/uploads/2019/06/British-chambers-of-Commerce-Position-Paper-2019.pdf.
10. British Consulate General Shanghai. 2017. UK-China summit explores collaboration for made in China 2025 and UK industrial strategy. British consulate General Shanghai. Retrieved from https://www.gov.uk/government/news/uk-china-summit-explores-collaboration-for-made-in-china-2025-and-uk-industrial-strategy.
11. Chan, S. 2021. Challenging the liberal order: The US hegemon as a revisionist power. International Affairs 97 (5): 1335–1352.
12. Chazan, G. 2018. How Germany became Donald Trump’s European punchbag. Financial Times. Retrieved from https://www.ft.com/content/8f87c03c-93dc-11e8-b67b-b8205561c3fe.
13. China Daily. 2020. Speech by H.E. ambassador Liu Xiaoming at the HSBC Chinese new year lunch: Gather our confidence to deliver abundant outcomes. China Daily. Retrieved from https://www.chinadaily.com.cn/a/202001/31/W5Se341e33a310128117273e7e_26_2.html.
14. Clark, R. 2019. A return east of Suez – A case study of British foreign policy. UK Defence Journal. Retrieved from https://ukdefencejournal.org.uk/a-return-east-of-suez-a-case-study-of-british-foreign-policy/.
15. Clinton, H. 2011. America’s Pacific century. Foreign Policy Retrieved from https://foreignpolicy.com/2011/10/11/americas-pacific-century/.
16. Cottee, A. 2021. The European Union and China: Partnership in Changing Times. In The European Union’s strategic partnerships. Global diplomacy in a contested world, ed. Laura C. Ferreira-Pereira and Michael Smith, 221–244. Cham: Palgrave Macmillan.
17. Crookes, P.I., and J. Farnell. 2019. The UK’s strategic partnership with China beyond Brexit: Economic opportunities facing political constraints. Journal of Current Chinese Affairs 48 (1): 106–121.
18. Dieter, H. 2019. Chinas Verschuldung und seine Außenwirtschaftsbeziehungen. Peking exportiert ein gefährliches Modell. Retrieved from https://www.swp-berlin.org/fileadmin/contents/products/studien/2019S18_dtr_Website.pdf.
19. DPA News Agency. 2009. Report: China surpasses Germany as third largest economy. Deutsche Welle. Retrieved from https://www.dw.com/en/report-china-surpasses-germany-as-third-largest-economy/a-3944657.
20. Ellwood, T. 2020. Tweet posted on July 15. Retrieved from https://twitter.com/Tobias_Ellwood/status/1283164200249053184?s=20.
21. Embassy of the People's Republic of China to the UK. 2020. Speech by H.E. Ambassador Liu Xiaoming at the Webinar with the Chinese Business Community in the UK: Strengthen determination and shore up confidence. Retrieved from https://www.chinese-embassy.org.uk/eng/dshdjjh/t1799982.htm.
22. Fairless, T., Hua, S., and Pancevski, B. 2020. U.S.-China tensions leave Germany squirming in the middle. The wall street journal. Retrieved from https://www.wsj.com/articles/u-s-china-tensions-leave-germany-squirming-in-the-middle-11592989132.
23. Federal Government of Germany. 2020. Leitlinien zum Indo-Pazifik. Retrieved from https://www.auswaertiges-amt.de/blob/2380514/35e5c739e1c9a5c52b6469cfd1f72d/200901-indo-pazifik-leitlinien%2D%2D1%2D2data.pdf.
24. Federal Government of Germany. 2021. Eine deutsch-amerikanische Partnerschaft für die Zukunft. Retrieved from https://www.bundesregierung.de/breg-de/aktuelles/kanzlerin-usa-reise-1941922.
25. Foot, R. 2021. US-China relations in the era of Xi and Trump: Implications for Europe. In US-China foreign relations. Power transition and its implications for Europe and Asia, ed. Robert S. Ross, Øystein Tunsjø, and Wang Dong, 63-74. New York: Routledge.
26. Fulda, A. 2020a. Germany’s China policy of ‘change through trade’ has failed. Royal United Services Institute. Retrieved from https://www.rusi.org/commentary/germanys-china-policy-change-through-trade-has-failed.
The Illusion of the China-US-Europe Strategic Triangle:

27. Fulda, A. 2020b. China is Merkel’s biggest failure in office. *Foreign Policy* Retrieved from https://foreignpolicy.com/2020/09/15/china-merkel-trade-germany-failure-covid-19/?fbclid=IwAR0wrFDchsBLISm5ERvqwAM-rBv-18mK8iUYvaEtw6Mdppai2L_ndpj7z_EQ.

28. G7. 2021. Carbis Bay G7 Summit Communiqué. Retrieved from https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-3-1.pdf.

29. Gilpin, R. 1981. *War and change in world politics*. Cambridge: Cambridge University Press.

30. Goh, E. 2005. Meeting the China challenge. The U.S. in Southeast Asia regional security strategies Policy Studies.

31. Goldberg, C. 2020. Germany’s indo-Pacific vision: A new reckoning with China or more strategic shift? The diplomat. Retrieved from https://thediplomat.com/2020/09/germanys-indo-pacific-vision-a-new-reckoning-with-china-or-more-strategic-drift/?fbclid=IwAR0wrFDchsBLISm5ERvqwAM-rBv-18mK8iUYvaEtw6Mdppai2L_ndpj7z_EQ.

32. Goulard, S. 2020. The impact of the US-China trade war on the European Union. *Global Journal of Emerging Market Economies* 12 (1): 56–68.

33. Gray, N. M. 2020. Will the UK send its aircraft carrier to the South China Sea? The diplomat. Retrieved from https://thediplomat.com/2020/08/will-the-uk-send-its-aircraft-carrier-to-the-south-china-sea/.

34. Gurzu, A., and Stefanini, S. 2016. National security concerns cast shadow on Hinkley’s future. Politico. Retrieved from https://www.politico.eu/article/national-security-concerns-cast-shadow-on-hinkleys-future/.

35. Guterrres, A. 2019. Warning against ‘great fracture’, secretary general calls on, general assembly to reconnect with Organization’s values, uphold human rights, Restore Trust. United Nations Meetings Coverage and Press Releases. Retrieved from https://www.un.org/press/en/2019/sgsm19760.doc.htm.

36. Handelsblatt. 2020. Coronakrise. Geplanter EU-China-Gipfel in Leipzig wird verschoben. Handelsblatt News Agency. Retrieved from https://www.handelsblatt.com/politik/international/coronakrise-geplanter-eu-china-gipfel-in-leipzig-wird-verschoben/25787346.html?ticket=ST-194384-vXchtsWM4a3EdGtiKPRn-ap3.

37. Harper, S.J. 2020. A very British tilt. Policy Exchange: Towards a new UK strategy in the Indo-Pacific Retrieved from https://policyexchange.org.uk/wp-content/uploads/A-Very-British-Tilt.pdf.

38. Harris, P. 2017. China in British politics: Western unexceptionalism in the shadow of China’s rise. *The Chinese Journal of International Politics* 10 (3): 241–267.

39. He, K. 2008. Institutional balancing and international relations theory: Economic interdependence and balance of power strategies in Southeast Asia. *European Journal of International Relations* 14 (3): 489–518.

40. Holmes, J.R. 2019. Britannia helps rules the waves. *Foreign Policy* https://foreignpolicy.com/2019/02/20/britannia-helps-rule-the-waves/.

41. Hopewell, K. 2020. Clash of powers: US-China rivalry in global trade governance. Cambridge: Cambridge University Press.

42. Hopewell, K. 2021. When the hegemon goes rogue: Leadership amid the US assault on the liberal trading order. *International Affairs* 97 (4): 1025–1043.

43. House of Lords. 2019. UK foreign policy in a shifting world order. Select Committee on International Relations 5th Report Session 2017-19. Retrieved from https://publications.parliament.uk/pa/id/ld201719/lselect/idnrel/250/25009.htm.

44. Hughes, D. 2021. NATO does not seek ‘new cold war’ with China, Johnson says. Evening Standard. Retrieved from https://www.standard.co.uk/news/uk/boris-johnson-vladimir-putin-china-joec-biden-nato-b940457.html.

45. Hutt, D. 2020. How China is dividing Britain’s Tories. *Foreign Policy* Retrieved from https://foreignpolicy.com/2020/07/08/china-britain-conservatives-tories-5g-investment-europe/.

46. Ikenberry, G.J. 2008. Liberal order building. In *To Lead the world. American strategy after the bush doctrine*, ed. Melvyn P. Leffler and Jeffrey W. Legro, 85–108. New York: Oxford University Press.

47. Ikenberry, G.J., and D.H. Nexon. 2019. Hegemony studies 3.0: The dynamics of hegemonic orders. *Security Studies* 28 (3): 395–421.

48. Jackson, V. 2014. Power trust, and network complexity: Three logics of hedging in Asian security. *International Relations of the Asia-Pacific* 14 (3): 331–356.
49. Karnitschnig, M. 2020. Merkel looks east as ties fray between Germany and U.S. Politico. Retrieved from https://www.politico.com/news/2020/07/07/germany-china-trade-coronavirus-us-351922.

50. Khan, A. 2021. Kristen Hopewell, Clash of Powers: US-China Rivalry in Global Trade Governance. Journal of Chinese Political Science.

51. Koga, K. 2018. The concept of 'hedging' revisited: The case of Japan’s foreign policy strategy in East Asia's power shift. International Studies Review 20 (4): 633–660.

52. Korolev, A. 2016. Systemic balancing and regional hedging: China-Russia relations. The Chinese Journal of International Politics 9 (4): 375–397.

53. Korolev, A. 2019. Russia in the South China Sea: Balancing and hedging. Foreign Policy Analysis 15 (4): 263–282.

54. Koschyk, M. 2019. Mit schwerem Gepäck: Bundeskanzlerin Merkel in China. Deutsche Welle. Retrieved from https://www.dw.com/de/mit-schwerem-gep%C3%A4ck-bundeskanzlerin-merkel-in-china/a-50280537.

55. Kynge, J. 2006. China shakes the world: A Titan’s rise and troubled future – And the challenge for America. New York: Houghton Mifflin Company.

56. Layne, C. 2002. Offshore balancing revisited. The Washington Quarterly 25 (2): 233–248.

57. Layne, C. 2020. Preventing the China-U.S. Cold War from turning hot. Chinese Journal of International Politics 13 (3): 343–385.

58. Leithäuser, J. 2019. Deutschland entsendet Fregatte in ostasiatische Gewässer. Frankfurter Allgemeine. Retrieved from https://www.faz.net/aktuell/politik/inland/deutschland-entsendet-fregatte-in-ostasiatische-gewaesser-17224589.html.

59. Leonard, M., and Shapiro, J. 2019. Empowering EU member states with strategic sovereignty. European Council on Foreign Relations. Retrieved from https://www.ecfr.eu/page/-/1_Empowering_EU_member_states_with_strategic_soverignty.pdf.

60. Leue, V. 2019. Duisburger Hafen. Boom dank milliardenschwerem Seidenstraßen-Projekt. Deutschlandfunk Kultur. Retrieved from https://www.deutschlandfunkkultur.de/duisburger-hafen-boom-dank-milliardenschwerem.1001.de.html?fram:article_id=451832.

61. Levy, J.S. 2003. Balances and balancing: Concepts, propositions, and research design. In Realism and the balancing power: A new debate, ed. John A. Vasquez and Colin Elman, 128–153. Upper Saddle River: Prentice Hall.

62. Liang, W. 2021. Making sense of the EU-China relations: Partners and rivals. In New challenges and opportunities in European-Asian relations, ed. Bibek Chand and Lukas K. Danner, 47–81. Cham: Palgrave Macmillan.

63. Lippert, B., von Ondarza, N., and Perthes, V. 2019. European strategic autonomy. Actors, issues, conflicts of interests. SWP Research Paper 4. Retrieved from https://www.swp-berlin.org/fileadmin/contents/products/research_papers/2019RP04_lpt_ozr_prt_web.pdf.

64. Liu, F. 2016. China’s security strategy towards East Asia. The Chinese Journal of International Politics 9 (2): 151–179.

65. Logan, J. 2013. China, America, and the pivot to Asia. Cato Institute Policy Analysis 717.

66. Masters, J. 2020. How is the U.S. military pivoting in Europe? Council on Foreign Relations. Retrieved from https://www.cfr.org/in-brief/how-us-military-pivoting-europe, Accessed 24 Sept 2020.

67. May, T. 2016. UK-China discuss the next step for economic and trade relations. HM Treasury. Retrieved from https://www.gov.uk/government/news/uk-china-discuss-the-next-step-for-economic-and-trade-relations, Accessed 16 Sept 2020.

68. McCourt, D.M. 2021. Framing China’s rise in the United States, Australia and the United Kingdom. International Affairs 97 (3): 643–665.

69. Mearsheimer, J.J. 2001. Tragedy of great power politics. New York, NY: W. W. Norton & Company.

70. Meijer, H., and S.G. Brooks. 2021. Illusions of autonomy. Why Europe cannot provide for its security if the United States pulled back. International Security 45 (4): 7–43.

71. Meijer, H., and B. Jenson. 2018. The strategist’s dilemma: Global dynamic density and the making of US ‘China policy’. European Journal of International Security 3 (2): 211–234.

72. NATO. 2021. Brussels Summit Communiqué. Retrieved from https://www.nato.int/cps/en/natohq/news_185000.htm.

73. Nexon, D.H., and T. Wright. 2007. What’s at stake in the American empire debate. The American Political Science Review 101 (2): 253–271.
74. Nicholls, D. 2019. China warns the UK could be committing hostile action if it sends carrier into territory. The telegraph. Retrieved from https://www.telegraph.co.uk/news/2019/09/09/china-warns-uk-could-committing-hostile-action-sends-carrier/.

75. Osborne, G. 2015. Chancellor: Let’s create a golden decade for the UK-China relationship. HM Treasury. Retrieved from https://www.gov.uk/government/speeches/chancellor-lets-create-a-golden-decade-for-the-uk-china-relationship, Accessed 18 Sept 2020.

76. Owen, J.M. 2021. Two emerging international orders? China and the United States. International Affairs 97 (5): 1415–1431.

77. Parker, G., Payne, S., Hook, L., and Fedor, L. 2021. Biden rallies Western allies in global ‘contest’ against autocrats Financial Times. https://www.ft.com/content/0f24b0a9-1847-431c-807e-6e249fe7181b.

78. Patel, C. 2018. Human rights in the international system. Progressive Review 25 (1): 7–15.

79. Pompeo, M. R. 2019. The clean network. Retrieved from https://www.state.gov/the-clean-network/.

80. President of the USA. 2018. President Donald J. Trump is confronting China’s unfair trade policies. Retrieved from https://www.whitehouse.gov/briefings-statements/president-donald-j-trump-confronting-chinas-unfair-trade-policies/.

81. Ringen, S. 2015. The love affair with China is over. The Chinese state. Retrieved from https://thechinesestate.com.wordpress.com/2015/12/02/the-love-affair-with-china-is-over.

82. Schweller, R.L. 1994. Bandwagoning for profit: Bringing the revisionist state back in. International Security 19 (1): 72–107.

83. Scott, D. 2018. The indo-Pacific in US strategy: Responding to power shifts. Rising Powers Quarterly 2 (2): 19–43.

84. Shambaugh, D. 2005. China engages Asia: Reshaping the regional order. International Security 29 (3): 64–99.

85. Song, L., and D. Pavličević. 2019. China’s multilayered multilateralism: A case study of China and central and Eastern Europe cooperation framework. Chinese Political Science Review 4: 277–302.

86. Summers, T. 2015. UK-China relations: Navigating a changing world. In Mapping Europe-China relations: A bottom-up approach, ed. Mikko Huotari, Miguel Otero-Iglesias, Joh Seaman, and Alice Ekman, 84–88. Madrid, Paris and Berlin: European Think-Tank Network on China.

87. Summers, T. 2016. A platform for commercial cooperation. In Europe and China’s new silk roads, ed. Frans-Paul van der Putten, John Seaman, Mikko Huotari, Alice Ekman, and Miguel Otero-Iglesias, 63–66. Madrid, Paris and Berlin: European Think-Tank Network on China.

88. Summers, T. 2020. Imaging Brexit: The UK’s China policy after the referendum. Revised version of the paper presented at a workshop on “Europe and East Asia after Brexit” held at the University of Nottingham, November 1-2, 2019.

89. The OEC. 2020a. Germany imports and exports. Retrieved from https://oec.world/en/visualize/tree_map/subnational_deu/import/deu/show/all/2020/.

90. The OEC. 2020b. United Kingdom imports and exports. Retrieved from https://oec.world/en/visualize/tree_map/subnational_gbr/import/gbr/show/all/2020/.

91. Trade and Investment Department (2014) UK and China agree £14 billion trade and investment deals. Retrieved from https://www.gov.uk/government/news/uk-and-china-agree-14-billion-of-trade-and-investment-deals, Accessed 16 Sept 2020.

92. Trump, D. J. 2019. Trump: My plan B with China is to take billions and billions in tariffs and do less business. Fox news. Retrieved from https://video.foxbusiness.com/6052505336001/?playlist_id=3166411554001#sp=show-clips, Accessed 5 Sept 2020.

93. Tu, X., Y. Du, Y. Lu, and C. Lou. 2020. US-China trade war: Is winter coming for global trade? Journal of Chinese Political Science 25: 199–240.

94. von Salzen, C. 2020. Neu gegründeter Verein “China-Brücke”. Was es mit dem neuen Netzwerk auf sich hat – und warum die Mitglieder geheim bleiben. Tagesspiegel. https://www.tagesspiegel.de/politik/neu-gegruender-verein-china-bruecke-was-es-mit-dem-neuen-netzwerk-auf-sich-hat-und-warum-die-mitglieder-geheim-bleiben/25878256.html.

95. Wadhams, N., and Jacobs, J. 2019. Trump seeks huge premium for allies hosting U.S. troops. Bloomberg. Retrieved from https://www.bloomberg.com/news/articles/2019-03-08/trump-said-to-seek-huge-premium-from-allies-hosting-u-s-troops.

96. Walt, S.M. 1987. Origins of alliance. Ithaca, NY: Cornell University Press.

97. Waltz, K.N. 1979. Theory of international politics. Reading, MA: Addison-Wesley.

98. Waltz, K.N. 2000. Structural realism after the cold war. International Security 25 (1): 5–41.
99. Wang, R. 2020. Chinas Botschafter a.D. in Deutschland: EU wird sich nicht vollständig auf die Seite der USA stellen. German.china.org.cn. http://german.china.org.cn/txt/2020-08/14/content_76598044.htm.

100. Wang, W. 2020. US launches scold, Not Cold War. Global Times. Retrieved from https://www.globaltimes.cn/content/1189352.shtml.

101. Weidenfeld, J. 2020. Germany: No pivot to China. In: Europe in the face of US-China rivalry, ed. Mario Esteban, and Miguel Otero-Iglesias, 79-82. Report of the European Think-tank Network on China.

102. Williamson, G. 2019. Defence in Global Britain. Ministry of Defence. Retrieved from https://www.gov.uk/government/speeches/defence-in-global-britain.

103. Wu, C.C.H. 2019. Why do states hedge in East Asia? An empirical study on hedging. Asian Perspective 43 (3): 557–584.

104. Yan, X.T. 2019. The age of uneasy peace: Chinese power in a divided world. Foreign Affairs 98 (1): 40–46.

105. Zenglein, M. J., and Holzmann, A. 2019. Evolving made in China 2025. China’s industrial policy in the quest for global tech leadership. MERICS papers on China 8. Retrieved from https://merics.org/sites/default/files/2020-06/MPOC%20Made%20in%20China%202025.pdf.

106. Zhang, F. 2015. Chinese hegemony. Grand strategy and international institutions in east Asian history. Stanford, CA: Stanford University Press.

107. Zhao, S. 2021. The US-China rivalry in the emerging bipolar world: Hostility, alignment, and power balance. Journal of Contemporary China, published online. DOI: https://doi.org/10.1080/10670564.2021.1945733.

108. Zoellick, R. 2005. Whither China? From membership to responsibility. National Committee on U.S.-China relations. Retrieved from https://www.ncuscr.org/sites/default/files/immigration/zoellick_remars_notes06_winter_spring.pdf.

Richard J. Cook  is a Post-Doctoral Research Fellow of International Relations in the Zhou Enlai School of Government, Nankai University, China. His research interests include China-U.S. Relations, Hierarchy in International Relations and International Security.

Maximilian Ohle  is a Ph.D. student at the Department of Political Science, Eberhard Karls University of Tübingen, Tübingen, Germany. His primary research interests are China-Russia Relations, Hierarchy in International Relations, International Security, and International Relations Theory.

Zhaoying Han  is a Professor of International Relations in the Zhou Enlai School of Government, Nankai University, China. His primary research interests are China-US Relations, American Politics and Foreign Policy, Chinese Foreign Policy and International Relations Theory.

Authors and Affiliations

Richard J. Cook1 · Maximilian Ohle2 · Zhaoying Han1