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**Statement by the Social Democratic Party of Germany (SPD)
parliamentary group in the German Bundestag****A social democratic policy on China –
assertive, rule-based and transparent**

The rise of the People's Republic of China represents one of the largest global changes since the fall of the Berlin Wall. The growing significance of China brings with it not only a great number of challenges but also some opportunities for Germany and the European Union (EU). We need a broad European debate on how we want to develop our mutual relations with China. We need to rethink our position towards China to take account of both the developments in China and the shifts in relations with the United States, Russia, and other European neighbours with the objective of defining a common European position that is firmly anchored on the Western community of values, that strengthens European sovereignty in a rule-based multilateral order, and that deepens constructive, open and transparent relations to the key players of tomorrow.

For us Social Democrats, political relations with China have always been characterised by an ongoing political dialogue. Our principle is to not just talk about but also with China, and directly address constructive and critical issues in our cooperation and competition. It is hard to imagine tackling the economic, ecological, social and political challenges of our times without dialogue with China.

Our relations with China must be defined along the three dimensions of partnership, competition, and system rivalry. China's interest in actively shaping the international order provides an opportunity for us to deepen our cooperation and advance shared interests at a global level. At the same time, there is increasing conflict between our interests and values. China is not only a cooperation partner but also an economic competitor and a rival ideological system. Two different models are competing – the Western model of a democratic system governed by law with a free and social market economy against the Chinese model of authoritarian state capitalism. There is a clash of values between the two models particularly regarding freedom, human rights, democracy, and the rule of law. Even if our relations with China is defined by all the three dimensions specified above, these dimensions cannot stand side by side without careful consideration. The competition between these two systems ultimately defines the limits of our partnership in concrete terms and influences the nature of our economic competition with China.

We have observed with concern that the COVID-19 pandemic is also being instrumentalised in the competition for global influence, through disinformation campaigns, for example. And yet this pandemic has revealed so clearly that no country can tackle a crisis of this scale by itself. We can only succeed in mitigating the public health, economic and social impact of the pandemic through solidarity in our actions. We thus welcome the deepening of China's commitment to cooperate with the WTO. We hope that China can win back trust through transparent action. We urge China to take an active role in the globally coordinated search for vaccines and treatment options and to share its findings.

In the event of a cross-border threat, be it pandemic, nuclear, biological, or chemical in nature, the objective of the international community must be to share information directly, in full and uncensored.

The EU as the bedrock of a social democratic policy towards China

For the Social Democrats in Germany, German policy towards China must form part of and complement the policy of the EU. The EU-China Strategy 2016 and the joint communication “EU-China – A Strategic Outlook” of March 2019 are steps in the right direction. We expressly welcome the decision of the Federal Government to make EU-China relations one of Germany’s EU presidency priorities in the second half of 2020. The focus (of these deliberations) must be on how to strengthen coherence between the individual EU member states and reach a common position on China.

The struggle for hegemony between the United States and China is intensifying. A bipolarisation of the international order is not in the interests of Europe. It must not fall into a position of unilateral dependency. A reflection of this struggle for hegemony is the emergence of separate US and Chinese economic and technological spheres. If it does not prove possible to stop further bipolarisation, it will be all the more important for Europe to increase its strategic autonomy by strengthening its own economic, technological and scientific capabilities. Irrespective of this, the transatlantic community of values and security will remain the core anchor of our position in the world going forward. Within this framework, Europe must nonetheless learn to represent its interests more effectively, not only vis-à-vis China, but also vis-à-vis the United States and Russia.

Neither the EU nor individual member states will be able to meet their objectives with China effectively without a completely unified approach. Strong EU measures will only be possible with concerted action. Agreements between individual member states and China under the Belt and Road Initiative (BRI) and the 17+1 Initiative weaken consensus within the EU on its relations to China and impede coordinated and effective measures. The fact that China has most recently cast itself as the only capable player in the COVID-19 crisis to many European countries underlines how urgently we need to increase European collaboration and unity. Among the EU member states, Germany, in particular, must take concerted action to achieve consensus within the EU. The regulation adopted by the EU in March 2019 to establish a framework for screening foreign direct investment and strengthen the overall security level of the single market and make its industrial policy more enforceable vis-à-vis third countries such as China lead in the right direction.

The objective must be to reach a unified European approach in issues regarding human rights, trade and investment policy, including ensuring labour and social protection standards, as well as environmental and climate policy. The proposal of the European Commission to introduce qualified majority voting for certain topics could be useful to achieve consensus. Where joint measures on key points are not possible, Germany should try to form a leading group within the EU to take appropriate action, nonetheless.

Jointly fostering international security and stability to secure peace

China has abandoned its backseat approach and wants to take an active part in shaping the global security order of the 21st century. China is a strategic partner for Germany and the EU in tackling the global challenges we face. We expect China to fulfil its increased responsibility and contribute to

fostering international security and stability. We welcome China's contribution to the Iran nuclear agreement and its commitment to an effective implementation of the agreement. The longstanding cooperation of China in UN peacekeeping operations in Africa and the coordinated approach of the EU and China in anti-piracy operations highlights the potential of working together to find solutions in regions of conflict. We encourage China to actively work towards finding a peaceful resolution of the conflict on the Korean peninsula.

China's claim to global leadership and its growing military might is making China's neighbouring countries nervous. While China is increasingly its support of multilateral and diplomatic initiatives and tools within the United Nations, the country is largely pursuing bilateral approaches with its direct neighbours. China aims to wield the power of its size and use the divide-and-rule approach to maximum effect. We are concerned about China's claims over the East and South China Sea which prejudice the international legal order and endanger the freedom of navigation along major shipping routes of the global economy. Germany and the EU should consistently underline the importance of the freedom of navigation and increase its support of multilateral approaches for cooperation in the Asia-Pacific region. We should endeavour to prevent a further militarisation of the region. Europe's experience with the Organisation for Security and Cooperation in Europe (OSCE) could serve as a useful approach here.

China is stepping up its military capabilities. Until 2050, China aims to have the most technologically advanced armed forces in the world. China is developing a wide arsenal of the latest weapon systems, expanding its arms exports, and conducting sophisticated defence cooperation programs with countries such as Pakistan. In parallel, China is investing in the expeditionary capabilities of the People's Liberation Army (PLA) to secure trade interests, investments, and resources. In 2017, China set up its first overseas military base in Djibouti. Furthermore, on account of its increased muscle in foreign and economic policy, China is also bringing its influence to bear on security issues in countries outside of Asia as well, such as Venezuela.

In its efforts to modernise its armed forces, China is focussing primarily on the development of its anti-access / area denial functions (A2/AD). High priorities for China are the military dimensions of space travel and cyberspace. China is modernising its nuclear weapon systems in small quantities. China has a small nuclear deterrent capacity and aims to deter aggression with a secured second-strike capability. However, China is pursuing an ambitious asymmetric nuclear armament programme and is equipping submarines with strategic nuclear weapons. In this context, the sights are set particularly on the Indo-Pacific region as the hotspot for geopolitical competition.

We Social Democrats call on China to commit to the multilateral disarmament and arms control architecture. Predictability, transparency, and confidence-building must be strengthened and new military capabilities, weapon systems and cyber capabilities included in agreements. We must talk to China about conventional disarmament and multilateral arms control in the nuclear sector. The INF Treaty as the base pillar for nuclear disarmament and arms control architecture must be revitalised and expanded to include countries such as China and India.

China is a cyber superpower and is investing extensively in artificial intelligence (AI), quantum technology, robotics, and human resources. China's cyber capabilities have a direct impact on German and European security. We call on China to take an active part in strengthening international standards to ensure responsible conduct from all sides in cyberspace.

The Belt and Road Initiative of China announced in 2013 expresses China's ambitions to fortify its position on the Eurasian supercontinent. The aim of the initiative is not just to modernise trade

routes, facilitate access to raw materials, connect to new markets, and export industrial surplus capacities, but also to increase its influence in neighbouring regions and beyond. This may give rise to a conflict of interests between China and India, Russia, the United States, and Europe. The initiative has faltered recently with the curbing of capital outflows that has affected a wide range of BRI projects. Even in China itself, concerns are being raised about the high investment risks of the projects and risks of defaults – fears which the COVID-19 pandemic have proven are not unfounded. More and more target countries are criticising China’s conditions and have either terminated or newly negotiated high-risk projects.

While we appreciate that the BRI can certainly contribute to developing key infrastructure and international connectivity, we are worried that China is increasingly using this initiative to assert its own political and economic interests. Social Democrats welcome the contribution that the BRI is making to the development of partner countries but urge China to observe binding criteria such as good governance, the rule of law, corruption monitoring and the protection of human rights as well as debt sustainability. The BRI projects should also meet international environmental and biodiversity standards. We also want to see China ratify further conventions of the International Labour Organisation (ILO). China has so far only ratified four of the eight core ILO work standards. Those not yet ratified by China are the conventions on forced labour and on the abolition of forced labour, freedom of association and the protection of the right to organise, and the right to collective bargaining. With the adoption of the 1998 ILO Declaration on Fundamental Principles and Rights at Work, we should expect China to now feel obliged to implement all core labour standards and implement them. Further cause for concern is that a substantial part of the funds provided by China for the BRI have flowed into the financing of fossil fuel production. If this trend continues it will have a considerable impact on the international efforts to protect the climate.

China has also expanded its influence in the direct neighbourhood of the EU with its trade and investment activities. In response, the EU must step up its commitments to foster development and increase stability and security in its immediate neighbourhood. Germany must work towards effectively driving forward the Community’s enlargement and neighbourhood policy to make its partners more resilient and ensure adherence to the values, norms, and standards of the EU. The stabilisation and connections to the Western Balkans, in particular, is in Europe’s and Germany’s direct interests. If the EU turns its back on the Western Balkans it will leave the field open to other players. The EU must increase its focus on initiating infrastructure projects and expand its technical assistance and institution-building support. The EU must swiftly reach agreement on foreign trade tools in the upcoming multiannual financial framework.

Beyond the neighbouring states, the EU’s Europe-Asia Connectivity Initiative provides the framework for a constructive collaboration with third countries – including China – in the areas of transport, energy, and digital connectivity. The EU-China Connectivity Platform set up in 2016 to coordinate the European infrastructure measures with the BRI provides the opportunity to strengthen this collaboration.

Tackling global challenges together with effective multilateralism and transparent development cooperation

China is making efforts to have a more assertive role in the multilateral system. We welcome China’s growing commitment in the financing of the United Nations, China’s contributions to UN peacekeeping operations, and the constructive steps it has taken to address global challenges such

as combating climate change and protecting biodiversity. We are nonetheless greatly concerned about China's human rights, trade and development policy.

It is completely understandable that a more powerful China aspires to have a greater say in the multilateral system. However, both in the past and present, China is not always prepared to respond to legitimate calls to reform global governance and accept new rules to increase responsibility and accountability. Instead, China uses the multilateral system selectively and is making efforts to introduce norms and values that would change the existing rule-based international order contrary to our perceptions. As well as trying to change the multilateral system from within, China is setting up alternative multilateral organisations and initiatives to increase its bargaining power against existing institutions. Examples of this, other than the BRI, are the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB). Although institutions such as the AIIB are organised multilaterally, they could form the basis of an alternative order at least on a regional scale.

In the context of international development aid, China has shifted from an aid recipient to a donor country. China is now trying to present its authoritarian model of development which has successfully lifted almost 800 million people out of absolute poverty in the last four decades as an appealing role model for developing countries. Europe must hold up its own democratic model of development to counter this authoritarian one. For this purpose, we urgently need to expand our development cooperation considerably, particularly in African countries.

We are concerned about the workings of Chinese development financing as it diverges substantially from the OECD/DAC rules. Chinese development financing mainly consists of economic projects that are financed by low-interest trade credits from Chinese banks and implemented by Chinese companies with often very low value added in the recipient countries. Highly indebted poor countries are often unable to afford the repayments. Furthermore, the lack of transparency in Chinese financing makes it more difficult for other donors and investors to correctly assess the indebtedness of countries.

In view of China's sizable investments, we Social Democrats call on China to increase its commitments as a donor of public development aid and be a reliable partner in the multilateral forums to tackle global challenges.

We welcome China's contribution to the Agenda 2030 process and agreement on the Sustainable Development Goals (SDGs). An intensification of international cooperation will be absolutely essential if we are to meet the Agenda 2030 targets.

Preserve values, demand the respect of human rights, scrutinise developments in the rule of law

The model of a democratic state based on the rule of law is coming under pressure all over the world. Democratic countries must actively work to preserve its values in the competition of the systems.

We acknowledge the progress China has made in economic and social rights. We are nonetheless greatly concerned to see that the situation regarding political and civil rights has continued to deteriorate in the last few years. China's judicial system is not independent and the Chinese Communist Party (CCP) has substantially stepped up its control over all spheres of society. Human rights such as freedom of speech, press, association, assembly, and religion are massively restricted. The media is used to control opinions and digital technologies for surveillance purposes. The scope of civil society continues to contract. Statistics on executions are still classified as a state secret.

There are widespread restrictions on religion and on the freedom of movement. We are also very worried that the one-child policy and the systematic killing of female foetuses and babies in China has entrenched patriarchal power structures between the genders.

We are very concerned about the serious violations of human rights in the regions of Tibet and Xinjiang. Of particular concern is the huge repression of Uyghur Muslims and other minorities in Xinjiang. More than one million Uyghurs have been forced into “detention camps” and forced labour. We are worried to see that in China’s disputes with other countries, the Chinese justice system is used to exert various forms of pressure on foreigners including arrest. In individual cases, China does not fully adhere to the international agreements on consular access.

The current developments in the special administration region Hong Kong are also very worrying. The disproportionate police force used against protestors, the sentencing of activists to long prison sentences, and the recently adopted security law clearly show that the guaranteed autonomy of Hong Kong until 2047 is in jeopardy. In the opinion of the Social Democrats, the principle “one country – two systems” anchored in the basic law of Hong Kong and in international agreements must be maintained. Germany and the EU have a strong interest in the preservation of the autonomy of Hong Kong, the freedom of its citizens, and the stability of its economic and political system.

We support the policy of the federal government towards Taiwan. We cannot allow the status quo to be changed unilaterally by the People’s Republic of China or a violent conflict in the Taiwan Strait to unfold. Since the lifting of the state of emergency in Taiwan in late 1987, the country has transformed into a vibrant democracy and is now Germany’s fifth largest trade partner in Asia. In response to the One China policy, we Social Democrats are working towards increasing the inclusion of Taiwan in international organisations, and strive to continue to foster our economic, cultural, and scientific relations with Taiwan.

On a multilateral level, China is increasingly challenging efforts regarding the respect of human rights. It is trying to cut back the financing of the UN system for human rights, does not acknowledge the authority of the International Court of Justice, and fails to grant international bodies unrestricted access to review the human rights situation in the country. In its discourse, China shifts the focus to economic rights and calls for the application of the principle of sovereignty. Individual rights are regarded as much less significant. Nation states should not interfere in the “internal affairs” of others. China’s approach is proving increasingly successful in the Human Rights Council. Messages on the importance of “mutual respect” and “constructive cooperation” instead of accountability and rights of the individual appeal to UN member states that are under political and economic pressure from China, also in Europe.

Germany must therefore continue to address violations of human rights in China very clearly, both bilaterally in its dialogue with China on the rule of law and human rights, and, also, multilaterally in cooperation with the EU and likeminded partners. That applies in particular measure to the digital sector. Germany and the EU must work on a multilateral level to ensure that the right of access to electronic networks, freedom of expression, and the right to privacy also applies in the digital era.

Increase calls for openness and transparency to enable a fair and equitable trade and investment policy

China has started to put its export-dependent development model on a more solid basis. Rather than the unprofitable state sector, IT and knowledge-based innovations and an economic model with increased emphasis on private initiatives are to be the new drivers of economic growth, boosting both domestic consumption and competitiveness. Alongside the BRI, the focus here is on the Made in China 2025 Initiative (MiC2025) which aims to bring ten strategic high-technology sectors to global leadership by 2049 through extensive public investment in research and development, the acquisition of foreign high-tech companies, and access rights to the Chinese market in exchange for the transfer of technology. The aim of the initiative is not solely to foster innovation but also to control production processes and secure supply chains.

To maintain access to knowledge and key technologies, China is pursuing an active investment policy and does not shy away from economic espionage. Companies of strategic value are being acquired to transfer technology to the country – a method that has triggered a debate on security in the EU. We welcome the initiation of the long overdue debate on a comprehensive European industrial strategy among the EU member states that will refine trade and competition tools and build on shared values such as data protection, climate protection, and fair competition.

In no other area of policy are the relations between Germany and China as close as they are in industry and trade. Germany is China's biggest European trade partner. And, conversely, China was Germany's biggest trade partner in 2019 for the fourth consecutive year and is a key market for German products. And yet German and European companies still do not have equal market access. China's governance stands in contradiction to our perceptions of a social market economy. The Chinese economy is protected by extensive state intervention which impedes market access for European companies. This includes selective market opening, investment restrictions, high subsidies for state-owned and private companies, walling off the procurement market, and access restrictions to state-financed programmes.

Foreign companies are subject to increasingly stringent regulations in the IT sector. Reforms announced by China, such as the lifting of joint venture requirements on the insurance market, have proven to be slow and selective. European companies are extensively obliged to found joint ventures with local companies and/or transfer key technologies to Chinese partners in order to gain access to the Chinese market.

Further factors that produce an unfair playing field are China's dumping practices and its status as a developing country in the World Trade Organisation (WTO), which authorises differential treatment. Expectations in the wake of China's accession to the WTO in 2001 have only been fulfilled to an inadequate degree. China does not comply with the WTO regulations on intellectual property and fails to treat foreign patent holders equally to their Chinese counterparts. In addition, many of the large number of counterfeit products which jeopardise free trade and security standards stem from China.

Germany and the EU must set themselves the objective to balance out these asymmetries in their trade relations with China. We, the Social Democrats, advocate the reform and modernisation of the WTO. We want a predictable and fair multilateral world trade order particularly in view of the shifting global power relations and rising protectionism. We see China as a trade partner. In this position, we, the Social Democrats, believe that the rules of fairness and positive reciprocity are very important. We will not accept democratic principles disappearing into the background through

measures and negative, reciprocal action. Germany and the EU should continue to pursue the objective of fully integrating China into the rule-based world trade order and including it in the updating of international trade rules as part of the WTO reform.

In order to strengthen the position of the EU in its negotiations with China, the terms of competition should be aligned using European tools such as competition law and the framework for state aid. We urge China to rapidly conclude the negotiations on a comprehensive investment agreement with the EU that have been ongoing since 2013.

At the same time, the COVID-19 pandemic has clearly shown that Germany and the EU must not fall into a one-sided dependency where key technologies and critical commodities are concerned. The EU must have an active and strategic European industrial policy that connects research and development with production, a strong value chain and a sustainable raw materials policy. Chinese companies should be obliged, just like their European counterparts, to adhere to internationally agreed labour, social and environmental standards in their transnational value chains. Future European supply chain legislation must also prospectively be supplemented and enforced by international rules and extend to Chinese companies.

A digitally sovereign Europe

Within a very short space of time, China has become a key global player in research, innovation and technological development. China is on a par with industrialised countries in many fields of technology. In areas such as artificial intelligence (AI) and quantum computing, China has moved to the global forefront. Yet China is not really pulling ahead of Germany in high-technology or AI. One central reason for this is that China lacks the mid-sized business sector that makes the German economy so strong. The expansion of the digital infrastructure, the booming e-commerce and service sector, the application of AI, and the building up of high-tech capacities is designed to spread China's economic growth from the cities to the whole of the country and anchor it on a global level for the long term.

China's rapid technological progress is the result of extensive public sector investment. Over the years, China has managed to appropriate the technologies and expertise of foreign companies and make strategic acquisitions of foreign companies that have the latest technologies. China has gained a strategic advantage with access to extensive data volumes combined with supercomputing capacities and algorithms for AI. Although China's digital sphere is largely isolated from the rest of the world due to language barriers and regulations, it is extremely large and homogenous, both in terms of language and regulations. These factors, in combination with the state digitalisation strategy, have produced large Chinese information and communications technology corporations that now play a central role in shaping digitalisation at the global level.

China is striving to secure a leading role in defining the standards for the technology of tomorrow, thus affecting Europe's digital sovereignty. China participates in defining international norms and standards for technologies such as blockchain and 5G and occupies leading positions in international standard-setting bodies. At the same time, China's political leadership is applying new big data and AI-supported technologies to step up the surveillance of its population. As well as censoring online comments and steering discourse in social networks, omnipresent surveillance cameras and social credit systems define the offline spheres of life. The specific configuration of these systems varies greatly, but all are aimed at guiding the conduct of its citizens, rewarding "good" behaviour and punishing "bad" behaviour.

China's digitalisation strategy and its interpretation of basic values and standards have a direct impact on the politics, economy, and security of Europe. Germany and the EU must pay heed not to fall into unintentional dependencies. We can only attain comprehensive digital sovereignty if we take a European approach. Europe needs to preserve sovereignty over the technology of the European networks which, in turn, means that Europe must have the capabilities to produce and operate critical digital infrastructure itself, and prevent non-European players from having access to critical infrastructure.

There is currently hardly any other technology that harbours more potential to trigger widespread change than the rollout of 5G mobile phone services and the superfast internet of the next generation. Chinese companies are on a par with European companies and play an important role in international standard-setting bodies. The security of digital infrastructure is a national and European security issue. For us Social Democrats, deciding who can participate in setting up critical infrastructure is a political issue and these decisions must therefore be taken by politically legitimised decision-makers. Alongside the ongoing technical review of security aspects, it is important that politically legitimised bodies are reserved the right to grant authorisation. The regulations necessary for this must be set out in IT security legislation and telecommunications legislation.

European companies and government institutions have already frequently been the target of economic espionage and cybercrime the traces of which lead to the People's Republic of China. The privacy, security and rights of European citizens must be protected against intrusion from foreign players. This also applies to companies that could collect and use data on EU citizens and other people in the EU.

In the opinion of the Social Democrats, Europe is and should always be an advocate of international cooperation, the free movement of data, and free trade. We do not wish to exclude non-European companies from the digital single market, but a technologically sovereign Europe must form the core of its digital transformation, one that guarantees personal freedom and reduces one-sided dependencies on external hardware, software, and services.

Tackling climate change together

China plays a central role in climate change. We welcome Beijing's role in the conclusion of the climate targets defined in the Paris Convention. China is currently the biggest emitter of carbon dioxide in the world, currently accounting for around 27 percent of global carbon emissions and its emissions are still rising. A considerable proportion of these emissions are emitted in the production of consumer goods for industrialised countries. China's scalability is therefore decisively important to meet these targets.

However, China, like Germany and the EU, is not doing all it can in terms of climate policy. China's climate targets are by no means ambitious as it still claims the status of a developing country despite its increasing prosperity over the last few decades.

China has developed a strong awareness of the severity of the environmental problems over the past few years. The fight against air pollution has moved up the political agenda, mainly through pressure from the urban middle class. The central and provincial governments are driving ahead the transition to cleaner energies and transport on a massive scale. The structural transformation required to make industrial production more environmentally friendly poses major challenges to

China given the growing imbalances in its economic model, which have been exacerbated by the trade dispute with the United States and the COVID-19 pandemic.

As the world's biggest global investor in renewable energy and sustainable mobility, China plays a decisive role in the promotion of international climate protection measures. This makes China a strategic partner for Germany and for the EU. We should endeavour to intensify collaboration in the fields of renewable energy, circularity, urban development, sustainable mobility, environmental technologies, and sustainable financing to direct private capital flows into a more sustainable and climate-neutral economy. At the same time, the Social Democrats note with concern that China's development banks are financing around one quarter of the coal-fired power stations that are currently under construction outside of China, largely within the BRI.

China is the world's largest importer of oil, gas and coal, and producer and consumer of metals. China produces around 70 percent of extracted rare earths, and controls more than 90 percent of the global market for materials used in magnets and engines to operate telephones, electric vehicles, and military hardware. Should China conclude that its geopolitical interests are greater than its economic interests, unilateral dependence could become a strategic risk. A circular economy can help reduce the scale of unilateral dependence.

The EU-China summit originally scheduled to take place in September in Leipzig which has now been postponed, presents an opportunity for EU leaders to discuss with the Chinese president proactive joint action to increase climate and environmental protection.

Education, research and culture – making exchange more multifaceted and dynamic in a difficult environment

China's international significance is also increasing in the scientific and cultural sectors. For Germany and the EU, China is an important partner in education and research. Around 43,000 students from China are presently studying in Germany, doing their doctorate, or working in the academic sector, also in non-university research institutes. China is working on its profile as the knowledge engine of the future, investing heavily in university education. It is important that German and European universities keep pace with this development and continue their partnerships with China. Cooperation in this sector can constitute an important bridge into Chinese civil society. It should also be used to propagate our perceptions of an open, democratic society governed by the rule of law.

The Chinese government has a much greater influence on its education and research sector than EU governments. The CCP and security bodies monitor scientific publications and statements of scientists to ensure that they are in line with the official policy of "Socialism with Chinese Characteristics for a New Era". German and European players must be aware of this in their dealings with China and achieve a good balance between the opportunities and possible disadvantages of cooperation, including an unintentional transfer of technology and knowledge.

We are worried that cooperation in education and research is becoming increasingly unbalanced. The unilateral outflow of scientific expertise and expertise relevant to innovation and security is on the rise. Furthermore, Chinese civil and military research activities are increasingly merging. China's research, authorities and businesses have close links to the armed forces, and its civil resources are used for military purposes. The unwanted transfer of knowledge from the EU to China in areas such as big data research and new dual-use technologies such as AI or quantum technology could constitute a national security risk.

We welcome the fact that the cultural exchange between Germany, Europe and China has become closer and more vibrant over the past years. Intercultural dialogue and exchange on a cultural and educational policy level forms a stable basis for sustainable international relations, above all with China where soft power in foreign policy has become an important resource. For this reason, we need to increase the support of the German and European facilitator organisations of our foreign cultural and education policy to enable them to carry out independent work relevant to democracy between the societies. Partner and facilitator organisations of foreign cultural and educational policy as well as political foundations and the Goethe Institute have a particularly important role in this process.

We view with concern the rising influence exerted by the Chinese government on the cultural sector with censorship of foreign artists also increasing. This conflicts with our understanding of artistic freedom. We advocate the teaching of Chinese culture and the Chinese language in German schools and universities. Germany benefits from having good relations to China. At the same time, we need to be particularly vigilant and have a clear set of regulations to prevent unwanted influences.

A sovereign Europe in times of global upheaval and growing superpower rivalry

China's rapid transformation has already made it necessary for us to adapt our relations over the past years. With China's rise to a key global player, the struggle for hegemony with the United States, and the resulting shocks to the world order, we must now redefine the position of Europe in the world.

A China policy in the 21st century is more than just the definition of relations with Beijing. Our manifold economic, technological, political, and cultural points of contact on all levels of society have long become a part of domestic policy disputes in Germany. Our policy to China can no longer be defined in bilateral terms. In the context of the current geopolitical and geo-economic challenges, we must learn to structure our relations to China assertively and flexibly.

In the opinion of the Social Democrats, a strong, social, and capable EU must be the starting point for German action. We must work to make EU institutions strong with effective tools and penalty mechanisms. A strong and sovereign Europe can coexist in competition with China and other superpowers and at the same time maintain a partnership of equals with Beijing. Europeans must adopt a unified approach to achieve this. The EU must not let the more difficult geopolitical environment sow division among us in Europe. Coordination between German and European relations with China must be improved. The objective of our efforts must be to strengthen the sovereignty of Europe.

Our guiding tenet must be "open where possible, protect where necessary". Trade and research, research cooperation and cultural exchange offer not only opportunities but also threats. Action must follow China's announcements of reform for trust to be restored.

For our course of action, this means:

- Germany and the EU must work to ensure that China, as a permanent member of the UN Security Council, fulfils its international obligations and assumes more responsibility for rule-based multilateral cooperation.

Practical cooperation with China on the UN level should be deepened. Possible areas are peacebuilding, equal treatment efforts, development financing, sustainable global supply chains and international labour standards, the Agenda 2030 and climate issues. Alongside the stabilisation and reform of existing multilateral institutions, Germany and the EU, together with China, should set up new forums for areas that are not yet sufficiently regulated such as cyberspace, outer space and the world's oceans.

- Germany and the EU should work towards an active participation of China in multilateral arms control. Together with its allies, Germany must keep a close eye on the growing military potential and geopolitical activities of China and develop a balanced strategy in response.

Germany should continue to work together with Chinese defence forces in the UN peacekeeping operations. Military contacts beyond this should be subject to careful review in view of the EU weapons embargo and the interests of Germany.

Germany and the EU should make efforts to reach an understanding with China on the basic principles of military aid: civilian oversight, observance of human rights, transparency in the passing on of weapons. In the event that China's engagement leads to more conflicts, competition for resources and corruption, Europe must not hesitate to clearly criticise China's policy.

- For sustainable development financing, it is important that China supports the Paris Convention, cooperates with the OECD/DAC, and adheres to the ODA criteria. Germany and the EU should urge China to participate actively in reducing the debt of highly indebted developing countries and to take the debt sustainability of partner countries into account in its future development financing.

- Human rights and the rule of law must form an elementary component of all areas of German and European cooperation with China.

On a multilateral level, Germany and the EU must continue to hold on to the fundamental principles of the universality and indivisibility of human rights and oppose attempts to challenge them.

China remains called upon to put an end to all human rights violations in Xinjiang, close down the detention camps, abolish forced labour, and preserve the linguistic, cultural and religious and other fundamental rights of the Uyghurs.

German and European companies operating in China must meet their due diligence obligations with respect to human rights, environmental protection, and labour and social standards. To achieve this, Germany and China should intensify their dialogue on sustainable global supply chains both on a bilateral basis and in multilateral forums.

- China must continue to observe the principle of "one country, two systems" and retract the new national security law. We also call for an independent body to investigate the use of police force in Hong Kong.
- Together with the EU, Germany should urge China to participate more actively in the reform debate regarding the WTO. China's special and differential treatment in the WTO must be adapted

to the level of development the country has attained. WTO rules regarding industry subsidies and technology transfer must be made more stringent.

Germany must continue to work towards improving access to the Chinese market. The objective must be to conclude an investment agreement with China at EU level. At the same time, existing tools in EU competition law should be further developed to strengthen the hand of Europe in trade and investment policy.

- Cooperation between German authorities, companies and research institutes must be fortified in order to reveal any risks to national security. Information asymmetries should be reduced by regularly monitoring the Chinese research and innovation landscape.

Germany and the EU must reduce their dependency on critical non-European technologies and services. They must expand their capabilities to enable the sovereign operation and protection of critical digital infrastructure particularly in the rollout of the 5G mobile phone network and the superfast internet of the next generation. To strengthen European sovereignty, the capabilities of European industry, particularly in key technologies, should be expanded and promoted to reduce high-risk technological dependency on third countries such as China.

- Germany and the EU should intensify their cooperation with China on all levels of climate policy and biodiversity protection policy and encourage China to take a leading role in the implementation of the Paris Convention and in the hosting of the Conference of the Parties 15 (Biodiv COP) in 2021 in Kunming. Expectations are high that China as the host will decisively advance the protection of global biodiversity and agree on a new effective framework. The EU and China should jointly support the countries of the global south in their transition to a low-input economy.
- To reduce dependency on foreign (critical) raw materials, Germany and the EU should work towards an industrial and raw materials policy based on circularity.
- Global health issues (preventing and combating pandemics, anti-microbial resistances, fortifying the healthcare system) is in the own interests of all countries. Germany and the EU should intensify efforts to seek dialogue with China, for example in international forums such as the G20, the WHO and scientific forums.
- Germany must strengthen its research and teaching to contribute to the understanding of current political, social and economic developments in China. In view of the censorship in many areas it is important that we maintain solid and independent expertise on China.

The welcome increase in academic exchange with China should also be used to give students and academics an insight into the democratic, social and scientific structures and basic principles of our country.

Academic and scientific cooperation requires clear ethical principles and a transparent set of rules that are observed in the interests of both parties and excludes the transfer of knowledge into sensitive areas such as the Chinese military. Universities and education and research institutes must develop an awareness for a possible ambiguity in their collaboration with Chinese partners.

- To build mutual understanding and enable access to culture, education and science across borders we should firstly critically and benevolently sharpen the image of China in Germany and Europe from various perspectives. Secondly, our foreign cultural and education policy must increase its indispensable contribution to providing the civil society in China scope for cultural dialogue and exchange relevant to democracy.