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Strategic Diplomacy: The Germany Case

Sven Biscop and Jochen Prantl

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Sony Center, Potsdamer Platz, Berlin, Germany. Jochen Prantl, 2002.

Abstract

From the 1990s onwards, Germany developed a fundamentally idealist grand strategy. In today's multipolar world, the assumptions underlying that strategy are no longer valid, however. Germany, and Europe, confront three dilemmas: First, is a long-term *modus vivendi* with China achievable, and reconcilable with the alliance with the United States? Second, can Russia ultimately be reintegrated within the European and global rules-based order while guaranteeing the security of the EU and all who seek its membership, notably Ukraine? Third, can the Europeans mount armed forces for collective defence and for expeditionary operations that are strong enough to achieve equitable burden-sharing in NATO while ensuring long-term US commitment to the defence of Europe? Germany's first ever National Security Strategy, adopted in 2023, goes some way to outline the country's position on these questions, but it also leaves major strategic questions unanswered: German national identity, its wider role in international affairs, including questions of leadership.

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“It is, however, one thing to fear and detest an evil and a quite different thing to ignore all of the realistic aspects of a problem”.

-Herman Kahn¹

“Undoubtedly, philosophers are in the right when they tell us that nothing is great or little otherwise than by comparison”.

-Jonathan Swift²

¹ Herman Kahn, *On Thermonuclear War*. Princeton, Princeton University Press, 1960, p. 391.

² Jonathan Swift, *Gulliver's Travels*. Oxford, Oxford University Press, 2005 [1726], Part 2, Chapter 1.

Introduction

After reunification when the Cold War ended, German grand strategy became fundamentally idealist. The core assumption was, and in many quarters still is, that with the right inducements, most if not all states could be nudged towards democratisation and market liberalisation, and since democracies do not wage war against one another, peace and stability would follow. In that strategic framework, there was but a limited role for the military instrument. This framework should be capable of forestalling or halting the last diehards (be they governments or non-state actors) who still regarded the force of arms as a legitimate way of furthering their interest, by conducting multilateral 'peace support operations'. The euphemism masked the fact that such operations could actually mean war. Collective deterrence and defence were maintained as an insurance, but the likelihood of interstate war on the European continent was considered negligible.

From 1993 onwards, this approach to grand strategy became the hallmark of the EU, under whose Common Foreign and Security Policy (CFSP) Germany subsumed its national foreign policy. The EU developed comprehensive relations in the economic, political, and security sphere, setting up bilateral and multilateral dialogues and partnerships, with the aim of preventing conflict and consolidating a rules-based international order. Through the Common Security and Defence Policy (CSDP) the civilian-military arm of the CFSP, the EU sought to conduct autonomous peace support operations, but without detracting from NATO, which continued as the framework for collective defence, and always remained the primary reference for German defence policy. Overall, German and, to a large extent, EU strategy looked to US strategy as its lodestar. The US was always seen as the guarantor of the security of Europe itself, and as the leader of any security effort beyond Europe's borders.

The assumptions justifying an idealist grand strategy were reasonable in the 1990s, though the challenges were probably always greater than most imagined. Witness the bloody and long-drawn out civil wars in former Yugoslavia and Algeria in that decade, on the EU's doorstep. Today, they obviously are no longer valid. Rather than being on a unidirectional path towards international harmony, Germany's strategic environment is driven by competition, rivalry, and, still, cooperation between the poles of a clearly multipolar world, in which democracy has contracted rather than spread. Russia, by launching a war of aggression, has gravely undermined the so-called rules-based order. China's attitude towards the existing order remains sufficiently ambiguous to be worrisome.

In reaction, the US has overturned its grand strategy: rather than Russia and Europe, China and Asia are now the priorities. At the same time, the US too has to some degree disinvested from the rules-based order.

This environment creates three strategic dilemmas for Germany and, by extension, the EU, which remains the only political and economic expression of the European continent that can play an autonomous strategic role – if that is what the Union seeks.

- Is a long-term modus vivendi with China achievable, and reconcilable with the alliance with the US?
- Can Russia ultimately be reintegrated within the European and global rules-based order (taking into account that, actually, most states outside the EU and NATO, continue relations with Russia as before) while guaranteeing the security of the EU and all who seek its membership, notably Ukraine?
- Can the Europeans mount armed forces for collective defence and for expeditionary operations that are strong enough to achieve equitable burden-sharing in NATO while ensuring long-term US commitment to the defence of Europe?

The first-ever German National Security Strategy (NSS)³, which the federal government published on 14 June 2023, does not solve these dilemmas, nor could it have, because it is not in the power of one country, or union of countries, to do so. The outcome will be the result of the interplay between the strategies of all the relevant players, including not just Germany's allies and partners, but its adversaries too. 21st century strategies need to be built on the premise that today's strategic and operational environment gives countries less control over the future they want to inhabit. The function of the NSS is to make clear the German position at the outset, so that German decision-makers know which ends or goals to steer towards as developments continue to unfold. This the NSS manages to do, but only partially so.

This country report first looks at Germany's strategic imagination, which is very much defined by its post-Nazi past. It then examines Germany's systemic context, identifying strategic dilemmas informing strategic policymaking. This is followed by a deep-dive into the end-points, entry-points and tipping-points of German strategy. The final section will conclude with reflections on how to maximise Germany's policy space in the contemporary strategic and operational environment.

³ See Federal Government, *Robust. Resilient. Sustainable. Integrated Security for Germany. National Security Strategy*. Berlin, 14 June 2023.

Germany's Strategic Imagination

German national interests and European interests are flip sides of the same coin. This statement paraphrases a hallmark quote attributed to Hans-Dietrich Genscher, the country's longest-serving Minister of Foreign Affairs from 1974 to 1992.⁴ It has three essential meanings that shaped and continues to shape German foreign policy until today, though with different accentuations. First, the pursuit of German national interests needs to be examined in its broader systemic, especially European and transatlantic, context. Second, because of Germany's 20th century historical responsibilities, national and European interests ought to align closely to avoid another German *Alleingang* (go-it-alone). Third, pursued within a European/transatlantic context, German national interests can be conveniently concealed as the collective interest of the broader European/transatlantic community. In a nutshell, German *raison d'état* is pursued within the European/transatlantic *raison de système*.

After the defeat of Nazi Germany, the country's continued existence was premised on three realities, which materialised in the aftermath of the Second World War along with the subsequently intensifying Cold War between the Soviet Union and the United States:

- The loss of territory East of the Oder and Neisse rivers, as a result of the 1945 Potsdam Agreement of the United States, the Soviet Union, and the United Kingdom.
- The country's division into the German Democratic Republic ('East Germany') and the Federal Republic of Germany ('West Germany').
- East Germany turning into a Soviet satellite and a member of the Warsaw Pact, while West Germany becoming fully integrated in the US-led transatlantic community, with membership in what is known today as the European Union, along with the NATO alliance as the most visible expressions.

Looked at from a West German perspective, the first post-Second World War Chancellor Konrad Adenauer's strong commitment to *Westbindung* – the firm integration into the transatlantic community – was the avenue that had to be pursued to regain respect and recognition in Europe and the world. The image of Jonathan Swift's *Gulliver* tied and tamed conveys a fairly accurate depiction of the country's position. Despite attempts to build a European defence identity in the 1950s, West German rearmament essentially occurred within the alliance framework, under NATO command. NATO existed, in the famous words of its first Secretary General, Lord Hastings Lionel Ismay, to “keep the Soviet Union out, the Americans in, and the Germans down”. This effectively was US “double containment” – as the German political scientist Wolfram Hanrieder argued – containing the Soviet Union “at arm's length” and West Germany “with an embrace”.⁵

⁴For an excellent analysis and elaboration, see Timothy Garton Ash, *In Europe's Name: Germany and the Divided Continent*. New York, Random House, 1993.

⁵Wolfram Hanrieder, *Germany, America, Europe: Forty Years of German Foreign Policy*. New Haven, Yale University Press, 1989, p. 6.

Accepting *Westbindung* as the only way forward was not just a matter of German Cold War *Realpolitik*, it also reflected *Wiedergutmachung* – the attempt to repair and repay politically for German wrongdoings. Underlying Germany’s post-Second World War foreign policy was a strong ‘culture of guilt’, which differed from the ‘culture of shame’ that could be seen in Japanese society.⁶ *Westbindung* became complemented by *Neue Ostpolitik* (new eastern policy) that sought the normalisation of relations between West Germany and Eastern Europe, beginning in 1969 under Chancellor Willi Brandt. *Wandel durch Handel* (change through trade) and *Wandel durch Annäherung* (change through rapprochement) were the hallmarks of *Ostpolitik* and considered the critical leverage and entry-points to induce long-term political change. Yet, *Wandel durch Handel* did not exist in a vacuum, but operated in a systemic context.

All strategies that attempt to navigate an extremely complex operational environment require the capability to take “a crude look at the whole”, as Nobel prize winning physicist Murray Gell-Mann once put it. National strategies devised and applied in isolation will not work, the systemic context matters and always must be taken into account. Three enabling conditions of *Ostpolitik* may serve as a timely, and potent, reminder of why *Wandel durch Handel* is not a cookie cutter that can easily be replicated elsewhere:

- **Cold War Détente.** The pursuit of *Ostpolitik* was facilitated by more stable US-Soviet relations after the Cuban Missile Crisis in 1962 followed by a subsequent thaw under US President Richard Nixon and Soviet leader Leonid Brezhnev from 1969 onwards.
- **Strategy of strength.** At the same time, West Germany remained firmly embedded in the transatlantic context. *Westbindung* and *Ostpolitik* were not mutually exclusive but amplified each other. In this sense, *Ostpolitik* was based on a strategy of strength, while US détente occurred in response to the humiliation of the Vietnam War, incentivising the Nixon administration to improve relations with both the Soviet Union and China. It was US weakness that opened strategic and operational space for the West German government under Willi Brandt to improve relations with Eastern Europe.
- **Party politics.** Strategy aside, *Ostpolitik* also constituted an attempt to build a new brand and forge new directions in West German foreign policy under Social Democrat Chancellor Brandt. Naturally, the government sought to be different and distinguish themselves from the towering legacy of the Christian Democrat Konrad Adenauer, who had served as the first Chancellor of West Germany from 1949 to 1963.

Ironically, in 1969, right before he was appointed Minister of Defence under Chancellor Willi Brandt, Helmut Schmidt pushed a book-length argument that Germans ought to develop the skill to make sense of their broader systemic context; that is, the situation in the world, along with the situation in Europe. Such a strategic outlook was necessary to establish a political and military strategy fit for Germany’s purpose.⁷ Essentially, what kept Helmut Schmidt awake at night was the strategic paucity in German political culture, despite *Westbindung* and *Ostpolitik*. The search for German strategy continued to preoccupy him as the fifth Chancellor of West Germany between 1974 and 1982.

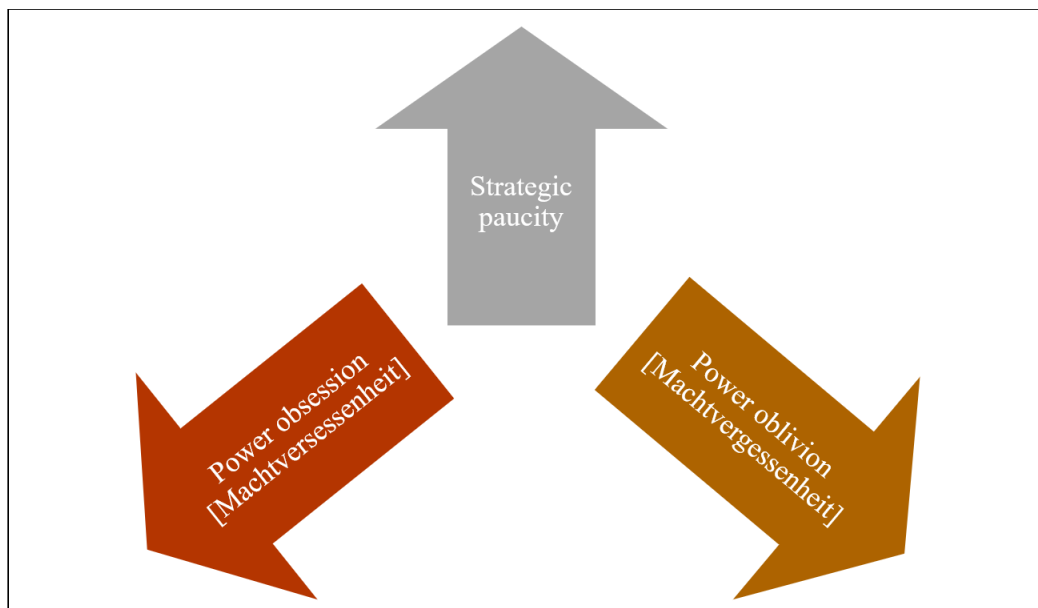
⁶While this distinction is arguably somewhat simplistic, it does help to understand different patterns in German and Japanese post-Second World War policies. See Ruth Benedict, *The Chrysanthemum and the Sword: Patterns of Japanese Culture*. London, Secker & Warburg, 1947.

⁷See Helmut Schmidt, *Strategie des Gleichgewichts*. Hamburg, Seewald, 1969, p. 11.

Where does this leave us with German strategic imagination? Hans-Peter Schwarz, a leading analyst of German contemporary history, positioned himself well ahead of the curve in the mid-1980s when he argued that Germany had essentially become oblivious to power and, with it, to the meaning of strategy. Tamed post-Second World War Germany had moved from being obsessed with power (*machtbesessen*) to being oblivious to power (*machtvergessen*).⁸ This was a strong reminder that strategy and statecraft need to be backed by power, which ultimately includes the use of force as the last resort. For historical reasons, this basic understanding of statecraft is not embraced by German society at large. German debate on the use of force in international affairs tends to be extremely polarised, lacking balance and clear-eyed analysis, as Stefan Kornelius, foreign editor of the German daily *Süddeutsche Zeitung*, has observed.⁹ In this sense, the strategic policy discourse in Berlin is an outlier compared to European and transatlantic capitals such as Paris, London, Warsaw, and Washington, as well as strategic competitors such as Beijing and Moscow.¹⁰

Unification has put Germany back onto the world stage as the ‘central power’ of Europe, by economic clout and by geographic position, with the capacity to shape its strategic and operational environment.¹¹ To be sure, more post-unification strings were attached to the German *Gulliver* in the guise of the Euro project, which led the country to abandon the very symbol of its economic power, the Deutschmark, along with the full transfer of monetary power from the German Bundesbank to the newly created European Central Bank.

Figure 1. Germany’s historical strategic policy trilemma



⁸ See Hans-Peter Schwarz, *Die gezähmten Deutschen. Von der Machtbesessenheit zur Machtvergessenheit*. Stuttgart, Deutsche Verlags-Anstalt, 1985.

⁹ See Stefan Kornelius, ‘Pazifismus mit der Keule’, *Süddeutsche Zeitung*, 18 December 2020.

¹⁰ See Ulrich Schlie, ‘Deutsche Sicherheitspolitik seit 1990: Auf der Suche nach einer Strategie’, *SIRIUS – Zeitschrift für Strategische Analysen*, Volume 4, Number 3 (2020), pp. 304-314.

¹¹ See Hans-Peter Schwarz, *Die Zentralmacht Europas: Deutschlands Rückkehr auf die Weltbühne*. Berlin, Siedler, 1994.

There is much to admire about Germany's post-unification successes, as the British author, broadcaster, and commentator John Kampfner remarks in his recent book, *Why the German Do It Better: Notes from a Grown-Up Country*.¹² Economic success, facilitated by high productivity and world leading innovation, has brought national wealth that is more equitably distributed than in many other countries, along with high educational standards. However, this success, in significant ways, was underwritten by the United States, doing the hard legwork in European and transatlantic defence.

*Contemporary Germany needs to master its historical strategic policy trilemma (see Figure 1) by finding a healthy middle ground between the two extremes of power obsession and power oblivion. The building of strategic capacity is the sine-qua-non to accomplish this task.*¹³

*Yet, this has to start with strategic imagination, a framework for debates on strategic policy and for the shape of strategy.*¹⁴

To occupy analytical space somewhere in-between power obsession and power oblivion, in 1990, analyst Hanns Maull sought to conceptualise and to re-imagine Germany along with Japan as “civilian powers”, making an argument about their distinctiveness in practicing international affairs.¹⁵ Fast forward in 2020, Ellis Kraus and Hanns Maull argued that should Germany and Japan turn into “normal” powers, this would undermine global order. In security and defence policy, both countries should continue to follow the principles of “never again”, “never alone”, and “politics before force”, which had served them well.¹⁶ Yet, while the self-image of a civilian power, along with a principled approach to international affairs, generates some form of identity, it still needs a strategy that is backed by resources. As the 2022 Russian invasion of the Ukraine has made abundantly clear, German civilian power does not have the (military) resources to add means to strategic ends in times of war.¹⁷

In sum, as political commentator Josef Joffe acerbically described the political situation 20 years after unification, Germany is embracing a model of “strategic dwarfism”, seriously punching below its strategic weight.¹⁸

¹² John Kampfner, *Why the Germans Do It Better: Notes from a Grown-Up Country*, London, Atlantic Books, 2020.

¹³ See, for example, Bastian Giegerich and Maximilian Terhalle, *The Responsibility to Defend: Rethinking Germany's Strategic Culture*, London, Routledge, 2021; Ulrike E. Franke, ‘Warum deutsche Millennials strategisches Denken lernen müssen’, *Internationale Politik*, Number 1 (January-February 2021), pp. 118-119.

¹⁴ See Brendan Sargeant, Challenges to the Australian Strategic Imagination. Centre of Gravity series paper #58. Canberra, ANU Strategic and Defence Studies Centre, 2021.

¹⁵ See Hanns W. Maull, ‘Germany and Japan: The New Civilian Powers’, *Foreign Affairs*, Volume 69, Number 5 (1990), pp. 91-106.

¹⁶ Ellis S. Kraus and Hanns W. Maull, ‘Germany, Japan and the Fate of International Order’, *Survival*, Volume 62, Number 3, pp. 159-178.

¹⁷ See Sebastian Harnisch, *Deutsche Zivilmacht in der Zeitenwende: Zu wenig Macht, zu wenig Zivilcourage*. Vienna, Friedrich Ebert Stiftung Regional Office for International Cooperation and Peace, February 2023.

¹⁸ Josef Joffe, ‘Germany's Shift from Wolf to Lamb’, *Wall Street Journal*, 30 October 2020.

Mapping and Drawing Boundaries – Strategic Dilemmas

The mapping and drawing of Germany's multipolar strategic environment create dilemmas that need to be addressed in any viable national strategy. As discussed at the outset, the question of how Germany positions itself vis-à-vis China and Russia is of particular concern, as it will have fundamental repercussions for Germany's relationships with the United States and the European Union.

The starting point for addressing these strategic dilemmas is a correct understanding of the strategic environment. Since the turn of the century, the rise of China regularly prompts statements about the emergence of a new world order. The 2022 Russian invasion of Ukraine and its many consequences for international relations has given even more prominence to this analysis. An alternative reading, however, is that many of these developments and events are typical of the multipolar world order as it has been since at least the end of the bipolar Cold War.¹⁹ Many people react as if the statement that the world is multipolar implies condoning an evil Russian or Chinese plan to make it so, and is therefore anti-American. The reality is that multipolarity, i.e., the existence of several great powers that compete and cooperate in ever-changing constellations, cannot be purposely created or averted. It is just the normal state of international politics, resulting from the interaction between states that seek to increase their power so that they can pursue their interests more effectively.

Today, just like in the 19th century or the Interbellum, there are various great powers, which are constantly competing for markets, resources, and influence, hence the balance of power between them is constantly evolving, and tensions are permanent. Some of today's powers are linked in close partnership (Russia and China) or even an alliance (the US and most EU Member States), but they are not aligned in two exclusive rival blocs. China sees no interest in linking its fate and its relations with the West to Russia, just like in the EU there is no consensus about blindly following America's China strategy. Rather the powers cooperate and compete in various overlapping bilateral, minilateral, and multilateral formats. Given that they are never sure which great power will come out on top on which issue, the other states naturally engage in hedging: most keep open their options and build constructive relations with all powers rather than aligning exclusively with just one of them.

This reading comes more naturally to Germans and Europeans – for whom the end of bipolarity meant the end of the division of their country and continent – than to Americans, for whom multipolarity implies the end of their unipolar moment of the 1990s, if indeed there ever really was one. Today, many Americans understand multipolarity as a challenge to their own position as *primus inter pares* of the great powers. Since the Obama administration, the US identifies China as a peer competitor and its most important challenge, and hence the temptation is always there to revert to a bipolar reading of the world, in which the national interest is preserved by outcompeting China. In contrast, Germany and the EU are principally attached to multilateral cooperation as a way of managing the tensions inherent in multipolarity.

“We are living in an era that is increasingly multipolar and marked by rising systemic rivalry”, states the German NSS (p. 23).

¹⁹ In his classic work, Kennedy traces the beginning of the current multipolarity back to the 1970s even. See: Paul Kennedy, *The Rise and Fall of the Great Powers. Economic Change and Military Conflict from 1500 to 2000*. London, Unwin Hyman, 1988, p. xxi & p. 413.

To deal with that environment,

“We actively support multilateralism and the strengthening of the United Nations” (p. 17).

Nevertheless, Europeans too are often tempted to divide the world in two camps, but on the basis of values, presenting global politics as a confrontation between democracy and authoritarianism. The NSS states (p. 51):

“Global commitment to human rights is a moral obligation. Yet this commitment is also in the interests of our security, for human development and security are prerequisites for lasting peace and stability. Where human rights are respected and protected, crises and wars are less likely”.

It is not clear, however, what has priority: promoting human rights or safeguarding the national interest, if the two clash. For the NSS also states (p. 49) that

“we consciously endeavour to cooperate and enter into new partnerships with countries that do not share all our values or whose societal and economic model is not identical to ours, but that, like us, are committed to a free international order based on the United Nations Charter and international law. In doing so, we want to take the concerns and interests of these global partners into account”.

Thus, Europeans and Americans, but also Europeans among themselves, and Germans, hold varying and ambiguous interpretations of the strategic environment. Those interpretations in turn shape how Berlin and Brussels understand, and seek to overcome, the strategic dilemmas that the environment confronts them with.

China

Germany's position vis-à-vis China has systemic implications, for at least three reasons. First, because Germany is the world's fourth largest economy. On one hand, it has significantly benefitted from China's economic development. On the other, the country has become more vulnerable vis-à-vis China in an increasingly competitive geopolitical environment, with deteriorating US-China relations at the centre stage. More than 5,000 German companies operate in China, employing more than 1 million people. Second, China has been Germany's most important global trading partner for seven consecutive years.²⁰ And third, Germany is a test case for the EU, since it has much more to lose than most of its European partners. Germany's position will therefore heavily influence, if not shape, the EU answer to the China challenge.

²⁰ See Federal Statistical Office of Germany, *Foreign Trade*, available at <https://www.destatis.de/EN/Themes/Economy/Foreign-Trade/trading-partners.html>, accessed 1 November 2023.

In mid-July 2023, Germany adopted its first ever comprehensive China strategy, complementing the National Security Strategy released a few weeks earlier. In essence, the new China strategy specifies the guardrails of Germany's relations with China amidst growing concerns over asymmetrical technological and economic dependence and lack of reciprocity.²¹ Further elaborating on the *partner, competitor, and systemic rival* theme, the document signifies a policy shift: "China has changed. As a result of this and China's political decisions, we need to change our approach to China".²² The scope of the strategy is driven by *raison de système* rather than *raison d'état*, comprising three dimensions: Germany's bilateral relations with China; Germany's China strategy as part and parcel of the joint EU policy on China; and shaping the system through global partnerships and trade policy and diversification.

Interestingly, the cover of Germany's new China strategy shows a picture of the ancient Chinese strategy board game *Weiqi* – also known as *Go* – where two players place black or white stones on what looks like a chess board. However, unlike chess, there are 10¹⁷⁰ possible ways to position the stones on the board, as it is further explained. Furthermore, the goal of the game is not to checkmate the other player (that is, to aim for defeat), 'but to acquire advantageous positions and defend what are known as "liberties"'.²³ This sends an important signal in two ways. First, the China strategy is the product of careful study of Chinese approaches to strategy which differ from more linear Western approaches. Second, there seems to be an increasing willingness on the German side to develop a strategy that is fit for purpose in today's complex and hyperconnected world: adopt a more indirect approach with a stronger focus on maximising or constraining a country's policy space and room for manoeuvre (or liberties) in pursuing national strategic objectives.

With the new China strategy, Germany seeks to significantly reduce the country's dependencies, while maintaining its industrial competitiveness, achieving carbon neutrality, and improving digitalisation. This is a test case for Europe, because if Germany can de-risk in the way the China strategy suggests, arguably the EU can as well.

However, if China retaliates and throws a spanner into the German China strategy wheels, it will undoubtedly be noticed in Europe and elsewhere. Since enhancing asymmetric dependencies on Chinese products – e.g. electric vehicles (EV) or critical EV platforms; green technology; telecommunications – is a strategic priority of Beijing, Berlin's approach to de-risking is in direct conflict with Chinese policies. Looked at from a German perspective, this may come with the price tag of slowing down the green technology and energy transition and of spreading high-speed connectivity to advance digitalisation. But it may strengthen resilience at home.

Fundamentally, Germany and the EU continue to see China as a partner, a competitor and a systemic rival all at once, as the EU phrased it in its 2019 China strategy.²⁴ When interests coincide, such as on climate change, cooperation is in order. China is, of course, an enormous competitor for economic success and political influence – but as long as it pursues those through legitimate ways, the answer is to perform better oneself rather than to block China. When China reverts to illegitimate and illegal ways to pursue its interests, however, and directly attacks the sovereignty of other states or undermines the rules-based order, one must push back or even retaliate.

²¹ The newly elected government of Social Democrats (SPD), Liberals (FDP) and Greens, committed to devising Germany's first China Strategy in their coalition treaty after the 2021 elections. See The Federal Government, *Strategy on China of the Government of the Federal Republic of Germany*, Berlin, Federal Foreign Office, 2023.

²² *Ibid.* p. 9.

²³ *Ibid.* p. 2.

²⁴ See European Commission & High Representative, *EU-China: A Strategic Outlook*. Brussels, 11 March 2019.

Since 2019, the perception of the degree to which China is each of those three, has shifted across Europe. China is understood to be a more active rival on a much broader range of issues. In the words of the NSS (p. 23), mirroring the language of the 2019 EU strategy:

“China is a partner, competitor and systemic rival. We have observed that rivalry and competition have increased in the past years. China is trying in various ways to remould the existing rules based international order, is asserting a region ally dominant position with ever more vigour, acting time and again counter to our interests and values. Regional stability and international security are being put under increasing pressure and human rights are being disregarded. China makes deliberate use of its economic clout to achieve political goals. At the same time, China remains a partner without whom many global challenges and crises cannot be resolved. That is why we must grasp the options and opportunities for cooperation in these fields in particular”.

Nevertheless, the default position in Berlin and Brussels remains that as long as a *modus vivendi* with China is deemed possible, it must be pursued. The fact in itself that China is a great power with global reach, is seen as only natural, given the country’s scale and history. Whether China becomes a direct security threat depends on how China uses its power.

The picture is complicated, though, because of the deplorable human rights situation in China. Is China a systemic rival because it has a different domestic political system, and is it a European duty to try and effect change; or does the term refer to the struggle for influence over the international system; or both? Germany and the EU certainly feel legitimised to criticise China for violating the human rights instruments that it did subscribe to. But opinions are very divided as to how far one must go to actively try and change China’s domestic policies, by applying sanctions. The minimalist option is to make sure that by trading with China, one does not become complicit in human rights violations, for example by importing products made by forced labourers.

Support for the maximalist option, to link the economic relationship to the overall human rights situation, has been increasing on both the right and the left ends of the German political spectrum.²⁵ This support is reinforced by the perception of the failure of Germany’s Russia strategy of *Wandel durch Handel*, i.e. gradually spreading Western values in Russia by enmeshing it in a close economic relationship, and the idea that one should not make the same mistake again vis-à-vis China. Nevertheless, when it comes to China, most economic actors reject the maximalist option, pointing to the potentially enormous economic cost, and highlighting that, unlike Russia, China has not so far behaved as an aggressive military actor.

While the proof of the pudding is still in the eating, implementing Germany’s new China strategy may result in what could be one of the most critical changes of Germany’s post-Second World War foreign and economic policy: the abandonment of *Wandel durch Handel* in the name of ‘de-risking’ and boosting resilience at home.

The outcome of this debate will determine how far the EU will go in ‘de-risking’ its economic relations with China, as opposed to ‘de-coupling’, as announced by Commission President Ursula von der Leyen in a major speech on China in March 2023.²⁶

²⁵ Which sometimes leads to surprising coalitions, such as between the German Greens and the US Republicans, on the basis of a shared stance against China.

²⁶ Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre. Brussels, 30 March 2023.

This is a continuum: taken far enough, de-risking becomes de-coupling. Most likely, Germany and the EU will draw the line quite close, focusing on avoiding forced technology transfer and on dual-use items with both civilian and military applications.

Chancellor Olaf Scholz's visit to Beijing in November 2022, with a large trade delegation and as the first European leader after Xi Jinping's confirmation as leader at the CCP Congress, exemplifies this approach, as does his decision to go ahead with the sale of 24.99% of the port of Hamburg to Chinese firm COSCO, in spite of EU guidance to limit foreign ownership of critical infrastructure.

In the same vein, Germany and the EU will likely continue to seek cooperation with China on issues of shared interest. Von der Leyen also emphasised this in her China speech, calling for productive cooperation on the global system of the future. This approach is also evident in Germany's 2020 strategy for the Indo-Pacific, which strongly influenced the strategy that the EU adopted one year later.²⁷ While the growing awareness of the rise of China obviously motivated these strategic reflections, the focus is more on cooperation with regional partners, and on tackling a broad range of issues, from maritime security to climate change, than on directly confronting China. There is a risk that rising tensions over the maritime disputes in the East and South China Seas could produce an incident with great escalatory potential. Yet the fact remains that any disruption of maritime trade would hit China itself harder than anyone. Taiwan remains a possible flashpoint of a different order, because it is a highly ideologically charged issue, even though objectively speaking one could argue that the status quo suits all parties in view of the close economic relationship between the island and the mainland.

There is a strong desire to coordinate China strategy with the US. But as in Washington there is a bipartisan consensus that China is a rival, the American understanding of de-risking is much more far-reaching than the European one. Witness the US' blanket prohibition of any cooperation with China in areas such as advanced semiconductors. The US also constantly puts pressure on individual EU Member States to adopt its line. Tensions are likely, therefore, though they will be manageable, unless a future US government would choose to escalate and revert to a trade war against China, as during the Trump administration. Obviously, if China were to escalate, notably by having recourse to the use of force to change the status quo on Taiwan, Europeans would rally behind the US – to an extent. Military involvement is unlikely, for Germany and the large majority of EU Member States, but economic relations will be curtailed. The adoption of severe sanctions against Russia is indeed also meant as an implicit message of deterrence vis-à-vis China.

²⁷ See The Federal Government, *Policy guidelines for the Indo-Pacific. Germany-Europe-Asia. Shaping the 21st century together*. Berlin, 1 September 2020. European Commission and High Representative, *Joint Communication on the EU Strategy for Cooperation in the Indo-Pacific*. Brussels, 16 September 2021.

Russia

With hindsight, one can say that *Wandel durch Handel* unravelled very early, in 2008 at the latest, when Russia responded with war to Georgia's attempts to resume control over the breakaway areas of Abkhazia and South Ossetia. Yet relations went back to normal very quickly after the war. Even after the initial Russian invasion of Ukraine, in 2014, Germany and the EU did not break with Moscow. Limited sanctions were adopted, but Germany in particular continued to import Russian energy in large volumes, and Germany and France brokered the Minsk Agreements between Russia and Ukraine. The latter was not seen as a potential Member State, but an independent state in between the EU and Russia, which ideally could maintain good relations with both; a buffer state, in other words. Even though the Minsk Agreements were never fully implemented, complacency set in. And there were sound arguments to consider the situation stable, because Russia had achieved its war aims to a considerable extent. It had (illegally) annexed the Crimea, thus maintaining naval dominance over the Black Sea, while by fomenting an armed rebellion in the East of the Donbas it had made NATO membership for Ukraine very unlikely. Thus, when Russia launched the large-scale invasion of 24 February 2022, the shock in Berlin and Brussels was profound (less so in many Northern, Central, and Eastern European capitals, which had continued to assess the Russian threat much more severely). This prompted Scholz, on 27 February 2022, to declare a *Zeitenwende*, a historic turning point.

The scale and brutality of the invasion prompted the EU to adopt severe and unprecedented economic sanctions against Russia. The breadth and depth of sanctions amounted to economic warfare, severing Russia's ties with the EU and large parts of the globalised economy. Moreover, Ukraine, by its will to fight and by the sheer fact of its survival of the Russian onslaught, gradually convinced all EU Member States of the need to offer military support, with massive funding from the EU through the European Peace Facility. The initial reluctance, certainly in Germany, to deliver heavy weapons, because of the risk of escalation, gave way in the face of Russia's systematic war crimes. As Russia purposely targeted the civilian population and infrastructure, thus escalating the violence against Ukraine, Germany, after a long domestic debate and under pressure from its allies, eventually agreed to transfer Leopard 2 main battle tanks to Ukraine. The EU and its Member States, like the US, thus have become non-belligerents, supporting Ukraine in every possible way short of entering the war themselves. NATO's vital role is to strengthen the Allies' own deterrence and defence, but in order to prevent escalation into a direct war with Russia, the Alliance does not directly support Ukraine. This effectively is, and must remain, a proxy war. Hence the limitations imposed on the use of American and European weapons: they can only be deployed against Russian troops on Ukrainian territory; Russian territory (like Chinese territory in the Korean war) is a sanctuary. The NSS states this clearly (p. 38): "We stand by a free, independent and democratic Ukraine in its internationally recognised borders. At the same time, it is vital to prevent the war from spreading to neighbouring countries".

The reason why Germany and Europe strongly support Ukraine is not only that it has right on its side. They have come to realise that since the 2022 invasion, Ukraine as a buffer or, as some previously imagined, a neutral state, is no longer feasible.

In fact, Ukraine has already become a member of the Western security architecture: instead of a buffer between the West and Russia, it is now the border of the West. It therefore has become a strong interest of the EU and the US that Ukraine consolidates as the strongest possible border state, on as large a territory as possible, including access to the sea.

This realisation was underlined by the decision of the EU, in June 2022, to accord candidate status to Ukraine. More than NATO's 2008 decision to bring in Ukraine at some indefinite time in the future, EU candidate status, because it triggers a formal process, is a strong signal that Ukraine is now included in the Western security architecture.²⁸ There is no precedent: the EU has never accorded candidate status to a country at war. The implication is that the EU and its Member States are irretrievably committed to the survival of Ukraine, and will continue to support it politically, economically, and militarily.

However the war ends, Ukraine will require military support for the long term. Even a hypothetical peace agreement will be fragile, therefore a potential third Russian invasion will have to be deterred by strong conventional Ukrainian forces. This will apply even more if there is no political agreement but only a ceasefire, or no agreement at all but a semi-frozen conflict (as between 2014 and 2022), which may at any time revert to full-fledged war. Until now, the bulk of the military aid has been provided by the US. Europeans fear that this level of support may not continue, given that the US still considers China to be its number one strategic priority. A Republican victory in the 2024 presidential elections in particular may well result in diminished support for Ukraine, as several of the candidates for the Republican nominations have announced already that this will be part of their platform. Yet Europeans have nowhere near the capacity to compensate for a potential reduction of American aid. They have taken action that, for the EU, is unprecedented – never before had the Union funded the transfer of lethal equipment to a country at war, nor had it undertaken joint procurement in the defence sphere. But the scale of the support remains too limited compared to Ukraine's needs, and decision-making remains piecemeal. As the debate moves from one weapons system to another, dozens of this or that platform are promised, but there is no long-term defence-industrial plan to equip Ukraine on a large scale over the long term. If Germany and the other EU Member States sincerely take into account a reduction of the American contribution, they will have to step up.²⁹ Moreover, one could argue that, in any case, this is a European rather than an American responsibility: Ukraine borders the EU, not the US.

If Europeans do not assume this responsibility, the promise of EU membership for Ukraine will remain empty. Moreover, the implications of Ukraine's accession still have to be thought through, in terms of the impact on the decision-making structures of the EU, and the funding streams. Many Member States that today are net receivers from the EU will become net contributors if Ukraine joins, given the size and the needs of the country.

²⁸ The granting of EU candidate status to Ukraine and Moldova, and the recognition of Georgia as a potential candidate for EU membership, in June 2022 creates significant security challenges for the European Union, which need to be addressed as part and parcel of the next enlargement round. See Barbara Lippert, 'EU-Erweiterungspolitik in der Zeitenwende: Zäsur oder business as usual?', *Zeitschrift für Politikwissenschaft*, Volume 33, Number 3 (2023), pp. 475-485.

²⁹ In certain areas, the Europeans are themselves dependent on the Americans and can therefore not replace them, notably intelligence. But the EU and its Member States ought to be able to provide the bulk of the conventional platforms.

French President Emmanuel Macron put the challenge clearly: accession cannot be postponed to some indefinite time in the future; but it also requires a profound rethinking of the governance of the EU.³⁰ Simultaneously preparing both Ukraine and the Union itself, will be a huge undertaking. Once Ukraine qualifies for EU membership, it would also be a reliable NATO ally.

As regards the future of relations with Russia, it must be understood that the consolidation of an enlarged EU had already changed the geopolitics of Europe years before the current war. In the past, Russia was one of several European powers that fought each other in ever shifting coalitions, from Peter the Great to Stalin.

Today, there no longer is a European system of states. The EU, which has ended the possibility of war among its Member States, is now in itself the core of the European security architecture (with the alliance with the US as a further guarantee against threats from outside the EU). Since Russia cannot join the EU, it will never be fully part of the European security architecture in the sense of having decision-making power over its members. The main question therefore is: does Russia want cooperative or confrontational relations with the EU? If a pragmatic Russian leadership emerges, which will likely remain authoritarian, but sincerely seeks a peace agreement with Ukraine, constructive relations may be restored, a 'mini-Cold War' averted, and sanctions phased out. Eventually, a new bilateral EU-Russia partnership could be institutionalised. But the EU's economic decoupling from Russia, in the energy sector in particular, is structural, as is the distrust that Moscow has sowed.

Europe

The EU reacted swiftly and adopted severe economic sanctions against Russia, going much further than anybody had expected. Since the Member States surprised themselves, they definitely also surprised Russia. In an unprecedented move for the EU, it also put to use the European Peace Facility (EPF) to fund transfers of arms and equipment to Ukraine by the Member States.³¹ By early 2023, €3.6 billion had been committed. The EPF was an existing instrument, but few would have imagined the EU applying it at such a scale, to support a country at war. This has contributed to a shift in the mindset at the EU level: if the Union aspires to be a geopolitical player, as Commission President Ursula von der Leyen announced when she took office, this is the sort of thing that one has to be able and willing to do. In November 2022, the EU further launched a military assistance mission, aiming to train 15,000 Ukrainian troops on various locations in the Union over the next two years. EU Member States themselves had but limited stocks, however, so the majority quickly reached the limit of what they could pass on to Ukraine without denuding their own armed forces.³²

Combined with the need to replenish Europe's own stores, the need to support Ukraine created a buying frenzy on the defence market. Demand greatly surpassed supply, as the defence industry in both Europe and the US could not step up production in the short term, or was unwilling to open new production lines unless governments can guarantee orders over the longer term. As EU Member States did not coordinate demand, they drove up prices and competed with each other, rather than making optimum use of existing production capacity. In the spring of 2022, the EU institutions made a strong push to coordinate and align Member States' additional defence efforts, but no strong European dynamic emerged.

³⁰ See Emmanuel Macron, Discours de Clôture. Bratislava, GLOBSEC Conference, 31 May 2023.

³¹ See Serena Giusti and Giovanni Grevi, *Facing war: rethinking Europe's security and defence*. Milan, ISPI, 2022, pp. 1-116.

³² See Arianna Antezza, André Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Ekaterina Rebinskaya, and Christoph Trebesch, 'The Ukraine support tracker: which countries help Ukraine and how?'. Kiel Working Paper, Number 2218, 2022, pp. 1-65.

A new EU instrument, the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), meant to provide a short-term solution, got bogged down in negotiations, and its adoption ended up being pushed into 2023. In March 2023, the Council, faced with a looming munitions crisis in Ukraine, decided on the joint procurement of artillery ammunition and missiles, to be coordinated by the European Defence Agency (EDA).

The absence of a European dynamic was surprising, because in March 2022 the EU had just adopted the Strategic Compass, at the initiative of Germany, which had been two years in the making. This can be seen as the Union's first ever defence strategy. The Compass includes important decisions: the creation of a Rapid Deployment Capacity (RDC), able to conduct brigade-size expeditionary operations (5,000 troops); the introduction of the notion of deterrence of hybrid actions; and the undertaking to step up collective investment in military capabilities through the European Defence Fund (EDF). None of these decisions has become any less relevant because of Russia's invasion of Ukraine – quite the opposite. And yet in many EU capitals the perception reigns that the Compass has already been overtaken by events. Although the Brussels bodies are pushing hard for the full and speedy implementation of the Compass, most Member States remain focused on the national rather than the European level. If all states will spend the increased defence budgets separately, there will be no synergies and effects of scale, and the added value will be much less than what it could have been.

There are exceptions, such as the announcement by 14 states, in October 2022, that they will join the European Sky Shield Initiative, launched by Germany, which would rely on American and other non-European suppliers. Yet, typically, France and Italy have not joined, because they are developing their own systems. In a similar vein, projects that were announced more than five years ago as flagships of European defence industrial cooperation, such as the next generation main battle tank and combat aircraft, have since advanced very little – and have also seen competing projects arise, such as FCAS and TEMPEST. It would be a missed opportunity if, in areas where most until now had little or no capability – such as missile defence, offensive missiles, military cyber, and military space – EU Member States would once again create a plethora of small-scale national capabilities that are too insignificant to make a difference for the defence of Europe. Or continue with competing projects, with the probable end result that neither project will survive, and Member States will have to buy off-the-shelf from non-European suppliers anyway. Franco-German cooperation remains the key to unlocking this situation. If Paris and Berlin would manage to overcome their differences, essentially merge their 'defence industrial complex', and kick-start their major projects together, the other Member States would be obliged to follow suit.

Germany gave substance to the *Zeitenwende* by making available €100 billion for investments. The NSS further committed Germany to spend 2% of GDP in defence, though there is no guarantee that this will continue after the exhaustion of the special fund.³³ The Strategy added (p. 38) that "The Federal Government is endeavouring to harmonise military capability requirements with its partners and allies. In terms of procurement, it will focus primarily on European solutions if this can be achieved without losing capabilities". The reality is, however, that Berlin too remains strongly focused on national defence planning rather than on European-level coordination. Moreover, most of the additional defence budget will be immediately absorbed by building the necessary stocks for the *Bundeswehr*, and by a few large programs, such as the acquisition of F35 fighter aircraft.

³³ See Ben Schreer, Germany's First-Ever National Security Strategy. Berlin, IISS-Europe, 20 June 2023.

There is little space left, therefore, for major new European initiatives. It also remains very much an open question whether Germany will be more willing to contribute to high-intensity expeditionary operations, notably on the Southern flank of Europe – something which those who do engage in such operations, notably France, justifiably expect – or will use the increased Russian threat as an argument to focus its additional efforts on territorial defence.

The reality is that in spite of all the rhetoric about European defence, the German defence establishment remains firmly focused on NATO, and does not really see a strong autonomous military role for the EU, nor does it even consider using EU instruments for defence cooperation to achieve NATO capability targets.

Ultimately, the assessment remains that too strong a push for European military autonomy risks pushing away the US, which Germany (and many EU Member States with it) continues to see as indispensable for its security. Better to err on the side of caution, therefore, is the approach in Berlin.

This creates a strange paradox, though: Europeans feel weak, so they rely on the US; and in order to be able to continue to rely on the US, they stay weak. Whether the US will forever accept this state of affairs is a question that many prefer not to think about.

Future Strategy: End-points, Entry-points, and Tipping-points

Identifying strategic end-points based on the key drivers that shape a country's security and defence environment to 2040 involves careful priority-setting in identifying immediate and intermediate issues, targeted allocation of resources, and the building of contingencies. Germany's geographic location arguably suggests that the European continent is the centre of gravity where the attention, strategy, and resources should be concentrated. However, this covers only part of the strategic positioning that is required in a world that is hyperconnected and marked by complex interdependence. Here, the NSS struggles to deliver: the second part identifies a total of 129 areas of action, without prioritisation.³⁴ At the same time, the NSS highlights that no additional resources will be provided to implement the strategy, which implies that existing resources need to be reallocated. This, also, requires prioritisation.

Strategic End-points

The NSS provides useful pointers to distil three strategic end-points to navigate Germany's strategic and operational challenges into the future. This will be contextualised and discussed in the following:

To promote world peace in a united Europe

While this strategic endpoint essentially entails the acceptance of a special responsibility, both for historical reasons and Germany's contemporary power political status, one can specify this very generic commitment in the following ways. The NSS' centre of gravity clearly is the Euro-Atlantic area. As the NSS (pp. 11-12) states, "Russia is for now the most significant threat to peace and security in the Euro-Atlantic area". It also highlights Germany's "responsibility for Israel's right to exist" (p. 11), which positions the country in the ongoing war between Israel and the Hamas.

The NSS is largely silent on challenges in the Indo-Pacific – e.g. Taiwan Strait stability – which arguably is of critical importance economically for both Germany and Europe. There is also no analytical engagement with the deepening Sino-Russian relationship, which has become a security concern for many European and Indo-Pacific countries alike.

Overall, the NSS misses out on the most crucial strategic questions to position Germany in the emerging new global order:

- a) Can a divided United States still be a reliable partner to address and resolve central problems of the transatlantic community? If not, what does this mean for the NATO alliance or the future security role of the European Union? As former US Secretary of Defense, Robert M. Gates, lately observed "[e]ven the closest of allies are hedging their bets about America".³⁵

³⁴ For a very useful assessment, see Markus Kaim and Stefan Mair (coordinators), *Nach der Nationalen Sicherheitsstrategie – die nächsten Schritte*. Berlin, Stiftung Wissenschaft und Politik, 4 September 2023.

³⁵ Robert M. Gates, 'The Dysfunctional Superpower: Can a Divided America Deter China and Russia?', *Foreign Affairs*, Volume 102, Number 6 (2023), p. 41.

b) What is the endgame for the Russia-Ukraine war? How to address the strategic challenge of successfully containing the conflict in the short-term and prevent nuclear escalation? What does a new bargain — rules of the game — look like to avoid mutually destructive system failure and to facilitate peaceful coexistence with Russia in the long-run?³⁶

c) How will Germany and Europe shape the relationship with the Chinese partner, competitor, and systemic rival in the next two decades? The predominant strategic challenge for the years to come will be to think through and to articulate the consequences for German economic, security, and defence policies.

Integrated Security

In essence, this strategic endpoint is an acknowledgment of the growing securitisation of the political and social issues facing societies. According to the NSS (p. 30), “Integrated Security means bringing together all issues and instruments that are relevant to protecting ourselves from external threats”. It highlights the fundamental challenge of policy problems forming nexi with other policy issues, meaning that those problems cannot be addressed in isolation. While Integrated Security is certainly a step in the right direction, ministerial resorts (and turfs) are usually the bottlenecks in cross-sectoral cooperation and coordination, and in bringing fundamental change.³⁷ Their bureaucracies neither have the necessary mindset nor the administrative infrastructure to pursue such a holistic objective. Integrated Security requires networked answers that go well beyond inter-ministerial coordination and whole-of-government approaches.

Furthermore, a cross-sectoral approach with the stated strategic end of Integrated Security still requires the allocation of means, including authority and delegations, as well as clarity about ‘who does what’. While a National Security Council is by no means the panacea for fostering integrated approaches to cross-sector policy problems, it can certainly go a long way to share expertise and to develop strategies, structures, and policy frameworks outside ministerial stovepipes. The NSS is committed to make organisational adjustments in the pursuit of Integrated Security, but it remains silent on the details. The much debated and highly anticipated National Security Council turned out to be too divisive an issue amongst members of the coalition government and therefore did not make it into the NSS.

A robust, resilient, and sustainable society

Effective international strategies are essentially Janus-faced creatures that are both inward and outward looking. Strategising under complexity is based on the explicit understanding that governments are not in full control. This includes the acceptance that crises and systemic shocks cannot always be prevented. Hence significant efforts need to be made to build a domestic society that is robust, resilient, and sustainable at the same time. What does this imply in the German case?

³⁶ See Evelyn Goh and Jochen Prantl, ‘Living and fighting with Russia’, *The Straits Times*, 27 April 2022.

³⁷ See Ulrich Schlie, ‘Deutschlands Nationale Sicherheitsstrategie zeugt von strategischer Naivität. Welche Rollen Bundeswehr, Auswärtiger Dienst und Bundesnachrichtendienst haben, wird nicht definiert’, *Neue Zürcher Zeitung*, 10 July 2023.

a) Robustness

The NSS (p. 30) confirms the *Bundeswehr* as “the guarantor of Germany’s deterrence and defence capability”, which will be strengthened through the investments announced by *Zeitenwende*. The provision of long-term financial resources, including structural improvements in defence procurement, will close important gaps. Yet, robustness also requires a coherent arms policy supported by industries to secure the full interoperability of the *Bundeswehr* with the EU and NATO.³⁸ Most importantly, the sine-qua-non of robustness is a change of mindset, a shared understanding in German society at large – not only shared by the political elites – that the maintenance of peace relies on the exercise of power, which includes the use of force. According to German journalist Lorenz Hemicker, the *Bundeswehr*, in the contemporary imagination of the German population, features like home-contents insurance. It is something everyone needs to have; but it should be cheap and cover everything.³⁹ Societal robustness can only be achieved together with a paradigm change by operationalising *Zeitenwende* and firmly embedding it in Germany’s strategic culture. Sharing and perhaps even integrating perspectives and best practices of critical partners not only in the transatlantic community but also in the Indo-Pacific – e.g. Australia, Japan, Singapore, South Korea – would help to globalise Germany’s strategic culture.⁴⁰

While credible deterrence features strongly in the NSS (pp. 31-32), including nuclear deterrence, as a critical element of robustness, the continuing erosion of nuclear arms control agreements, the war in Ukraine, new technologies such as AI and hypersonic missiles, as well as Chinese nuclear ambitions, necessitate a fundamental review of the deterrence concept. Rethinking deterrence also requires a contingency plan if the divided United States will no longer be available as the primary security guarantor, extending its nuclear umbrella to Europe.

b) Resilience

The 21st century is a hyperconnected world where connectivity is a double-edged sword. On one hand, it can increase opportunities to produce public goods such as wealth, even social resilience, but at the same time also increases sensitivity and vulnerability vis-à-vis our external environment.⁴¹ As a result, there is a trade-off between building resilience, understood as the ability to bounce back from systemic shock, and increasing connectivity. According to Prantl and Goh, “this is especially true when numerous interconnections – economics, finance, infrastructure, transport, ecology and health – multiply very quickly across a social system, generating unintended and unpredictable effects”.⁴² Where exactly is the sweet spot between connectivity and resilience to mitigate the adverse effects of vulnerability and sensitivity? What are the risks and rewards of economic interdependence?⁴³

³⁸ See Claudia Major, ‘Verteidigung und Abschreckung’, in: Markus Kaim and Stefan Mair (coordinators), *Nach der Nationalen Sicherheitsstrategie – die nächsten Schritte*. Berlin, Stiftung Wissenschaft und Politik, 4 September 2023

³⁹ See Lorenz Hemicker, ‘Die Lücken der Bundeswehr’, *Frankfurter Allgemeine Zeitung*, 29 April 2020.

⁴⁰ See also Giegerich and Terhalle, *The Responsibility to Defend*, Chapter Five.

⁴¹ See Jochen Prantl and Evelyn Goh, ‘Rethinking strategy and statecraft for the twenty-first century of complexity: a case for strategic diplomacy’, *International Affairs*, Volume 98, Number 2 (2022), pp. 443–469.

⁴² *Ibid.* p. 445.

⁴³ See Anthea Roberts, ‘From Risk to Resilience: How Economies Can Thrive in a World of Threats’, *Foreign Affairs*, Volume 102, Number 6 (2023), pp. 123-133.

The German economy is very much dependent on rules-based access to global markets, raw materials, and technology, as the NSS (p. 53) confirms. The NSS stresses the importance of diversifying access and supply routes, while boosting the resilience of national economic and financial systems. This is a shared responsibility between government and private stakeholders.

The bottom line is that critical dependencies — as most vocally expressed in the China strategy — need to be reduced in all sectors that are strategically important. Economic security and diversification matter. As a result, the NSS (p. 54) prioritises “technological innovation, diversification of supply sources and the procurement of strategically important raw materials from reliable partners wherever possible”. In this context, there is a strong demand for new alliances to supply critical demand and to diversify supply chains.⁴⁴

“Technological and digital sovereignty” (NSS, p. 57) is the new buzz word that raises more questions than answers on how this can be achieved in a globalised economy that is based on supply chains and the division of labour. Without a strategic framework that specifies resource mobilisation triggering significant investments in domestic technological research, innovation, and market development, technological and digital sovereignty will be difficult to achieve. Mastering technological innovation is a key source of power and, by implication, expanding a country’s policy space in the 21st century. Resilience requires a major rethink of who your partners and allies are in the global economy.

A resilient infrastructure also requires exploring new opportunities in space, e.g. satellite communication, navigation, and earth observation data that need to be secured to keep operations on the ground up and running. As the NSS (pp. 62-63) rightly observes, a resilient critical infrastructure needs to be prepared for situations, so that systems can be replaced promptly when they fail. Alternatives need to be available in case of system failure.

c) Sustainability

The NSS introduces sustainability as the third pillar of integrated security. Intact ecosystems are the sine-qua-non for human security and well-being.⁴⁵ At the same time, the security strategy highlights the importance of policy nexi, which essentially means that many problems turn out to be interconnected in various ways with other issues and problems. As Goh and Prantl have observed: “When these interconnections are tight, non-uniform and non-linear in their nature, we get a nexus — for example, the nexus between pandemics and climate change; or the nexus between security threats and economic gains — which makes it harder to work out where and how to try to intervene to effect change”.⁴⁶

In this context, the NSS (p. 67) highlights the interconnections between global climate, environmental, food, and resource policies, a policy nexus that will form part and parcel of an integrated German security policy.

⁴⁴ See Dawud Ansari, Inga Carry, Nadine Godehardt, Felix Heiduk, Anna Hörter, Veronika Jall, Günther Maihold, Melanie Müller, Mark Schrolle, Meike Schulze, Christian Wagner, *Auf Partnersuche: neue Allianzen im Rohstoffsektor*. Berlin, Stiftung Wissenschaft und Politik, 22 June 2023.

⁴⁵ See Gerrit Hansen, ‘Nachhaltigkeit als dritte Säule von Sicherheit: Die Klimakrise’, in: Markus Kaim and Stefan Mair (coordinators), *Nach der Nationalen Sicherheitsstrategie – die nächsten Schritte*. Berlin, Stiftung Wissenschaft und Politik, 4 September 2023.

⁴⁶ Prantl and Goh, ‘Rethinking strategy and statecraft for the twenty-first century of complexity’, p. 448.

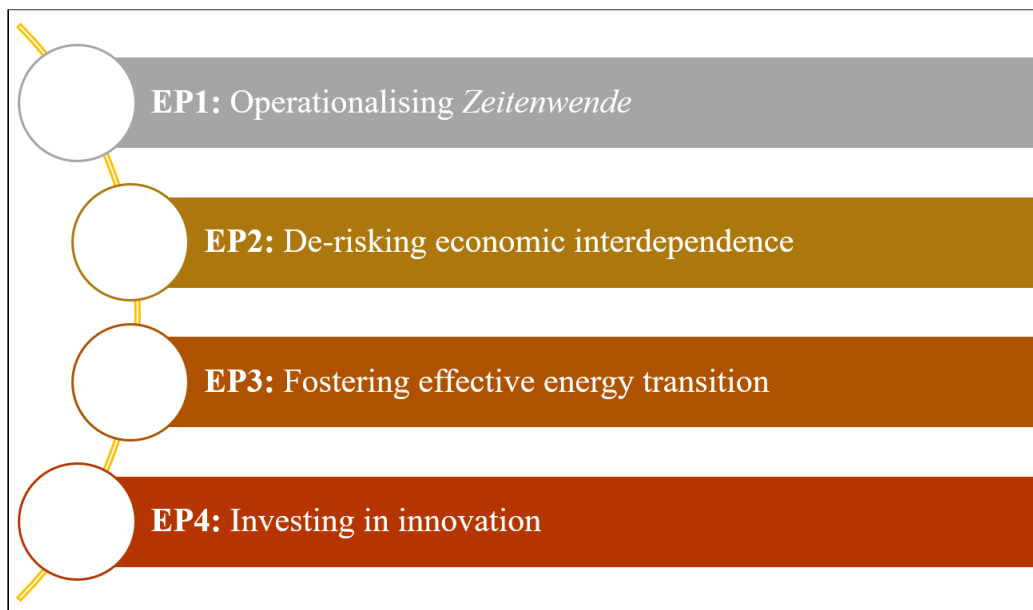
Furthermore, the climate crisis will feature as a fixed item on the agenda of German national security agencies, with the objective to achieve the same at regional and global security agency levels. The ambition is to address climate security not in isolation but by mobilising the system within which the wider climate security issue is embedded. This is a challenging task that requires more data and analysis than currently available.

For this reason, the next step will be to commission a study conducted by leading academic institutions and the Federal Intelligence Service to get a better understanding of the actual impact of the climate crisis on national security.

Strategic Entry-points

Considering the systemic context within which Germany operates and the multiple policy nexi the country must address, what are the critical entry-points from which the country can leverage the system? Figure 2 identifies four entry-points [EPs] for German strategic policy, derived from the foregoing analysis above.

Figure 2. Entry-points (EPs) for German strategic policy



In the following, we briefly sketch out the strategic rationale of EPs 1-4, just enough to clarify why it makes sense to prioritise those activities over others and leverage the system in this particular way. All EPs create mutually reinforcing feedback loops across multiple policy arenas.

EP 1: Operationalising *Zeitenwende*

Russia's invasion of Ukraine has signalled the end of the post-Cold War interregnum of relatively peaceful unipolarity. As political theorist Antonio Gramsci observed, during an interregnum, "the crisis consists precisely in the fact that the old is dying and the new cannot be born".⁴⁷ *Zeitenwende* acknowledges that we are witnessing a historical turning point, which requires a departure from business-as-usual to facilitate the birth of a new global order. However, while increasing German defence spending is an immediate and necessary first step, it ultimately is an epiphenomenal response to the situation at hand.

⁴⁷Goh and Prantl, 'Living and fighting with Russia'.

Operationalising Zeitenwende needs to involve nothing less than a change of mindset, a paradigm change, that will only materialise through public debate, education, intellectual leadership, and a change of strategic culture. Ultimately, this requires co-creation between the academic and policy worlds. The political centre of gravity to facilitate such a debate and to build institutional memory is the German Chancellery.

The stability of German democracy has traditionally relied on democratically elected, well-trusted, and long-serving Chancellors, leading the country for unusually long periods of time: Konrad Adenauer (1949-1963), Helmut Schmidt (1974-1982), Helmut Kohl (1982-1998), Gerhard Schröder (1998-2005), Angela Merkel (2005-2021). *Zeitenwende* needs to find its way into German political and strategic culture as part and parcel of *Kanzlerdemokratie* (chancellor democracy).

EP 2: De-risking interdependence

While de-risking obviously is about reducing political as well as economic vulnerabilities and sensitivities in a hyperconnected international environment marked by weaponised interdependence, there is more to ponder.⁴⁸ De-risking is not only about addressing critical dependencies on China and Russia. It is also about boosting resilience of global supply chains that are extremely sensitive to systemic shocks, as Covid-19 has amply illustrated. A lot of re-wiring, along with establishing new connections and investments in digital, energy and transport sectors, is required, as pursued by the EU's Global Gateway initiative.⁴⁹

Embracing the principles underlying the *Weiqi* (Go) boardgame as depicted on the front page of Germany's new China strategy is certainly a way forward. De-risking interdependence is not a chess game pursuing defeat of an imagined rival but a strategic exercise to maximise German policy space while constraining the room-for-manoeuve of strategic competitors.

EP 3: Fostering effective energy transition

While energy transition is primarily Germany's attempt to adopt policies towards a low-carbon and nuclear-free economy within an EU context by phasing out nuclear power and embracing renewable energies, the strategic dimensions go deeper and wider. Two strategic aspects of the German energy transition, often overlooked, warrant attention.

First, the international dimension. German energy transition is not just about reducing energy dependence on Russia. While this is a long overdue necessary step, German energy transition also provides an opportunity to mend strained political relationships particularly with Eastern European partners.⁵⁰ In their view, Germany's close relations with Russia have been a matter of concern. Loss of trust has been an issue; in some cases, relationships have been destroyed. In short, energy transition is a useful lever to rebuild estranged bilateral relationships with Eastern European countries. At the same time, it is a trust-building exercise that will improve the 'weather conditions' of cooperation in the European Union at large, especially to implement the European Green Deal.⁵¹

⁴⁸ See Daniel W. Drezner, Henry Farrell, and Abraham L. Newman (eds.), *The Uses and Abuses of Weaponized Interdependence*. Washington DC, Brookings Institutions Press, 2021.

⁴⁹ See European Commission, Global Gateway, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en, accessed 1 November 2023.

⁵⁰ See Harnisch, *Deutsche Zivilmacht in der Zeitenwende*, p. 7.

⁵¹ See European Commission, The European Green Deal, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en, accessed 1 November 2023.

Second, the domestic dimension. As mentioned above, there is a significant anti-climate backlash in many countries, including Germany, which needs to be fixed. Minimising the costs that green policies impose on households are vital to contain potential populist repercussions. Demographics are not helpful. Ageing societies do not like change at all, especially when it comes to changes voters may not live to see.

EP 4: Investing in innovation

Innovation is the sine-qua-non to keep German strategic policy alive. It cuts across all policy arenas. Germany is one of the most innovative countries in the world. In 2018, the World Economic Forum highlighted that the country is the most innovative country globally, providing an ecosystem that is conducive to world-leading innovation.⁵² However, in August 2023, *The Economist* asked whether Germany was once again the sick man of Europe after 1999, when it was suffering from post-unification struggles.⁵³ Five take-home points stand out:

- a. Current innovation efforts must also focus on *maintaining* critical infrastructure in Germany, including roads and railways.
- b. Germany's productivity growth has shrunk from 3.8% p.a. between 1970 and 1980 to 1.0% between 2010 and 2020.
- c. Germany's investment in information technology as a share of GDP is lagging and less than half of that in the United States and France.
- d. The industrial sector is too energy intensive. German industries use nearly twice as much energy as the next-biggest in Europe.
- e. Furthermore, there is a lack of talent. The post-Second World War baby boomers, amounting to 2 million workers, will retire within the next five years. Forty percent of German employers state that they are struggling to find skilled labour.

In sum, innovation needs to be a focus of attention and investment. Periodic renewal is crucial for progress across policy arenas.

⁵² See World Economic Forum, 'Germany is the world's most innovative country', Geneva, World Economic Forum, 18 October 2018, available at <https://www.weforum.org/agenda/2018/10/germany-is-the-worlds-most-innovative-economy/>

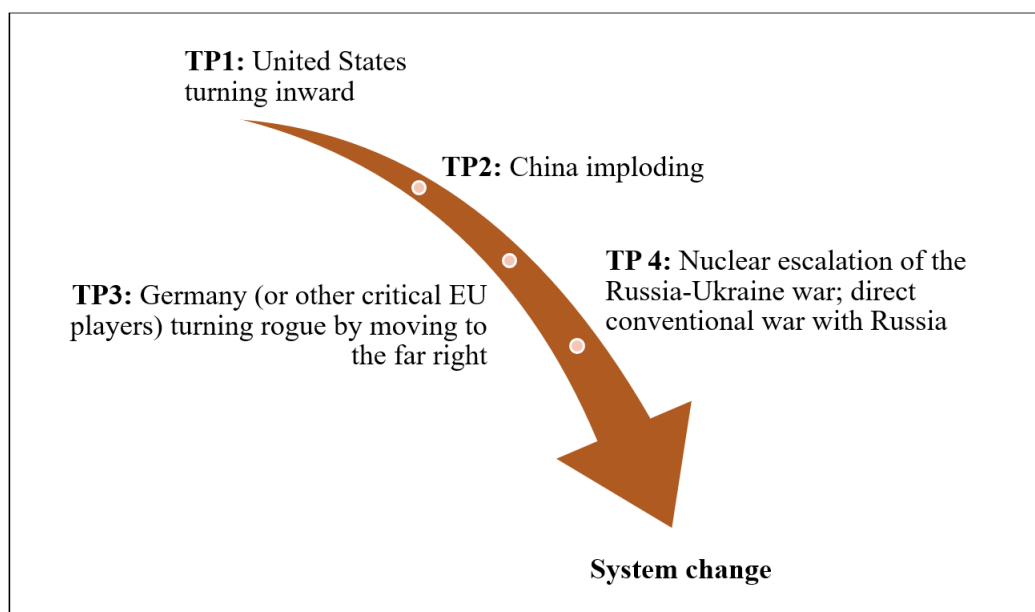
⁵³ See *The Economist*, 3 June 1999 and 17 August 2023.

Tipping-points

Identifying potential tipping-points is a crucial exercise to determine the criticalities that may potentially trigger irreversible system change. What kind of negative feedback loops will preserve the existing equilibrium and what positive feedback will push the system over into a new equilibrium?⁵⁴ In this report, we identify four tipping-points that would trigger irreversible system change. Contingencies need to be built for both the prevention of those tipping points and the possibility that they will be crossed. Three out of four identified tipping-points [TPs] are concerned with domestic challenges in critical countries, as Figure 3 shows.

The 2021 US National Intelligence Council report, *Global Trends 2040*, highlights the stark imbalance between the demand and supply side of government in the contemporary global environment.⁵⁵ State capacity to deliver public and international goods is severely challenged because of hyperconnectivity that comes with globalisation and ongoing global power shifts. This has triggered polarisation, populism, protest, and internal conflict in a range of countries around the world, including the United States.

Figure 3. Tipping-points (TPs) in German strategic policy



⁵⁴ For example, a strategy of containment aims to trigger negative feedback effects in preserving the pre-existing relative distribution of power, whereas the fear of falling dominoes is rooted in the expectation that even the loss of one peripheral state can trigger a positive feedback loop and tip the system in favour of the enemy ideology. See Robert Jervis, *System effects: complexity in political and social life*. Princeton, Princeton University Press, 1997, Chapter 4.

⁵⁵ See National Intelligence Council, *Global Trends 2040: A More Contested World*. Washington DC, Office of the Director of National Intelligence, 2021.

We summarize TPs 1-4 as follows:

TP 1: United States turning inward

The first tipping-point scenario revolves around the possibility that the United States — with its fractured political leadership and divided population — may turn inward, challenged by domestic turmoil. As a result, the United States may disengage from Europe and the Indo-Pacific. A related scenario involves the possibility of the United States changing priorities and becoming selective in their global engagement, with a new 'Asia First' policy emerging to the detriment of Europe.

TP 2: China imploding

The second tipping-point scenario concerns China's autocratic turn and centralisation of power under President Xi Jinping. Looked at from a complex systems perspective, the centralisation of power creates a single point of failure, which has significantly reduced the resilience of the Chinese political system. With credible leadership alternatives lacking, there is the possibility of China imploding if Xi Jinping fails.

TP 3: Germany (and other critical EU countries) turning rogue by moving to the far right

The third tipping point scenario relates to the possibility of voters expressing their unhappiness over government policies by supporting populist and far right parties. For example, climate-friendly policies — potentially imposing significant additional costs on households — have triggered an anti-climate backlash. In fact, there is an emerging partisan gap on scientific questions such as climate change, pushing polarisation and populism to the precipice. According to the pollster Pew, the divide is particularly strong in Australia, Canada, Germany, the Netherlands, and Sweden, topped by the United States.⁵⁶

TP 4: Nuclear escalation of the Russia-Ukraine war/direct conventional war with Russia

The fourth tipping-point scenario revolves around the possibility of nuclear conflict or direct conventional war of EU/NATO allies with Russia. CIA director William Burns has repeatedly expressed concerns about Russia's potential use of tactical nuclear weapons in Ukraine. Unlike China, Russia's most recent nuclear doctrine — reaffirmed in December 2014 — permits the first use of nuclear weapons in response to conventional attacks that pose existential threats.

⁵⁶ See the latest reporting on the backlash against greenery in *The Economist*, 14 October 2023, pp. 10-11 and pp. 50-52.

Conclusion: Maximising Policy Space

Germany's first-ever National Security Strategy has the merit of existing: drafting such a document forces the security establishment to think through its position, and to do so regularly – for once one has an NSS, one must from time to time revise it. The NSS makes choices, but many decisions remain to be taken.

It is clear that Germany seeks to chart a distinctive course towards China, rather than simply following the US. The details of that approach will have to be ironed out, however, with the other EU Member States, in particular how far to take 'de-risking'. Moreover, Berlin is not clear where, within this approach, the balance will lie between pursuing its interests and promoting values.

Realpolitik is a German term, but Germany and the EU alike refrain from fully committing to it. While there is a growing awareness that Europe must be less naïve and more determined in defending its interests, including in pushing back against those who use illegitimate ways of undermining them, both Berlin and Brussels remain attached to the optimistic human rights and democracy agenda of the 1990s.

The commitment to the survival of a sovereign Ukraine is strong, but not all of the implications have been thought through. Least clear is the future of Germany's defence effort. On the face of it, there is a strong will to do more, but whether the announced efforts will suffice to achieve the high state of readiness that the *Bundeswehr* desperately needs to achieve, remains to be seen.

In a nutshell, in order to maximise its policy space, Germany needs a strategic culture fit for purpose. Ultimately, German grand strategy remains impeded by the unwillingness to answer the core strategic questions: Who am I? What is my role on the international scene? Am I a leading actor, at the same level as the US, China, and Russia? Or am I a supporting actor only, whose main role is to be the most loyal ally of the US?

Europeans remain thoroughly divided over these questions. As long as there is no definite answer, Europe's strategic role will be that of the eternal sidekick: it is difficult to imagine the show without him, but he does not drive the action.

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