



# **BERLIN'S NEW PRAGMATISM IN AN ERA OF RADICAL UNCERTAINTY**

Stefan Fröhlich

2017 PAPER SERIES  
NO. 01

© 2017 Transatlantic Academy. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the Transatlantic Academy. Please direct inquiries to:

Transatlantic Academy  
1744 R Street, NW  
Washington, DC 20009  
T 1 202 745 3886  
F 1 202 265 1662  
E [Info@transatlanticacademy.org](mailto:Info@transatlanticacademy.org)



This publication can be downloaded for free at [www.transatlanticacademy.org](http://www.transatlanticacademy.org).

#### **Transatlantic Academy Paper Series**

The Transatlantic Academy Paper Series presents research on a variety of transatlantic topics by staff, fellows, and partners of the Transatlantic Academy. The views expressed here are those of the author and do not necessarily represent the views of the Transatlantic Academy. Comments from readers are welcome; reply to the mailing address above or by e-mail to [Info@transatlanticacademy.org](mailto:Info@transatlanticacademy.org).

#### **About the Transatlantic Academy**

The Transatlantic Academy is a research institution devoted to creating common approaches to the long-term challenges facing Europe and North America. The Academy does this by each year bringing together scholars, policy experts, and authors from both sides of the Atlantic and from different disciplinary perspectives to research and analyze a distinct policy theme of transatlantic interest. The Academy was created in 2007 as a partnership between the German Marshall Fund of the United States (GMF) and the ZEIT-Stiftung Ebelin und Gerd Bucerius. The Robert Bosch Stiftung and the Lynde and Harry Bradley Foundation joined as full partners beginning in 2008, and the Fritz Thyssen Stiftung joined as a full partner in 2011.

Cover photo: The German Chancellery, in Berlin at night;  
Photo credit: [elxeneize / Shutterstock, Inc.](#)

# BERLIN'S NEW PRAGMATISM IN AN ERA OF RADICAL UNCERTAINTY

TRANSATLANTIC ACADEMY PAPER SERIES

JANUARY 2017

STEFAN FRÖHLICH

Executive Summary . . . . .	iv
Introduction: The Current Debate . . . . .	1
Balancing the Legacies of the Past with the Necessities of Today . . . . .	3
Main Policy Challenges . . . . .	5
The Still Crucial Role of Transatlantic Relations . . . . .	13
Conclusions and Recommendations for Future Cooperation . . . . .	18

Stefan Fröhlich is a senior fellow at the Transatlantic Academy and a professor for international politics at the University of Erlangen-Nürnberg. His areas of research include EU foreign and security policy, transatlantic relations, German foreign policy, and international political economy.

## EXECUTIVE SUMMARY

---

Germany has emerged as the EU's central economic and political power in today's crisis-ridden Europe. The U.K., after the Brexit vote, has probably dropped out of global crisis management for quite a while and the United States, under President Barack Obama, already significantly retrenched from global commitments. Thus the election of Donald Trump marks a pivotal moment for German foreign and security policy as it puts Washington's European allies under even more pressure to radically rethink their security.

Though Germany does not have the ability or aspiration to act as the world's liberal hegemon, Berlin is not complacent. Germany has played a leading role in the Western response to Russia's actions in Ukraine and its role in supporting security on the EU's southern flank is growing. The country is set to increase its defense budget, and will advance EU defense cooperation, together with France. Berlin has also led Europe in the euro crisis — accepting compromises on a new degree of integration — and in the refugee crisis, a case which shows the limits of German “hegemony” in Europe.

The current situation involves both opportunities and risks, but it does not mean the end of transatlantic cooperation. The Trump administration will realize that the future world order needs interconnected strategies and integrative systems. Without transatlantic cooperation, Washington will not get far in dealing with these challenges. Instead of reacting with the usual mix of resignation and indecision, Germany and its European partners should therefore use Trump's threats as an opportunity to overcome their own political malaise. The best way to do so will be to provide strong evidence of German (and European)

engagement — particularly via higher defense contributions, a more assertive stance vis-a-vis China's trade and investment policies, and efforts to overcome bilateral trade imbalances.

# 1

## INTRODUCTION: THE CURRENT DEBATE

From Russia to refugees, from the eurozone to the Transatlantic Trade and Investment Partnership, from Brexit to President Donald Trump — at a time of radical uncertainties and a fast-changing European and global environment, Germany knows that it cannot escape from more responsibility. At the same time, Berlin is overwhelmed by expectations which it cannot fulfill.

Against this background, two scenarios seem to dominate predictions about where Germany's role in Europe and the world is headed.

The first camp of prognosticators expects Berlin to maintain its “strategic complacency,” or avoidance of big issues and leadership. While neighbors and partners clamor for more German leadership in Europe and the world, Berlin will focus instead on successfully managing domestic political conflicts. According to this view, which has representatives on both sides of the Atlantic, but is particularly in the United Kingdom and United States, Germany, though it led the way in the Greece crisis and played a key role in the Ukrainian crisis, will remain the “reluctant power,” the “unwilling hegemon,” never ever becoming a “normal” Western power, not to mention the United States' new “geopolitical partner.”

The alternative view sees Berlin accepting the burden of responsibility that follows from its relative economic strength, assuming the role of the “pre-eminent” power in Europe, and pro-actively shaping developments in Europe's southern and eastern neighborhoods. In this view, Germany is willing to incrementally take greater responsibility. Indeed some argue it already has, shaping Europe and preserving the

liberal world order by using its “geo-economic and structural power” to extend its influence and advance its interests.

In fact, there is ample evidence that there has already been a shift toward a greater international role for Germany and that the German public is gradually growing to accept a bigger role. Even those analysts and policymakers who in the past praised Germany's “culture of restraint” are now talking about “leading from the center” and are making the necessary investments in all power dimensions — with considerable implications for Europe and the integration process, as well as for transatlantic relations. Thus Germany's foreign and European posture has changed and is changing — but the process is incremental and it is not fundamental, in the sense of overhauling core principles. More German leadership is inevitable, but that leadership unfolds in different ways, remaining firmly embedded in the European Union.

Germany plays a role “thrust on it by economics, not by any sense of political destiny.”<sup>1</sup> As a consequence, the role of Germany in Europe and the world is still uncertain, ambiguous, and pragmatic. Chancellor Angela Merkel's pragmatism is not just the result of her oft-cited preference for caution or the pursuit of national interests within the EU. Nor does it come from a normative position. Rather it is the consequence of Berlin's dilemma: no matter what kind of leadership it offers and how creative analysts may be in describing Germany's role, Berlin's strength is seen rather as a risk than an asset to the EU. That is what produces all these paradoxes about “power

*Berlin's dilemma is no matter what kind of leadership it offers and how creative analysts may be in describing Germany's role, Berlin's strength is seen rather as a risk than an asset to the EU.*

<sup>1</sup>S. Green, “Germany: The Reluctant Leader of the New Europe,” *The Globalist*, February 7, 2015, <http://www.theglobalist.com/germany-the-reluctant-leader-of-the-new-europe/>.

and followership” in Europe,<sup>2</sup> about the “semi-hegemon,” which is the continent’s preeminent geo-economic power and can impose its will on others, yet lacks the resources to be a true European hegemon (representing “only” 28 percent of the eurozone’s GDP).<sup>3</sup>

The consequence of its power problem and its path throughout the 20th century is that Germany — though it undoubtedly had emerged as the pivotal power in Europe by 2010 — has ultimately pursued its policies in all the major crises Europe has been facing (the euro/sovereign debt crisis, security threats in the east and south, and the refugee crisis) not in isolation, but in cooperation with other partners and institutions. Yet this cooperation is somewhat ad hoc, also because of Berlin’s partners in Europe. Resistance in the EU against Germany’s new activism is not general, but issue dependent, thus creating flexible and ad hoc alliances either against or with Germany. While these alliances trigger positive connotations in the case of multilateral formats, such as the “Weimar Triangle” or the “Normandy Format,” they can also evoke dubious historical analogies of a German unilateralism or the “Bismarckian style” of the Chancellor in the euro crisis or the refugee crisis. Comparisons with Bismarck are misleading because his are purely defensive balance of power politics aimed at the avoidance of any coalition against the empire, while Merkel’s vision of a unified Europe “led from the center” is based on the concept of a transnational security policy, which includes

the support of others. Nonetheless, it does not make German leadership easy, and it has probably made it less effective.

Indeed, despite its pivotal role, the success of Berlin’s leadership has been mixed, given that Europe’s crises have not been resolved. There is a “new German question” to answer: will Germany be able to provide the leadership Europe needs, but does not really want from Berlin?<sup>4</sup>

<sup>2</sup>G. Hellmann, “Germany’s world: power and followership in a crisis-ridden Europe,” *Global Affairs*, Vol. 2, No. 1 (2016), p. 3–20, <http://www.tandfonline.com/doi/abs/10.1080/23340460.2016.1148829?journalCode=rgaf20>.

<sup>3</sup>H. Kundnani, *The Paradox of German Power* (London: Oxford University Press, 2014), pp. 102-105, 108, 110-111.

<sup>4</sup>T. Garton Ash, “The new German Question,” *The New York Review of Books*, August 15, 2013, [www.nybooks.com/articles/2013/08/15/new-german-question](http://www.nybooks.com/articles/2013/08/15/new-german-question).

## 2 BALANCING THE LEGACIES OF THE PAST WITH THE NECESSITIES OF TODAY

The structural changes following unification and the implosion of the Soviet Union had a tremendous impact on Germany's foreign policy discourse. The central question revolved around the question of how much continuity was still possible and how much change was necessary, given the country's *Mittelage* geopolitical position, size, and economic strength.

Germany slowly adapted to the new global order. With its participation in the Kosovo intervention in 1999 and in NATO's Afghanistan mission since 2001, and its decision not to join the war coalition in Iraq in 2003, Germany started to become a more responsible and pro-active stakeholder in Europe and beyond. Since then, the country has been going through an incremental adaptation process, trying to balance its deeply internalized strategic culture with its increased structural, institutional, and ideational power.

Another reason for this incrementalism was the uncertainties of Berlin's own allies about how to deal with the newly emerging "German question" — which in turn amplified German ambiguities. Not long before unification, the country intensively debated whether Germany could ever be considered a "normal" country in the *Historikerstreit*.<sup>5</sup> This uneasiness with any German leadership — despite great expectations — is still present as the EU copes with the euro crisis, conflict management on the bloc's Eastern and Southern flanks, and the refugee crisis. Many European nations are challenging German primacy today and taking steps to roll back European integration. In

Southern Europe, Germany is facing resistance from anti-austerity governments; in Central and Eastern Europe, governments and societies are openly challenging Berlin's refugee-friendly policies. At the same time, Germany now faces domestic populism with the rise of the anti-immigration Alternative for Germany (AfD), making observers believe that the country "is not exceptional anymore."<sup>6</sup>

There was another important reason why Germany did not seek greater responsibility in Europe after unification. The Soviet Army withdrawal from Central Europe, the American reduction of its military presence in Western Europe, and the cut in Bundeswehr troop numbers from around 800,000 in 1990 to a maximum of 241,000 today meant Germany was eager to reap the fruits of the "peace dividend." The future role a united Germany would play in Europe was not an issue that occupied German public opinion and — or, to a significant extent, the German political elites — and German foreign and security policy was largely reactive.

Beyond unification, Germany continued its *doppelte Westbindung*, but seemed to be especially focused on integrating with and strengthening Europe. However, the end of the Cold War also led to the NATO and EU accession of Central and Eastern European countries formerly behind the Iron Curtain. This had two crucial effects for Germany. It strengthened the country's position and importance by placing it squarely in the EU's center — geographically and geo-economically. Enlargement also slowed the momentum of

*Uneasiness with any German leadership is still present as the EU copes with the euro crisis, conflict management on the bloc's Eastern and Southern flanks, and the refugee crisis.*

<sup>5</sup>M.N. Hampton, "The Past, Present, and the Perhaps: Is Germany a "normal" power?" *Security Studies*, Vol. 10, No. 2 (2000).

<sup>6</sup>I. Krastev, "The End of the German Moment?" *Transatlantic Academy*, September 21, 2016, <http://www.gmfus.org/blog/2016/09/21/end-german-moment>.

supranational integration. By the time the 2008 global financial crisis created new stresses on the economies of the EU, momentum had shifted toward a more intergovernmental Europe, including in Germany.



# 3 MAIN POLICY CHALLENGES

Given this background and the fact that the EU is not designed for unilateralism or coercive leadership, Germany has developed a rather nuanced role with regard to the three major fault lines in Europe: economic tensions within the EU, security challenges emanating from the neighborhood, and identity politics. It has indeed assumed the role of the central geo-economic power in the governance of Europe and above all in its macroeconomic management, but in the end Berlin also had to make compromises about a new degree of integration to make the eurozone more of a stable economic whole. In the Ukraine crisis and in dealing with Russia, Germany became the chief facilitator (together with France) out of a newly-felt responsibility, while Berlin also took a more assertive stance as a crisis manager on the EU's southern periphery, namely in the fight against self-proclaimed Islamic State in Syria and Iraq. And in the refugee crisis, Berlin played the role of the benign hegemon, trying unsuccessfully to lead by attraction and solidarity but certainly accepting greater risk sharing. It is on these issues that the future of the EU — and Germany's role in it — will be decided.

## *Euro Crisis*

With regard to the euro crisis and Greece's sovereign debt crisis, Berlin insisted on economic austerity from the very beginning and only started following the European Central Bank's pledge to do whatever it takes to prevent the currency bloc's break-up when Southern European beneficiaries of EU rescue packages agreed to undergo drastic structural

reforms.<sup>7</sup> There is no doubt that this approach was an example of Germany's strength as a facilitator in tackling the crisis, but also a clear signal of Germany's pragmatism. As the country that represents the largest portion of the EU's GDP and provides a significant portion of its funding (€14.3 billion per year, which is more than 10 percent), Germany succeeded early on in maintaining a favorable power constellation and pushing its austerity plans — despite the initial support for Greece among Southern European member states.<sup>8</sup> On the other hand, solidarity in the euro crisis can also be interpreted as a quid pro quo: Berlin was ready to greatly contribute to the bailouts of Greece and other distressed eurozone states, and radiated stability in a time of crisis by reassuring investors, becoming the bulwark against a broad-based economic decline of the eurozone economy as a whole. Germany is fully aware it has benefited greatly from the common currency in recent years, 70 percent of Germans believe the euro is a good thing for the country.<sup>9</sup> At the same time, however, Greece and other member states had to accept to rigorous austerity cuts.

The reason for this dual-track policy is very simple: Berlin knows that Germany's success is not only the result of fiscal conservatism, strict economic management, and structural reforms (which account for Germany's export-led growth), but also of the specific structure of the European Monetary Union and even the labor

*Berlin knows that Germany's success is not only the result of fiscal conservatism, strict economic management, and structural reforms, but also of the specific structure of the European Monetary Union and even the labor and financial fallout of the eurozone crisis.*

<sup>7</sup>S. Dullien and U. Guérot, "The Long Shadow of Ordoliberalism: Germany's Approach to the Euro Crisis," European Council on Foreign Relations, February 2012, [http://www.ecfr.eu/page/-/ECFR49\\_GERMANY\\_BRIEF.pdf](http://www.ecfr.eu/page/-/ECFR49_GERMANY_BRIEF.pdf).

<sup>8</sup>European Commission, [http://ec.europa.eu/budget/figures/interactive/index\\_en.cfm](http://ec.europa.eu/budget/figures/interactive/index_en.cfm).

<sup>9</sup>Eurobarometer, November 2015, [http://ec.europa.eu/economy\\_finance/articles/pdf/fl\\_429\\_sum\\_en.pdf](http://ec.europa.eu/economy_finance/articles/pdf/fl_429_sum_en.pdf).

Only with a leadership role in Europe can Germany exert a global influence far above its actual weight.

and financial fallout of the eurozone crisis. In fact, the plummeting returns on German bonds reduced the interest burden for the German budget by more than €100 billion between 2010 and 2015.<sup>10</sup> It also knows that strict austerity alone will not lift up a recession-hit Europe and that, vice versa, the country benefits from an economically stable Europe, to which it exports more than 40 percent of its products. According to a study by the Bertelsmann Foundation, membership in the common market boosted Germany's economic performance by an additional €37 billion (or €450 per capita) annually between 1992 and 2012.<sup>11</sup>

It is often stated in the literature that in the case of the eurozone crisis in general and the Greece crisis in particular, Germany's fixation with austerity is the reason for Greece's travails. As Matthias Matthijs claims, Germany's orthodox belief in ordoliberalism (which holds that states should set the rules for market forces by providing automatic stabilizers, that deficits harm any national economy in the long run, and that moral hazard is dangerous and wrong<sup>12</sup>) and fixation with structural reforms was a driver behind the escalation of the Greek budgetary problem to an outright euro

currency crisis.<sup>13</sup> In the United States, some scholars even accused Germany of hypocrisy as it received debt relief and Marshall Plan aid after World War II, but now was making Greece and other member states suffer from its dictate. Many other studies argue, however, that Germany's position wasn't just about a clash of different macroeconomic policies or ideologies (German ordoliberalism vs. more flexible, anti-cyclical crisis management) within the EU but much more about different national interests and views of what is necessary to make the eurozone competitive.<sup>14</sup> Germany has become a significant creditor. The net foreign assets on German books rose from almost zero in the 1990s to around 40 percent of GDP by the end of 2010, many of them being the unpaid debts of other eurozone countries. That means Germany is deeply dependent on a eurozone that still has not meaningfully recovered from the 2008 crisis. But as a country that represents only 4.9 percent of global GDP, Germany also has a longer-term interest in strengthening the EU economy. Only with a leadership role in Europe can Germany exert a global influence far above its actual weight.

Germany has long favored saving, investment, and comparatively tighter fiscal and monetary policy stances to inflation, while some other key European economies, as well as the United States, had a preference for consumption and expansionary fiscal and monetary policies. Different macroeconomic policies led to divergent account balances well before

<sup>10</sup>G. Dany, et. al. "Germany's Benefit from the Greek Crisis," Leibniz-Institut für Wirtschaftsforschung Halle (IWH) 2015, [http://www.iwh-halle.de/fileadmin/user\\_upload/publications/iwh\\_online/io\\_2015-07.pdf](http://www.iwh-halle.de/fileadmin/user_upload/publications/iwh_online/io_2015-07.pdf).

<sup>11</sup>V. Pop, "Denmark, Germany benefit most from EU market," *EUobserver*, July 28, 2014, <https://euobserver.com/economic/125125>.

<sup>12</sup>C. Stelzenmüller, "Germany and the euro crisis: Not just for austerity's sake," Brookings Institution, July 10, 2015, <https://www.brookings.edu/blog/order-from-chaos/2015/07/10/germany-and-the-euro-crisis-not-just-for-austeritys-sake/>.

<sup>13</sup>M. Matthijs, "Powerful Rules Governing the Euro: The Perverse Logic of German Ideas," *Journal of European Public Policy*, Vol. 23, No. 3, p. 375–91, <http://www.tandfonline.com/doi/full/10.1080/13501763.2015.1115535?scroll=top&needAccess=true>.

<sup>14</sup>M.K. Brunnermeier, H. James, and J. Landau, *The Euro and the Battle of Ideas* (Princeton: Princeton University Press, 2016).

the euro crisis. It would, however, be an oversimplification to interpret Merkel's stance in the crisis as just deeply rooted in orthodox ordoliberalism. Germany itself went through a hard economic adjustment process at the beginning of the 21st century, realizing that structural reforms were absolutely necessary to keep the country's businesses competitive in global markets.<sup>15</sup> In other words, Berlin's insistence on structural reforms in the Southern European countries and particularly Greece was based on the insight that dysfunctional domestic constellations in those countries were a source of risk not only for themselves but for the whole EU, given risks of contagion, damaging its overall competitiveness.<sup>16</sup> By doing so, Berlin may have chosen another path of solidarity, but one that reflected an understanding of how the Maastricht criteria had fundamentally failed to take into account divergent fiscal policy stances as a driving force of current account imbalances in an EU which did not provide incentives for anti-cyclical fiscal policies and lacked any financial redistribution mechanisms.<sup>17</sup> Nobody in Berlin, however, would risk the break-up of the currency union. That's why Berlin as well in

the end gave in to painful compromises such as the ECB's new role as a lender of last resort, and its policy of quantitative easing.<sup>18</sup>

Further Greek debt write-offs may be necessary, as well as less obsession by European governments with maintaining a large primary surplus. Germany might also deliver more in terms of fiscal stimuli to help its neighbors. On the other hand, one should not overlook the facts that Greece had already benefited from a \$117 billion write-off of debt owed to private banks and that much of the \$380 billion in remaining debt in 2015 is owed to the member states — meaning Dutch, French, German, and other European taxpayers. Moreover, it was not Germany alone, but especially poorer Central and Eastern European member states which had embraced severe austerity measures both after the collapse of communism and in the wake of the 2008 financial crisis, which in the end wanted to be tough on Greece and other Southern European member states. Lithuanian President Dalia Grybauskaitė summarized this state of mind when she said that “eurozone countries [were] really not going to pay for the irresponsible behavior of the new Greek government.”<sup>19</sup>

A more realistic narrative of the euro crisis is that Berlin followed a pragmatic approach and forged a compromise, at a painful cost to both sides. In doing so, the government by and

*A more realistic narrative of the euro crisis is that Berlin followed a pragmatic approach and forged a compromise, at a painful cost to both sides.*

<sup>15</sup>K. Brenke and K. Zimmermann, „Reformagenda 2010 – Strukturereformen für Wachstum und Beschäftigung. Berlin,“ Deutsches Institut für Wirtschaftsforschung, 2008, [https://www.diw.de/documents/publikationen/73/diw\\_01.c.79926.de/08-11-1.pdf](https://www.diw.de/documents/publikationen/73/diw_01.c.79926.de/08-11-1.pdf).

<sup>16</sup>J.F. Kirkegaard, “Making labor market reforms for everyone: Lessons from Germany,” Peterson Institute for International Economics, January 2014, <https://piie.com/publications/pb/pb14-1.pdf>.

<sup>17</sup>Treaty of Maastricht on European Union, [www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:xy0026](http://www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:xy0026).

<sup>18</sup>F. Steinberg and M. Vermeiren, “Germany's Institutional Power and the EMU Regime after the Crisis: Towards a Germanized Euro Area?,” *Journal of Common Market Studies*, Vol. 54, No. 2, 2016, <http://onlinelibrary.wiley.com/doi/10.1111/jcms.12255/full>.

<sup>19</sup>J. Berendt, “Little Sympathy for Greece in Eastern Europe,” *The New York Times*, July 8, 2015, <http://www.nytimes.com/live/greek-debt-crisis-live-updates/little-sympathy-for-greece-in-parts-of-eastern-europe/>.

*Nothing put Germany's new role and rhetoric in Europe more to the test than the Ukraine crisis.*

large sustained impressive popular support at home (even though the chancellor's crisis management gave birth to the AfD, which started as an anti-euro party) and withstood U.S. pressure for using counter-cyclical macroeconomic policies to solve the euro crisis and reduce current account imbalances on the global level. Merkel's tough line on austerity was in line with German public opinion as 48 percent of Germans favored conditional solidarity with EU countries while 31 percent were opposed to financial assistance.<sup>20</sup>

However, Germany would benefit from reducing its saving under the current economic and strategic conditions. Berlin should increase domestic investment in infrastructure, education, and research, and not least in security.

*Conflict and Crisis Management on the EU's Southern and Eastern Flanks*

Germany's role in conflict and crisis management in the European Union's neighborhood still contributes most to what experts like to call Germany's "expectations gap." In recent years Berlin has given the impression of an inconsistent partner, abstaining from the NATO intervention in Libya and maneuvering between natural allies and those who in substance were opposing those allies in the case of Syria. Particularly since President Joachim Gauck's much-discussed speech at the Munich Security Conference in 2014, however, it seems that the country more than ever is committed to

<sup>20</sup>H. Lengfeld and M. Kroh, "Solidarität mit in Not geratenen Ländern der Europäischen Union: Ergebnisse einer Befragung des Sozio-oekonomischen Panels 2015" DIW-Wochenbericht, 2016, <https://www.econstor.eu/bitstream/10419/146936/1/869378945.pdf>.

a gradual increase in defense spending towards NATO's 2 percent target and the creation of a credible European defense capability.<sup>21</sup>

Nothing put Germany's new role and rhetoric in Europe more to the test than the Ukraine crisis. Russia's seizure of Crimea fundamentally challenged the post-Cold War order in Europe, but its hybrid warfare there and in the Donbas at no time provoked anything like an Article 5 reaction by NATO or the EU, as Ukraine is not a NATO member. It might be for this reason that Berlin took the lead in the Western response, supported by the United States and France. Merkel led negotiations with Russian President Vladimir Putin and Ukrainian President Petro Poroshenko to lower the intensity of the Donbas conflict, agreed with Obama not to provide Ukraine with lethal defense weapons, and convinced the other EU members states to impose and renew economic sanctions against Russia tied to progress in the Minsk accords. Britain's defense minister suggested that Germany had finally been elevated to the status of a "top tier ally," on the level of the United States and France.<sup>22</sup> Russia could not be expelled from Crimea and Moscow has essentially prevailed in this power struggle with the West. Nevertheless, Berlin succeeded in sending signals to Moscow that the Western allies were at least ready to contest Russia's strategic calculations by imposing sanctions,

<sup>21</sup>See Angela Merkel's recent reiteration of Germany's commitment towards the 2 percent target: J. Chase "Merkel: Germany to heavily increase Bundeswehr budget," Deutsche Welle, October 16, 2016, <http://www.dw.com/en/merkel-germany-to-heavily-increase-bundeswehr-budget/a-36054268>.

<sup>22</sup>J. Buchsteiner, „London will Deutschland als ‚Hauptsicherheitspartner,““ *Frankfurter Allgemeine Zeitung*, January 24, 2016, <http://www.faz.net/aktuell/politik/ausland/europa/f-a-z-exklusiv-london-will-deutschland-als-hauptsicherheitspartner-14031723.html>.

“only stopping short of the country’s exclusion from the lifeline of international financial transactions, SWIFT.”<sup>23</sup>

What was more important, however, was that Berlin went even further by taking a leading role in NATO exercises held in Eastern Europe and in setting up the Very High Readiness Joint Task Force (VJTF). This signaled that Berlin had accepted NATO’s narrative of deterring Russia’s aggressiveness while at the same time engaging Moscow, and that Germany will be a more attractive and reliable military partner across the entire spectrum of military operations.<sup>24</sup> The government has proposed to increase defense investment to €130 billion over the next 15 years.<sup>25</sup>

This comes at a moment when, following the U.S. elections, Europeans will be expected to provide a much more significant share of defense and stop whining about “American decline.” The United States has increased its share of total NATO military spending from roughly 50 percent at the end of the 20th century to 73 percent in 2013. No wonder that under any president, Washington is eager to see Europeans to invest more into the Alliance — and particularly to see Germany and Poland take the lead on Europe’s Eastern flank.

<sup>23</sup>B. Giegerich and M. Terhalle, “The Munich Consensus and the Purpose of German Power,” *Survival*, Vol. 58, No. 2 (April-May 2016), p. 158, <https://www.iiss.org/en/publications/survival/sections/2016-5e13/survival--global-politics-and-strategy-april-may-2016-eb2d/58-2-10-giegerich-and-terhalle-ef8c>.

<sup>24</sup>C. Major, “NATO’s Strategic Adaptation: Germany is the Backbone for the Alliance’s Military Reorganization,” *Stiftung Wissenschaft und Politik*, March 2015, [https://www.swp-berlin.org/fileadmin/contents/products/comments/2015C16\\_mjr.pdf](https://www.swp-berlin.org/fileadmin/contents/products/comments/2015C16_mjr.pdf).

<sup>25</sup>Deutsche Welle, “Ombudsman: German army is ‘short of almost everything,’” January 26, 2016, <http://www.dw.com/en/ombudsman-german-army-is-short-of-almost-everything/a-19005841>.

It is time for Germany and Europe to take defense more seriously. Even if they may still regard the possibility that Russia might provoke a straightforward Article 5 scenario as rather unlikely, it is also time to find the answer to the more pressing question of Russia’s cost-effective use of hybrid warfare. This is in essence the inversion of NATO’s comprehensive approach — while the West tries to stabilize countries by a combination of military and non-military means, Russia’s intention seems to be exactly the opposite goal. Russia’s aggressiveness in its neighborhood may yet lead to the transatlantic allies accepting a new European security architecture that follows Moscow’s logic. President Trump’s foreign policy will be an important factor in determining the outcome.

Another recent sign of a qualitative change regarding Germany’s willingness to assume greater responsibility is increased assistance to the Iraqi Kurdish *peshmerga* fighting ISIS. Berlin has moved from supplying humanitarian aid and emergency relief (from 2012), to supplying non-lethal aid and technical-tactical support (by shipping military equipment, including weapons and ammunition, from August 2014), to a unilateral decision to send the Bundeswehr on a training mission to the north of Iraq at the request of the Iraqi Federal and Kurdish Regional governments, based on Article 51 of the UN Charter 9 (in August 2014), to the establishment of a military liaison office within the premises of the German General Consulate in Erbil (at the end of 2014), allowing German forces to act without a UN Security Council or NATO mandate and contradicting the earlier ruling of the German Federal Constitutional Court which held that the use of such forces

*While the West tries to stabilize countries by a combination of military and non-military means, Russia’s intention seems to be exactly the opposite goal.*

*By providing combat jets for reconnaissance purposes, a frigate in the Eastern Mediterranean, and more troops to support French forces in Mali, the German government broadly interpreted UNSC resolutions and adopted an expansive definition of self-defense and the jus ad bellum, coming closer to its larger military allies.*

is only allowed for defensive purposes unless otherwise stated in the country's Basic Law (Article 87).

In early December 2015, Berlin went even further. The terrorist attacks on Paris in November 2015 triggered more direct German security involvement to the south of Europe when Berlin decided to provide solidarity with France in conjunction with Article 42.7 of the Lisbon Treaty and various UN Security Council decisions. By providing six Tornado combat jets for reconnaissance purposes, a frigate to join the French carrier group in the Eastern Mediterranean, and more troops to support French forces in Mali, the German government broadly interpreted UNSC resolutions (against its traditional approach of requiring explicit mandates for taking any action) and adopted an expansive definition of self-defense and the *jus ad bellum*, coming closer to its larger military allies, like the United States, the United Kingdom, and France.<sup>26</sup> UNSC Resolution 2249 (November 2015) "calls upon" all nations to take "all necessary measures, in compliance with international law" to fight ISIS, but its language at no point provides the explicit authorization of military force Germany has traditionally found necessary. Against this background, Berlin's decision marks a clear willingness to interpret UNSC resolutions more broadly.

It is remarkable that all this happens at a time when other Western countries including the United States have become more reluctant interventionists. The U.K., after Brexit, has probably dropped out of global crisis

management for quite a while. The United States, after electing Trump, may retrench from global commitments (and defending allies) even more than it did under Obama, thus increasing the likelihood that Russia and China will test American power in their neighborhoods.

At this pivotal moment, Berlin, in close coordination with France, is about to take a more central role in European security. Even though it is unlikely that this will really be the end of NATO and the U.S. nuclear deterrent, we simply cannot predict the outcome of the radical change in Washington. Germany will increase defense spending further towards the 2 percent of GDP NATO mandate, a consensus among the current coalition parties, not least because Germans today are more at ease with a stronger role in defense in security.<sup>27</sup> The country may continue to exercise military restraint, but allegations of Germany becoming "disconnected from the Western mainstream" do not square with its intentions and actions to meet today's threats south of Europe's shores. Rather they sound cynical, given the fact that the same countries bemoaning German complacency are the ones retreating from responsibility. Beyond that, developments on Europe's peripheries have proven correct Berlin's theory that the combination of pressure and sanctions is not simply a necessary prelude to an inevitable war, but rather an instrument to possibly avoid one.

<sup>26</sup>E. Langland, "Germany's Vote to Strike ISIS in Syria," German Council on Foreign Relations, June 2016, <https://dgap.org/en/think-tank/publications/dgapanalyse-compact/germanys-vote-strike-isis-syria>.

<sup>27</sup>S. Weiss, "Germany's Security Policy: From Territorial Defense to Defending the Liberal World Order?" Bertelsmann Foundation, October 2016, <http://www.bfna.org/publication/newpolitik/germanys-security-policy-from-territorial-defense-to-defending-the-liberal-world-order>.

## Refugee Crisis

Lastly, Germany's handling of the refugee crisis in 2015 was seen by many as another example of the country's still values-oriented foreign policy. It is certainly true that Merkel's stance on refugees can be seen as a moral decision. Moreover, it was chance for the country (just a few weeks after the Greek crisis had reached its peak) to make up for damage to its image over its handling of Greece with humanitarianism and the *Willkommenskultur*. On the other hand, the concern for Europe was at the heart of the chancellor's refugee policy. Ahead of the other member states, Germany argued that the migration issue posed an even more severe challenge to the EU than did the eurozone debt crisis, not least after it realized that it had a central role due to the sheer numbers of refugees coming to Germany. By pushing other member states (particularly its Eastern neighbors) for European "solidarity" and forcing a vote over the distribution of refugees, Germany was seen as once again molding European institutions and decision-making processes to serve its own interests.<sup>28</sup>

In other words, Merkel's position reflects what the Obama administration has called "smart power" — a combination of a values-driven, "liberal" approach on the one hand and a very pragmatic *realpolitik* on the other hand, driven by the chancellor's clear-sightedness about the dangers (less from the refugees themselves and more from the rise of far-right and xenophobic parties and movements) faced by Europe in general and Germany in particular as the

country that benefits most from European integration.<sup>29</sup> The problem, however, was that — unlike in the Eurozone crisis — the other member states did not accept Germany's role as Europe's "facilitator" and liberal hegemon, and thus forced the country to give up its fixation on abiding by rules when it came to the Schengen regime during the crisis. Germany's dilemma was that it could decrease the number of refugees arriving at its borders only through a European scheme.

The "European solution" includes seeking new burden-sharing arrangements, pressing for more effective controls on the EU's external borders (by strengthening Frontex) and the establishment of so-called "hot spots" (centers to register refugees after their arrival) in the EU's border states, denying refugees the right to choose their country of asylum within Europe, supporting the expansion of the list of "safe countries" which migrants can be sent back to, and cutting deals with Turkey to limit the flow of refugees. However, this comes at a high price, as not everybody is willing to follow the liberal hegemon, and Berlin wonders whether the price worth bearing. That's why there is also sympathy for the idea of closing the Bavarian borders and exercising Germany's right under the Dublin Regulation to turn back refugees who have crossed other safe countries in Europe.

<sup>28</sup>I. Traynor and P. Kingsley, "EU governments push through divisive deal to share 120,000 refugees," *The Guardian*, September 22, 2015, <https://www.theguardian.com/world/2015/sep/22/eu-governments-divisive-quotas-deal-share-120000-refugees>.

<sup>29</sup>K. Kirişçi, "Europe's refugee/migrant crisis: can 'illiberal' Turkey save 'liberal' Europe while helping Syrian refugees?," European Policy Centre, February 19, 2016, [http://www.epc.eu/documents/uploads/pub\\_6324\\_europe\\_s\\_refugee-migrant\\_crisis.pdf?utm\\_source=sarbacane&utm\\_medium=m.bartholome@epc.eu&utm\\_campaign=EUROPE%20REFUGEE](http://www.epc.eu/documents/uploads/pub_6324_europe_s_refugee-migrant_crisis.pdf?utm_source=sarbacane&utm_medium=m.bartholome@epc.eu&utm_campaign=EUROPE%20REFUGEE).

*Ahead of the other member states, Germany argued that the migration issue posed an even more severe challenge to the EU than did the eurozone debt crisis, not least after it realized that it had a central role due to the sheer numbers of refugees coming to Germany.*

These pressures led Berlin to reach out to President Recep Tayyip Erdoğan's Turkey in a very pragmatic way for help controlling the flow of migrants, despite criticism for working with the increasingly authoritarian Turkish leader. Given that there are structural constraints to its leadership role in Europe and that the EU's response to the crisis is divided and ineffective, Germany cooperating with Turkey is the best option. The deal — financial support (at least €6 billion by 2018) and fast-tracking the visa liberalization process for Turkey in return for Ankara controlling the flow — will probably be funded in large part by Germany, but Berlin seems to be willing to pay this price.

The refugee case clearly indicates the limitations to any German “hegemony” in Europe. Neither is the power potential of Germany similar to that of the United States on the global level (at least in the recent past), nor does the highly institutionalized setting of collective decision-making in the EU allow the chancellor the kind of foreign policy discretion held by the U.S. President (by presidential initiatives) or provide enough incentives for followership. Otherwise, Europeans would have taken matters and more money into their own hands to control the migratory pressure, and to live up to their normative integrity under the constraints of realpolitik.



# 4 THE STILL CRUCIAL ROLE OF TRANSATLANTIC RELATIONS

No matter how a President Trump will view Europe and the world, Germany's role in both must be analyzed in the context of its implications for U.S.–German relations. There are two paradoxical developments that have shaped this relationship recently.

First, while it is still one of the strongest bilateral economic and political relationships in the world — the United States is the biggest market for German exports outside of Europe; Germany is the United States' largest trading partner in Europe — there has also been an increasing erosion of trust and clear signals of discontent between the partners. This is not simply the result of the fallout from the NSA spying scandal; it is because perceptions of younger German and American citizens and policymakers have been shaped by controversial issues such as Iraq, the U.S. “Global War on Terror,” the nature of the welfare state, climate policy, the digital divide, the global financial crisis, and the proposed Transatlantic Trade and Investment Partnership (TTIP). Even if many Americans are as upset as Germans about the encroachments on their privacy carried out by the NSA's surveillance programs, as legislation on Capitol Hill attests, and 72 percent still see Germany as a reliable ally,<sup>30</sup> the two societies do have different prevailing views on security/privacy trade-offs in the digital age and other values.

Second, while the United States became less risk-prone (though still playing the dominant security role in the world), German attitudes on their country's role in the world appear to be moving into the opposite direction — which

from time to time provokes some sort of soft-balancing against Washington. On the one hand, both sides of the Atlantic have converged on the limited prospects of successful Western conflict and crisis management, particularly in the Middle East. This pragmatism fits with Germany's less ambitious foreign policy agenda regarding the promotion of a liberal world order by Western leaders and will have an impact on future transatlantic burden sharing — with Germany and its European allies playing a larger role in Europe's neighborhood and the United States taking responsibility particularly in Asia, Latin America, and the Gulf. On the other hand, it is very likely that the United States will further retrench and even sidestep Europe. Germany feels vindicated by this development and continues to depend on a global security system (“hedging” strategy).

There is no doubt that the election of Donald Trump has increased this risk. The worst-case scenario is that the America the world has known for decades will be ended by President Trump and not return. The United States has been an exceptional power for most of its history. Even though its “soft power” has already dissipated to a large degree over the last two decades, Washington now might become even more divorced from international political realities under the new president by perpetuating myths of American superiority and omnipotence and at the same time disengaging from the global stage.

Particularly in Europe, the initial reactions of many were despair and fear of what this could mean for those parts of the world that still depend on a predictable and stable U.S. military presence and commitment. At the same time, many Americans place their hopes in an already

*While the United States became less risk-prone (though still playing the dominant security role in the world), German attitudes on their country's role in the world appear to be moving into the opposite direction — which from time to time provokes some sort of soft-balancing against Washington.*

<sup>30</sup>Pew Research Center, “Germany and the United States: Reliable Allies,” May 7, 2015, <http://www.pewglobal.org/2015/05/07/germany-and-the-united-states-reliable-allies/>.

Germany will not replace the United States because it still lacks the size, resources, and will. With a defense budget one-fifteenth that of the United States, no nuclear deterrent, and comparatively smaller ambitions, the country has neither the ability nor the aspiration to act as the world's liberal hegemon.

overwhelmed Germany to lead a sort of anti-Trump coalition as the last beacon of the liberal international order. In either case the result could be a new West within a post-Western world. However, both of these ideas are exaggerated, even if now is the time to think about what only recently seemed to be unthinkable. Germany will not replace the United States because it still lacks the size, resources, and will. With a defense budget one-fifteenth that of the United States, no nuclear deterrent, and comparatively smaller ambitions, the country has neither the ability nor the aspiration to act as the world's liberal hegemon. Therefore, Merkel's offer of cooperation with Trump on the basis of "common values" should not be read as if the Chancellor can impose conditions on the U.S.–German relationship. Secondly, as elaborated above, Germany since the end of the Cold War has been incrementally "moving towards Europe" anyway. This trend might only be reinforced by the Trump Administration. The current situation thus involves both opportunities and risks, but needs to be put in perspective. There is a great risk of incoherence and incidents and the United States becoming a less reliable and predictable partner, but it is unlikely that the country will step back from its global leadership role.<sup>31</sup>

On the Paris climate agreement, the Iran deal, and pending multilateral trade agreements changes and modifications are likely; any Republican administration, however, would have fiddled around with these issues. The greatest concern is Russia. Trump's admiration for President Vladimir Putin means that

Europe becomes, unusually, the more hawkish transatlantic partner on Russia, or policy will be reversed on both sides of the Atlantic. In the first case, the United States would pursue the policy of appeasement towards Russia for which Germany has often been blamed by Washington, while particularly Berlin would have to fend-off a resurgent Russia — an unlikely scenario. In the second, more likely case, Europe and the United States would more explicitly give in to geopolitical realities and give up the possibility of Euro-Atlantic integration of Europe's eastern periphery, accepting a return to balance of power politics, and a European security architecture more amenable to Russia. Germany, following its dual-track approach of engaging and being tough with Moscow at the same time, might still convince its EU partners to maintain the Minsk-linked sanctions on Russia — some have even called for sanctions by the European Council on those who are responsible for the atrocities in Syria<sup>32</sup> — but assistance and a (remote) prospect of EU and NATO membership for Ukraine and other eastern countries would shrivel.

One cannot completely rule out after his questioning of the purpose and viability of NATO that Trump finds a *fait accompli* with Russia of not interfering into each other's domestic affairs and some tacit recognition of a Russian sphere of influence. One reason for this is that he might not see Russia as an immediate security risk/threat to the United States (as it is to Europe); the economic stakes aren't very high either. Another reason is that at least some key members of the new administration want

<sup>31</sup>On this issue see the latest debate in *Foreign Affairs*, "Out of Order? The Future of the International System" (January/February 2017), <https://www.foreignaffairs.com/issues/2017/96/1>.

<sup>32</sup>F. Brantner and N. Röttgen, "Europe must end its silence on Syria," European Council on Foreign Relations, December 2, 2016, [http://www.ecfr.eu/article/commentary\\_europe\\_must\\_end\\_its\\_silence\\_on\\_syria\\_7200](http://www.ecfr.eu/article/commentary_europe_must_end_its_silence_on_syria_7200).

to bring down the European integration project and exploit nationalistic and populist sentiments against it. More importantly, however, Trump seems to be approaching the relationship with Europe as transactional and pragmatic rather than values-based — an approach that Russia (and China) will like.

What is more likely, however, is that the national security establishment and Congressional Republicans will block radical changes and that Trump — having few fixed policy positions — will change his mind once in office and surrounded by at least some experienced cabinet members who won't give up on America's pivotal role in the world. As a compromise, the new administration might try to accommodate Russian interests by giving up on NATO enlargement, but not put into question Article 5. It might also end U.S. support for the Assad opposition and cut a Syrian deal with Moscow to fight ISIS and "terrorists" as Russia defines them, but not completely break away from the region. Nevertheless, even if this is the more realistic scenario, it would encourage Russia to escalate conflict if it is not getting its way and test the new administration's limits.

Europeans therefore would be well advised to prepare for a permanent and more efficient EU military force and make contingency plans for the defense of the Baltics from hybrid warfare.<sup>33</sup> Apart from deepening defense cooperation on a flexible basis (such as the France–U.K. military alliance and the increasing German–U.K. cooperation), Europe's security and defense strategy needs to be based on three elements.

<sup>33</sup>C. Miller, "U.S.–Russian Relations in the Next Presidency," The German Marshall Fund of the United States, December 7, 2016, <http://www.gmfus.org/publications/us-russian-relations-next-presidency>.

First, Europe has to pay more for defense. Germany in particular must follow Merkel's commitment to expand defense spending significantly and move towards the NATO target of 2 percent of GDP. Deeper European defense integration, with planning as if Europe's militaries were single force to which each country contributes national combat units, anchored in multinational corps structures with multinational command, logistics, maintenance, and training, would be helpful, allowing countries to do away with redundant structures and units and free up budgetary means to invest in the strategic enablers (like drones, air-to-air refueling, transport, satellite communication, and cyber security) which the United States has had to provide for nearly every European operation.

Second, stronger French–German partnership on defense is necessary. Berlin should listen carefully to Paris's push for defense spending to be taken out of deficit calculations and a European defense fund that would allow European partners to pool investments. A European military headquarters should also be on the table.

Third, even the nuclear dimension, though the most radical proposal, should be considered. One should not rule it out that after Brexit, France might consider a formal proposal seriously, if Germany were willing to pay a price. However, the remaining EU member states should do everything possible to keep the U.K. involved on any plans for European nuclear deterrence.

The strengthening of all these elements serves two goals for Europeans: to convince the United States to maintain NATO by stepping

*Europeans would be well advised to prepare for a permanent and more efficient EU military force and make contingency plans for the defense of the Baltics from hybrid warfare.*

*While a reduced U.S. involvement in Europe would have a disastrous impact on NATO's Article 5 collective defense guarantee, Europeans could certainly compensate more for a U.S. retreat from the Greater Middle East.*

up the European contribution to collective defense, and to project power in their own broad neighborhood, where the Obama administration already made it clear that Washington wants more European new burden sharing.<sup>34</sup> While a reduced U.S. involvement in Europe would have a disastrous impact on NATO's Article 5 collective defense guarantee, Europeans could certainly compensate more for a U.S. retreat from the Greater Middle East; the latest joint EU–NATO Warsaw summit declaration proved that there is a greater willingness to solve Europe's security problems to the Southern flank of NATO. Rather than fearing Trump's plans to become even more energy-independent and disinterest in nation building in the region (a notion shared by Europeans), Europe should worry about his simultaneous yearning for a decisive strike against ISIS. The risk that Trump's Middle East policies will be counterproductive in defeating radical Islamic terrorism is high — even with effective combat measures — winning hearts and minds matters, and ISIS has used Trump's rhetoric as a recruitment tool.

This is also true for Asia–Pacific due to the President's view on trade, which have implications for security in the region as well. Trump's plans to withdraw from the Trans-Pacific Partnership in his first 100 days in office while at the same time scaling up protectionist measures and squeezing economic concessions from China on trade and alleged currency manipulation will probably — at least temporarily — increase U.S. GDP growth, possibly to 4 percent, by driving up the price of domestic goods competing with imports and triggering higher inflation (with the

Federal Reserve's independence coming under attack). This will have positive impacts for the world economy, including Europe. It will, however, also have serious implications for U.S. economic and strategic interests in the region in the medium run by giving Beijing leeway for its own geopolitical interests. More likely than the other 11 members going ahead and implementing TPP without the United States is that China steps forward to try to shape the rules in the region favorable to its interests. Like Russia, Beijing will be eager to fill the power vacuum left by the U.S. geopolitical withdrawal. The consequences could be a double backlash against U.S. interests: economically, more countries could start giving up their traditionally rather neutral position between China and the United States and rebalancing toward Beijing, while countries reliant on the U.S. security umbrella, like Japan, might think of other strategic options. Simultaneously, disrupting commerce with China would not only negatively affect U.S. manufacturing supply chains with Chinese facilities but would also have a huge impact on the U.S. budget deficit which is primarily financed by Chinese currency reserves.

Germany should lead Europe to use its leverage with the United States to try to resuscitate TPP and TTIP. Rather than taking advantage of American competitors by focusing on trade agreements with ASEAN countries and Japan, European policymakers should think of the long-term political and geostrategic consequences of a declining U.S. role in the Asia-Pacific and send a clear signal to Trump that it is the common transatlantic interest not only to engage China but also to prevent its

<sup>34</sup>B. Posen, *Restraint: A New Foundation for U.S. Grand Strategy* (Ithaca: Cornell University Press, 2014).

---

dominance of the region.<sup>35</sup> Trump's campaign promises to label China a currency manipulator and threat of a 45 percent punitive tariff should ultimately be seen as bargaining chips which the administration will probably use to start negotiations with Beijing on its dumping practices and aggressive overseas investment. Europeans and Americans alike have an interest to make a stand against China on these issues — as they already have under the Obama administration. Germany's openness to Chinese investment is waning quickly, potentially chilling bilateral relations. At the same time, Berlin is realizing that it must push harder to convince its own public of the benefits of a TTIP agreement — which would have positive impacts on European growth and increased transatlantic leverage towards a more assertive China as well — and the new administration in Washington of the importance of transatlantic unity in supporting the global economic system (not by ending but by mending its institutions) and making deals with China.

---

<sup>35</sup>K. Nealer, "Is This the End of Free Trade?" Center for Strategic and International Studies, November 10, 2016, <https://www.csis.org/analysis/end-free-trade>.

# 5 CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE COOPERATION

*Provided that Germany receives the support of its major European partners and the kind of “partnership in leadership” from the United States offered by George H. W. Bush in 1989, Berlin can flip what Bush had asked and provide “leadership in partnership” as its own strategy for European unity.*

What do all these developments mean for Germany’s role in Europe and the world in general and transatlantic relations in particular? The depressing thing at the moment is that many Western societies are in the grip of prolonged domestic political transitions and we may not get many positive options until the post-factual populists like Trump and the Brexiteers have tried and failed to deliver on their voters’ expectations. Nevertheless, we can draw some conclusions about where German foreign policy stands at this critical moment for the liberal international order and where transatlantic relations might be headed in the future.

First, taking into account the uncertainties, constraints, and choices available to Germany as the most powerful country in the European Union, it is obvious that Berlin has become more willing to exert international leadership than in recent decades. Though Germany’s behavior is often understood to be driven by normative considerations, the real motivations are much more pragmatic and reactive. For instance, the supposedly strong normative position of fiscal responsibility was undermined by Germany itself in the early 2000s. Similarly, Berlin interpreted UNSC resolutions much more broadly than its traditional normative positions would suggest in its recent contributions in the Syrian conflict.

Second, if Berlin is going to take advantage of this moment it must shape European unity as the only country in a position to lead the EU, both in institutional terms and in terms of its international role. It must also recommend itself to as Washington’s partner of choice even with a President Trump. The German “moment” may fade quickly if Berlin underestimates

the risk that what is well-intended will still be depicted as naked self-interest. The rest of Europe must have faith that German leadership can be a driving force for a strong EU, while at the same time taking steps to shape this leadership to ensure that it is benign and for the common European good. Growing German leadership in Europe could not encourage the U.K. to remain inside the EU to balance Germany’s growing power on the continent. It could, however, encourage France to make the reforms necessary to board the economic train of globalization. And it could persuade Washington to be more present in Europe, pushing for TTIP, strengthening NATO, encouraging LNG gas exports to address the continent’s energy security dilemma, and not least, remaining supportive of European unity.

Third, provided that Germany receives the support of its major European partners and the kind of “partnership in leadership” from the United States offered by George H. W. Bush in 1989, Berlin can flip what Bush had asked and provide “leadership in partnership” as its own strategy for European unity. There is great chance that the current metamorphosis of Europe away from a model driven by rules and experts to one driven by events and crises management may bring Europeans, particularly France and Germany (and maybe still the U.K.), closer together as the prospects of Europeans gradual coalescing toward a wider European identity — an identity that is still less psychologically daunting for Germans than it is for the French or British — wane and those of a more pragmatic institutional set-up increase.

Following Berlin’s recent shifts in foreign and security policy, not least documented in the recent publication of a new German White

---

Book on defense in July 2016, and Merkel's signals to review security after the Berlin attack in December 2016,<sup>36</sup> it is likely that the Europe's traditional integration orthodoxy of political integration following economic integration has to be replaced by one in which security ranks higher — at least in the short and medium run. The latest German-led initiatives to create permanent autonomous structures on the EU level to carry out joint military operations, still ensuring complementarity with NATO, indicate this.<sup>37</sup> Progress on becoming a more serious security player — in response to a longtime fair criticism from Washington — could help Berlin as it engages the new administration, explaining issues like the Iran deal not only on their own merits, but also the implications for the Atlantic partnership, and shapes Trump's thinking on Russia. If engagement with the Trump administration fails, one can only hope that Germany will still be willing to take principled positions and push back in key areas.

Fourth, expectations should be realistic. The hard truth is foreign and security politics in this fragile world are largely about chronic crisis management, in which leaders are forced to reach for relatively little gain at great effort. Berlin (provided the current coalition government survives the sea change currently underway in domestic politics in next year's federal elections, as is highly likely) will steadily increase its degree of involvement

in international security affairs — with all the obstacles and setbacks inherent to any leadership.

---

<sup>36</sup>J. Delcker, "Merkel to review security after Berlin attack," *Politico*, December 23, 2016, <http://www.politico.eu/article/merkel-to-review-security-after-berlin-market-attack-anis-amri/>.

<sup>37</sup>Federal Government of Germany, "White Paper 2016 on German Security Policy and the Future of the Bundeswehr," July 2016, <http://www.new-york-un.diplo.de/content/blob/4847754/Daten/6718448/160713weibuchEN.pdf>.

1744 R STREET NW

WASHINGTON, DC 20009

T: 1 202 745 3886

F: 1 202 265 1662

E: [INFO@TRANSATLANTICACADEMY.ORG](mailto:INFO@TRANSATLANTICACADEMY.ORG)

[WWW.TRANSATLANTICACADEMY.ORG](http://WWW.TRANSATLANTICACADEMY.ORG)

