brief

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A Geopolitical Awakening? The Future of German Statecraft

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Introduction

Foreign policy in Germany is an increasingly elite affair, discussed among officials, interested politicians and a coterie of international think tanks. Since foreign affairs has not really featured in this election campaign, it matters how this small group is discussing the direction of policy. Two narratives percolate here in Berlin. The first is about the reluctance of all parties to speak truth to German voters about unprecedented new geopolitical realities, and in particular to come clean about the evaporation of the supposed certainties of the 1990s. The second narrative is that all the major parties are still too far from France when it comes to the response. "Deutsch-französische Anschlussfähigkeit" – the ability to match France in style and substance - is thus a prime benchmark for judging party manifestos on everything from eurozone reform to the Indo-Pacific.

Other EU members long complained that Germany had no strategic community. Well now it does, but this community sometimes seems most interested in proving its maturity to its international peers as it pushes Germans to take greater international responsibility. Since the US and UK have disqualified themselves as models due to their recent behaviour, this community is now most intent on matching France. German foreign policy is consequently losing some of its more attractive characteristics. These shifts in German policymaking have already exacerbated international problems that they purport to resolve. Sweden - set to take over the EU's rotating presidency in January 2023 - has an interest in, and a means of, helping Germany respond to today's harsh realities in ways more in tune with its traditions.

The Frenchification of Germany

It is easy to see why Berlin elites would believe that the Franco-German motor and a readiness for French-style geostrategy should be the benchmark for any party leader's readiness to govern. In the past 15 years, Europe has moved from one crisis to the next, and Berlin has looked disjointed, slow and soft. Angela Merkel came to power in 2005 during a crisis of confidence for the EU after voters in France had rejected the Constitutional treaty. She leaves power in 2021 during a full-blown crisis of globalisation, with the world's great powers picking apart the EU's markets, supply chains and connective infrastructure. Many here in Berlin have come to believe that the French were right all along – that Germans were naïve about the trajectory of world affairs and the benefits of global market integration. They embrace the French drive for European autonomy.

They are alert, therefore, to signs that any of the *Kanzlerkandidaten* are placing Germany's old constitutional, political and economic shibboleths ahead of effective European action. They have praised the Greens in particular for swinging away from old dogmas: the Green leader, Annalena Baerbock, seeks to match the French in punch and panache. But even she falls down on some matters. There is the matter of the Euro-fighter, a joint Franco-German endeavour that is just now entering a hot phase. (The Greens are not sold on the project; they worry that the jet

overshadows other joint European projects and want tighter export controls on European defence technology than do the French.) The foreign policy community here has questions, too, regarding the Green appetite for overseas deployments of troops – a French forte.

Nonetheless, Baerbock is streets ahead of her Social Democrat rival in policy terms, even if she trails him in the polls. Baerbock is clearly sympathetic to French priorities such as eurozone reform, whilst the SPD lead candidate is felt to have squandered his head-start here, failing even to defend the European Recovery Fund which his party initially hailed as a bridge to the French. The current Finance Minister and SPD lead candidate, Olaf Scholz, is now framing the Fund as a one off rather than a precedent for German fiscal policy. Even so, Macron could, by common assessment, work with Scholz and all the other mainstream leaders. Where the *Kanzlerkandidaten* do irreconcilably diverge from the French President, then on a few engrained German positions like the insistence that nuclear power (another French forte) cannot be counted as a green energy.

The question for the Berlin community, therefore, is how well the *Kanzlerkandidaten* would discipline their unruly parties. Armin Laschet, the Christian Democrat lead candidate, talks a good game when it comes to setting up a Franco-German core at EU level, but his appointment of Friedrich Merz (the former leader of his party in the Bundestag) as a special adviser is treated with suspicion as a blast of old German economic orthodoxy from the party ranks. As for the leader of the Liberals, Christian Lindner, he is deemed to have even greater problems with his party on European economic policy. Nonetheless, Berlin policy elites relish the irony that, although Lindner's FDP is part of Macron's European party family, its non-French views would see it side-lined in government as its fellow coalition parties hook up with Paris.

As for the *structures* of German statecraft, thinkers here advocate a centralization of authority to attune Berlin to a harsh new environment and to the high-level crisis summitry of the European Council. This involves linking Germany's individual federal ministries, as well as the powerful Länder and city level, more strongly to the Chancellery, which would in turn gain a greater lead in international affairs. Proposals to centralize foreign policymaking in this way include creating a national security council (NSC) or a national security adviser of ministerial rank who could decide on the Chancellor's behalf on matters that divide the Cabinet, and shifting the post of Europe minister to the Chancellery. France's strategic culture again provides a template here, after the US and United Kingdom were felt to have discredited themselves by their recent behaviour.

The SPD is the only mainstream party generally opposed to this structural reorganisation of German statecraft, and rejects outright the idea of an NSC as a dangerous centralization of intelligence and authority. Berlin's strategic community is consequently critical of the SPD, not least because they deem the Social Democrats' position contradictory. (The SPD says that, if Germany is to take decisive foreign policy

action, then the creation of a new centralized institution cannot substitute for political will, but also that the creation of a new centralized institution might see Germany rush into decisive foreign policy action because cooler heads are marginalised.) This leaves the Social Democrats left carrying the legacy of unfashionable old notions of German foreign policy – not helped by their apparent attempt to embrace the mantle of continuity.

But even the SPD embraces a more assertive statecraft, and again on French lines. The "Brussels effect" is the idea that Europeans can leverage the power of their shared consumer market to impose their rules on foreign governments and firms. The 2016 General Data Protection Regulation is the model here: the EU set the world's data protection rules thanks to a new found appetite to move first on regulation and leverage its market size. It seems the SPD is only too happy to believe in the French narrative of globalisation-gone-wrong and to see the EU step up to the task of unilaterally regulating the global economy. This means placing protections around EU market projects – its digital, energy, labour and consumer markets – then deepening the rules underpinning each, and finally leveraging that access in order to assert rules abroad.

How Germany confuses the remedy with the problem

This new elite consensus (if that is what it is) is puzzling for many outside observers. There is, after all, nothing inherently wrong with the traditional German model of statecraft, so long as it is allied to a sound assessment of the world. Power in the Federal Republic has always been diffused 'up' (to the EU, via a commitment to integration and through the principle of loyal cooperation with all other member states), 'out' (to individual line ministries, such as the finance or interior ministry) and down (to German states and cities which, de facto, play a growing role in international affairs). This set-up may be unusual, but Germany's coalition governments have made it work, not least because the foreign ministry was considered the main prize for any junior coalition partner, and foreign policy prestige was thus key to holding governments together.

Nor, indeed, is there anything inherently wrong with close cooperation between Germany and France in the EU. For decades this relationship was based on an effort to meld the two very different national traditions of statecraft on *equal* terms. Their strange alchemy spawned the Cold War European doctrine of "domesticating geopolitics" the attempt to take issues out of the realm of power politics and subject them to domestic-style regulation. France and Germany did this by launching cross-border market projects, using these to incentivise states and peoples to rethink territorial and identity conflicts. The last great wave of such projects came in the 1990s, in the form of the Schengen Area and the eurozone, launched at a time when geopolitical imbalances had returned to Europe and nasty identity wars had been sparked in the Balkans and Caucasus.

German power diffusion and grand French geostrategy ought really to offer the two

ingredients that the EU needs today, as Europe's cross-border markets and connectivity become infected with great power competition. In the past 15 years, however, Germany has gradually lost faith in its own foreign policy attributes and the Chancellery has asserted its grip on German foreign policy. The justification for this power grab was that international affairs were now mainly about crisis management and crisis management is a prerogative of the Chancellor. In truth, the role-change came down to Angela Merkel's cannibalistic approach to her coalition partners and her dislike of big ideas, both of which diminished successive foreign ministers and placed the foreign ministry behind the finance ministry in coalition negotiations.

Merkel's "presidentialisation," rather than streamlining German foreign policy and helping it get ahead of big disruptive factors such as geo-economic shifts, new digital technologies, emerging threats such as climate change and large-scale migration, simply supersized its disjointed characteristics. With the foreign ministry side-lined, international events got the better of Berlin, and it was the Chancellery and the relevant line ministry that managed Germany's response. This led to silo-ization: Rather than appreciating how the mishandling of the 2005 constitutional crisis shrunk the EU's capacity to handle the financial crisis, and how this in turn exacerbated the upheavals in the neighbourhood and paved the way for the migration crisis, Germany has dealt with each problem as if it were discrete and unconnected: a "constitutional crisis," a "eurozone crisis," and a "Schengen crisis".

Moreover, the Chancellery has treated each of these crises as if it were a challenge of maintaining course in the face of adversity. A mantra to "never waste a crisis" emerged, beginning in 2005, when Merkel apologetically helped repackage the content of the rejected Constitutional treaty into the Lisbon Treaty. Since then Germany has increasingly boldly stuck to this line: the Chancellery lacks the vision to change course, so it uses crises to press on. Rather than reinventing old European projects and deploying cross-border markets and connectivity for new geostrategic ends, it sets itself the task to ratchet forward those old projects - "complete the eurozone," "complete Schengen" and so on. This is the spirit that underpins the notion of "European autonomy": carry on regardless of huge international change.

EU geopolitics now combines the worst of French and German statecraft. The method behind the "Brussels effect", for instance, melds French protectionism and German overregulation: put up barriers, deepen internal rules, leverage those barriers to spread the rules. The effect has been to weigh down the EU in red tape, cut Europe off from its neighbours and from global markets, and politicise protections that are necessary in their own right. It is a diminishing form of power, and it is the very opposite of the old Cold War doctrine of "domesticating geopolitics": rather than carefully taking matters out of the sphere of power politics by subjecting them to market regulation, the EU bluntly uses power-political means to assert its market regulations. The effect is to create precisely the kind of hostile international environment it is meant to quell.

Macron has used Germany's size, power and lack of self-confidence to his advantage. The boldness of his speeches, the sense that he awaits an answer from Berlin and his repetition of the claim that EU integration became a naïve undertaking in the 1990s have all exploited a German inferiority complex when it comes to geopolitics. He has also manufactured crises because he knows how Germany will respond. He pushes matters up to the European Council, pressing for a sharp European response, and threatens to marginalise member states that demur. Merkel has tried to be conciliatory, passing matters to the European Commission and using its market power as the basis for a more "inclusive approach". This offers other member states an olive branch, so long as they accept a pre-cooked Franco-German compromise.

Three solutions

Sweden has a strong interest in avoiding a Franco-German *directoire* in EU affairs. But recent attempts by other member states to break this duopoly have been decisively headed off by President Macron. When, for instance, Spain and the Netherlands boosted their bilateral cooperation in a bid to show Berlin that the EU's southern and northern member states, and eurozone's doves and hawks, were quite capable of bridging their differences without the mediation of France, France immediately reinvigorated its own cooperation with fellow southern member Italy. This Franco-Italian alliance cemented Macron's role as gatekeeper for southern members to the north, and also gave Paris a key ally to drive EU affairs should Germany find itself incapacitated by coalition formation.

Sweden and the other Nordic countries do, however, have a foothold in the Berlin debate. These countries are cited by dissenting voices here as proof that power diffusion, in the form of societal resilience and linked-up local security networks, can still be effective in today's age. Sweden's response to Chinese infrastructure investments is being watched closely. Still, if Stockholm simply passes on information to Berlin about its domestic governance model, this will not shift the dial. The debate here is about European geopolitics. So Stockholm should rather highlight how the traditional decentralised model of EU geopolitics is still being applied in Europe's north, not least by Finnish and Norwegian border guards vis-a-vis Russia.

In 2015-16, the Nordic states headed off a migration crisis by relying on the traditional Schengen method of maintaining low-key links to their counterparts in Russia. They gently leveraged professional networks, trade flows at the border, and their awareness of how "migration weaponisation" weakens Russia's own borders. This served to undercut posturing in Moscow and Brussels, when Moscow tried to instrumentalise migration flows. Germany, by contrast, was busy negotiating the EU-Turkey agreement. This responded to Ankara's instrumentalisation of migration flows with a big buffering deal. Both Merkel and Ursula von der Leyen appear to have found the experience exhilarating and apparently refer to the deal as proof that Germany is capable of power

politics. Germans should be made aware of how unnecessary it was.

Sweden has just gained a second entry point, too. The AUKUS crisis ought really to have strengthened German sympathy for France: the UK and US have behaved badly in this affair, and this should push German elites towards their EU partner. But as so often, Macron is overplaying his hand. Elites here have little sympathy for a geostrategy based on an arms deal, and they believe that the EU's postponement of the US Trade and Technology Council and of the Australian free trade deal would be too pricy a show of solidarity (especially when Macron was anyway known to be suspicious of US tech and trade and Australian agricultural products). So, bereft of the US, UK *and* French models, Germans might be enthused by the Swedes. Three Nordic ideas could create a positive narrative about the EU's role in international affairs and play to the old strengths of EU geopolitics.

"Start-up Europe": It is pretty clear what the big disruptive fields of the future will be – new digital technologies, large-scale migration, geo-economic shifts, and emerging security threats, such as climate change. Germany's response has increasingly been to protect the relevant EU projects – digital single market, Schengen Area, European consumer market and so on – deepen the rules, and then leverage market access to impose these rules on others. The effect of the "Brussels effect" has thus been silo-ization, as Germany regulates each market project separately and tries to impose these rules abroad. This threatens to further shrink Europe's market power. From a Swedish perspective, it is better to focus on market creation - combining and integrating the EU's tech, capital, labour and energy markets to ensure businesses in Europe have access to the best technologies and brains, investment capital and efficient energy.

"Resilient networks:" Digital connectivity, investment systems, border infrastructure, energy networks: these are the key nuts and bolts of the European Union in today's world. These are handled by Europe-wide networks of local professionals who deal every day with geopolitical issues but, even if they are aware of this, do not know how to explain this side of their work to foreign policy experts. Meanwhile, diplomats in Berlin, Paris and Brussels tend to speak highly classical geopolitical language and do not see how this decentralised geopolitics amounts to its own practice. Worried about external influence as well as rejection at the local level of markets and globalisation, elites are thus resorting to top-down protectionism. There are practices to be drawn from the Nordics to get the local and central levels speaking the same language, and so restoring a sense of local agency in the face of globalisation.

"Political innovation": Germans still judge the democratic quality of their political institutions by reference to classical "input" and "output" legitimacy. In the Nordic countries, *political innovation* is increasingly the benchmark, recognised as key to maintaining a healthy democracy. This reflects an awareness that mature democracies tend to preclude political innovation, preferring instead existing structures that favour incumbents. This blocks "political entrepreneurs" and sours

them – Trump in the US, Orban in Europe. Indeed, authoritarian China is increasingly recognised as more politically innovative than the democratic great powers: Beijing has ensured that its political system keeps up with innovations in the social and economic sphere, indeed drives them. Europe, as late as the 1990s, was at the forefront of political innovation, and this was key to inventive geopolitical projects like Schengen. Sweden could usefully drive this agenda.

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