



(RE)POSITIONING GERMANY IN EUROPE



Municipal Foreign Policy

Resilient Cities Foster Germany's Capacity to Act

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Despite their importance as arenas and actors in German foreign policy, cities and towns receive little attention in this context. They are rarely consulted in foreign policy at the federal level and are involved only on an ad hoc basis. Cities and the federal government mainly act independently of one another. This presents risks when it comes to dealing with hybrid threats and with political and economic interference by third countries such as China or Russia. The new German government should seize the opportunity to strengthen the resilience of Germany's towns and cities, which will, in turn, reinforce the country's capacity to act as a whole.

Critical infrastructure for which towns and cities are responsible – such as energy suppliers, the health care system, or industry – is often the target of hybrid threats and external interference, with implications for Germany as a whole and the EU. There is a risk that countries such as China are deliberately exploiting Germany's fragmented political landscape to increase their own influence. So far, however, there has been no strategy to address this.

At the same time, Germany is failing to make the most of the opportunities offered by urban diplomacy. Cities and municipalities have important direct links with civil society, economic stakeholders, and grass roots politics. They are therefore the right arena for comprehensive efforts to raise awareness of security policy risks.

Germany should optimize foreign policy structures and processes to make

towns and cities more aware of hybrid threats and thus boost their resilience, which will, in turn, strengthen resilience at the federal level.

DETERMINING FACTORS

Local Economic Interests Result in Different Priorities for the Federal and Municipal Levels

Issues such as local economic policy and business development play an important role in many cities' foreign relations. Relations with China, for example, offer opportunities to attract direct investment that are highly appealing, especially in light of the fact that many municipalities' finances are strained (a situation exacerbated further by the COVID-19 pandemic). However, municipalities' interests do not necessarily reflect the federal level's foreign and security policy interests and priorities. Prominent examples of this are cities such as Duisburg or Hamburg: They de-

rive substantial economic benefits from their relations with China, are actively advancing these relations, and explicitly describe themselves as part of the Chinese Belt and Road Initiative. This contrasts with a more critical attitude at the federal level, which is warning against overdependence.

Limited Responsibilities Under the Constitution Lead to a Shortage of Resources and Expertise

There is also a resource and expertise gap, resulting in part from the different core tasks of the federal level and the municipalities. Under Germany's constitution, responsibility for foreign relations rests primarily with the federal level (Article 32 (1) of the Basic Law (*Grundgesetz*)). Accordingly, municipalities are not permitted to engage in a foreign policy of their own that contradicts that pursued by the federal level. International city relations and urban

foreign policy are not among the municipal level's core tasks. Consequently, municipalities usually do not have personnel with specialized knowledge about foreign and security policy or expertise on countries such as China, Russia, or other third countries. They often also lack expertise about and an awareness of the risks and dangers resulting from targeted investment in critical infrastructure, disinformation, or cyberattacks.

Most towns and cities lack the human resources required to systematically scrutinize whether twinning arrangements, project partnerships, and economic cooperation pose risks to their long-term resilience, or to engage intensively with such arrangements. Only a few, mainly large cities have dedicated departments for international relations and twinning arrangements. The degree of awareness of the opportunities and risks in terms of foreign and security policy depends heavily on the interests and backgrounds of individual mayors and their staff.

This leads to major imbalances, particularly when it comes to German-Chinese twinning arrangements and project partnerships. It is often the case that a handful of German policy-makers find themselves dealing with large Chinese delegations whose members have excellent German language skills, regional expertise, and clear strategic instructions. As a result, German-Chinese twinning arrangements often have geopolitical and geo-economic implications. German municipalities have become more aware of this problem in recent years, but they still lack the capabilities and resources to respond adequately.

Political Structures Do Not Reflect the Real Challenges

In addition, Germany's federal structure hampers coordinated foreign policy action: Constitutional law places limits on cities' and towns' room for

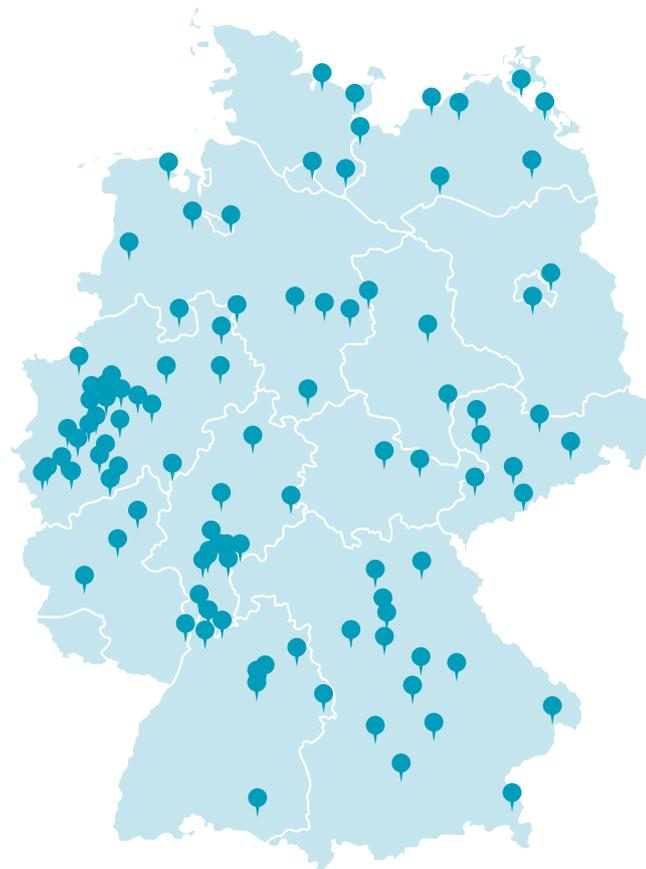
maneuver in the field of foreign policy. At the same time, the principle of local self-government restricts the federal level's ability to streamline the external actions of cities and towns, and so it does not formulate concrete guidelines on the design of twinning arrangements, for example. This structural and constitutional separation means that, when dealing with hybrid threats, the federal government faces the challenge of gaining an adequate situational understanding of

risks at the municipal level and coordinating responses among stakeholders at all levels.

There are only a few structures that actively seek to promote a common awareness of foreign and security policy problems among municipalities and cities, as well as between the municipal level and the federal government, and to ensure that municipal activities remain within the lines of the federal government's foreign and

German Municipalities with Relations to China

Across Germany, there are 102 cities that maintain partnerships, friendships, and contacts with municipalities in China (as of 2018).



Source: [Skewengagement-global.de](https://www.skewengagement-global.de)

economic policy. This is particularly true when it comes to relations with China. There is a lack of institutionalized channels to promote the systematic development of an understanding between the federal government and cities on matters of foreign and security policy, and of strategies to strengthen resilience in terms of foreign policy and democracy. National associations of German cities, towns, and municipalities, such as the Association of German Cities (*Deutscher Städtetag*) or the German Association of Towns and Municipalities (*Deutscher Städte- und Gemeindebund*), devote little, if any,

attention to issues such as disinformation, hybrid threats, or targeted interference by China.

The dialogue between municipalities and the federal administration takes place primarily on an ad hoc, bilateral basis. One exception is the Service Agency Communities in One World (*Servicestelle Kommunen in der Einen Welt*), which, on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), organizes an annual roundtable on the subject of “municipal partnerships with China.” The Federal Foreign Office has

also recognized the need for communication among the various levels of the state; it has created a central point of contact for towns and cities at the desk officer level, and established individual coordination sessions within the divisions responsible for relations with specific countries – for example, a China session attended by associations of municipalities. Yet twinning arrangements are still treated primarily as a matter of cultural policy, despite their geopolitical and geo-economic implications.

CHALLENGES AND RECOMMENDATIONS
Obtaining an Overview

If Germany’s foreign policy objectives are to be implemented coherently, the federal government must ensure it has an overview of twinning arrangements and municipal project partnerships, on the one hand, and an understanding of municipalities’ resilience, on the other. This requires monitoring of political and economic interdependencies with third countries such as China and Russia, and of how hybrid threats are addressed.

Not only will a better overview of local challenges and more effective coordination between the federal and municipal administrations help to strengthen resilience in relation to these risks at federal level; but they will also improve the European Union’s capacity to act. At the EU level, the approach to addressing hybrid threats is based on a whole-of-society approach that includes the government, population, and private sector. In its 2020 Strategic Foresight Report, the European Commission announced that resilience – especially economic and societal resilience – would be the compass for new policies. If challenges are to be addressed effectively at the EU level, the member states need to have adequate knowledge of subnational developments and to clearly communicate foreign policy priorities to cities and towns.

Duisburg Is the German Center of Chinese Investment

CHINESE COMPANIES IN THE RUHR AREA:

200

OF WHICH HOW MANY ARE IN THE WESTERN RUHR REGION:

140

IN DUISBURG:

75

IN ESSEN:

43

IN DORTMUND:

14

Source: Institut Arbeit und Technik, “[Chinese Investments in the Ruhr Area](#)” [in German], September 2020

Defining a Joint Agenda

At both the municipal and federal level, political and administrative stakeholders are calling for a more robust dialogue on foreign and security policy issues – in line with Germany’s federal structures and the different core competences. This consensus, currently hazy, should be firmed up and operationalized. The federal government and municipalities should, as part of a structured strategy development process, draw up a joint agenda setting out the areas where more dialogue, co-operation, or coordination would be useful, so that they can consider suitable formats as a next step. This kind of dialogue process can make municipal stakeholders more aware that they themselves are affected by foreign and security policy issues, while at the same time making the federal government and the Bundestag more aware that greater involvement of municipal stakeholders benefits the coherence, credibility, and prospects of success of German and European foreign policy. In this context, the challenge of optimally raising public awareness of foreign and security policy risks should also be taken into account.

A process of this kind should also include business representatives, alongside political and civil-society stakeholders, in order to shine a light on the exact mechanisms and strategies of Chinese influence, especially the direct linking of political and economic instruments. A full picture of the situation in terms of resilience should, logically, also feed into short-term and medium-term investment decisions at the federal level and the level of the German states, so that, given that resources are limited, support can be channeled primarily to those municipalities that are particularly vulnerable to political influence through direct external investment.

Enhancing the Dialogue Between Cities and the Federal Level

One issue that is directly linked to a joint level of ambition is the question of the necessary resources and structures – at both the municipal and federal level, and in terms of how the two levels interact. Risk awareness and foreign and security policy expertise at the municipal level should be strengthened by training programs for municipal stakeholders, the creation of new posts, and more intensive networking on specific topics among German and European cities. The dialogue on the issue of “hybrid threats” should be driven forward.

At the federal level, urban diplomacy should no longer be regarded primarily as a cultural policy issue. In the next electoral term, contacts on municipal (resilience) issues should be established in all ministries that are relevant in terms of security policy. This kind of structure will facilitate continuous communication among the various levels of the state, for example on best practices in dealing with hybrid threats. Alongside the creation of dialogue formats, it is important to examine what potential levers can be used to actively boost the resilience of towns and cities – in line with Germany’s foreign policy objectives – and to prevent or counteract negative developments, without violating the principle of local self-government.

Across the individual levels of action, the usefulness of existing formats (especially consultation formats and city networks) and structures such as the Service Agency Communities in One World should also be evaluated, to allow adjustments to be made where necessary on the basis of this evaluation.

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