

DGAP REPORT

IDEENWERKSTATT DEUTSCHE AUSSENPOLITIK

Smart Sovereignty

10 Action Plans for Germany's New Federal Government

STRATEGIES
ECONOMICS WORLD
CLIMATE PEACE
IMPACT BALKANS EUROPEANS
MIGRATION INTERNATIONAL
STRUCTURES RESULTS CONFLICTS
ORDER GERMANY POLICY CAPACITY TO ACT
OUTCOME WORLD CHINA STRATEGIC
RESILIENCE PEACE SYSTEM COMPETITION FIN
FOREIGN POLICY CHANGE
GLOBALIZATION SOVEREIGNTY
DEMOCRACY DEFENSE CHINA
SHAPING POWER DECISION
INTERNATIONAL

THE PROJECT “IDEENWERKSTATT DEUTSCHE AUßENPOLITIK”

This report was produced as part of the DGAP project “Ideenwerkstatt Deutsche Außenpolitik,” which is funded by Stiftung Mercator. The original German text was published on September 20, 2021, after a ten-month process of reflection and strategy in which DGAP – together with a group of renowned foreign policy experts – discussed Germany’s current ability to take foreign policy action and deliberated over how, post-Merkel, the German government should position itself to best deal with complex foreign policy opportunities and challenges in the future.

In several virtual, confidential workshops, a lively exchange took place on the challenges facing German foreign policy, the goals it should pursue, and the instruments and partnerships it should have at its disposal. Inspired by this intensive discussion, the experts involved in the “Ideenwerkstatt” project drafted action plans for various sub-areas of German foreign policy, which contain concrete recommendations for action and are addressed to the new German government. All participants contributed to this project in a personal capacity. Not all participants agree with every recommendation in this report. Whereas the introduction is the responsibility of the entire group of experts, the action plans reflect the opinions of the individual authors.

The expert group of the “Ideenwerkstatt” was supplemented by a Policy Board, which brought together political decision-makers from different political parties and served as an immediate political sounding board for the analysis and strategy recommendations developed by the expert group. In this capacity, the Policy Board provided important food for thought that was incorporated into the strategy process of the “Ideenwerkstatt.” However, the Policy Board is not responsible for the content of this report.

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Smart Sovereignty

How the New German Government Can Strengthen Germany and Europe's Capacity to Act and Win Back Power to Shape International Affairs

Germany's new federal government has begun its work at a time of rapid and multidimensional international change. New threats, transnational risks, and an ever-deeper intertwining of international and domestic affairs are challenging the government's capacity to act. Most countries – Germany included – are losing their power to shape affairs. At the same time, it is becoming more and more important to have the ability to influence international developments in order to achieve the classic domestic goals of the state: security, prosperity, and political order.

This report was produced as part of the DGAP project "Ideenwerkstatt Deutsche Außenpolitik," which is funded by Stiftung Mercator. In a ten-month process of reflection and strategy, DGAP – together with a group of renowned foreign policy experts – discussed Germany's current ability to take foreign policy action and deliberated over how, post-Merkel, the German government should position itself in order to best deal with complex foreign policy opportunities and challenges in the future.

We advise the new government to take an approach of "smart sovereignty." It should make targeted use of its increasingly limited power resources in a way that prevents a further loss of scope for action and influence – and opens up new options for action through cooperation. The goal is to prevent further strategic *déclassement*: Germany should not have to adopt other states' goals in key areas, but rather should put itself in a position to define and implement its own goals. In the same vein, it should be able to support its partners' ambition when it considers these important.

The understanding of sovereignty, which since the 19th century has been based primarily on the separation of domestic and foreign policy, must be further developed for this purpose. Four tasks are key here:

- Determining goals for and solutions to political problems and approving them politically
- Developing structures and processes that facilitate the

analysis of internal and external developments and enable political decisions and their implementation

- Providing resources, capabilities, and instruments for the realization of Germany's goals
- Offering to cooperate with partners in all three areas – i.e., on goals, structures, and resources

Like the areas of activity and problems for which they are designed, the solutions described here are interdependent and affect different areas. "Smart" means that the measures and actions taken should not only be comparatively effective at solving problems in different fields, but also minimize negative effects due to unintended consequences. This is a criterion that takes heed of the efficient use of power. The second criterion is sufficiency. There are some measures that cannot be dispensed with, even if one believes it is possible to achieve more with the same effort in other areas. This competition for resources is increasingly affecting security policy, for example through demands to spend more money on climate protection and less on defense. Arguments of this kind imply that there is a choice. But the state has a duty to provide security against all kinds of existential threats.

A few years ago, there was much discussion about Germany's role in the world. In view of the Federal Republic's increased power within the European Union and on the international stage, it was said at the time, the German government should assume more responsibility and leadership. Some are still making this demand today, but the international environment has changed in such a way that Germany alone can achieve less and less.

Due to its economic openness and deep international interconnectedness, Germany is particularly affected by global developments, transnational risks, and the growing systemic conflict. As a trading power in the center of Europe, the Federal Republic depends on international connectedness and political cooperation with the world. The EU is essential in all of this. It is Germany's closest political

partnership, a source of power and prosperity, and a force that sets the political framework: Germany's geopolitical position is bound up in Europe.

The fact that Germany and the EU are today facing so many simultaneously emerging regional, transnational, and global risks and challenges demands preventive, comprehensive, and above all rapid action. The new German government has a responsibility to enable Germany to take such action. This is a comprehensive task because Germany and its partners in the EU have not yet adapted to the fundamental changes in the international environment in a way that would enable them to protect their fundamental interests.

In order to develop new options for action and the influence required to practice smart sovereignty, the new federal government must:

- Accept conflict, including the systemic conflict between authoritarian states and democracies, as a basic feature of international relations for the next decade (Nevertheless, it should try to limit conflict.);
- Understand that it must take up the task of protecting and asserting German and European interests in this conflict environment; and
- Achieve the international influence necessary for this by combining classic means of foreign policy with new instruments and using them systematically.

THE NEW STRATEGIC SITUATION

The power struggle between the US and China, in which power-political, systemic, and economist interests intertwine, will remain the most important international development for the foreseeable future. A growing number of autocracies are in systemic conflict with the political West. Within their borders, states such as China and Russia are exercising increasingly technology-based control over their societies. Externally, they are questioning the existing global rule-based order and undermining international law. They are establishing their own, mostly regional, regulatory structures that allow them to maintain and increase their power.

This confrontation poses essential challenges for Germany and the EU. The stability and resilience of Germany's own political system, of the social systems and lifestyles that have emerged in the post-World War II period, are being called into question.

External actors have long since worked their way into the critical infrastructures of politics, administration, security and defense, society, and the economy. Countries such as China and Russia are deliberately using instruments of hybrid warfare, such as disinformation campaigns, to weaken democratic states.

Smart Sovereignty and the Discussion on Strategic Autonomy and European Sovereignty

The improved, strengthened European cooperation underlying the smart sovereignty approach does not aim to weaken the nation state. In some areas, for example in digitization and climate policy, the state will even have to do more to shape affairs. The idea is to cooperate closely with other governments to increase assertiveness at the crucial international level. The previous approach of separating domestic and foreign policy often still influences the political debate – see, for instance, the Brexiteers' motto of "Take Back Control." But this approach no longer corresponds to reality today.

That is why the understanding of sovereignty must evolve: the goal is to become capable of taking action

that ensures security, prosperity, and democratic order – under both present and future conditions. In many areas, Germany can only develop this capacity to act if it works alongside other states. From Germany's point of view, the EU plays a decisive role in this. However, it would be too much to ask for the EU alone to assume this capacity. And it would be false to equate the necessity of developing European capabilities with a need for the EU to distance or even separate itself from the United States, as is repeatedly suggested in the debate on strategic autonomy and European sovereignty.

In today's understanding, actors or groups of actors are sovereign when they solve the political problems of the people who entrusted them with power. The task now is to do this in a clever manner.

The EU has become less cohesive in recent years, even as the international situation has given Europeans every reason to work closely together. Within its borders, the EU is struggling not only for economic cohesion, but also to uphold the rule of law and liberal democracy. The examples of Hungary and Poland demonstrate how personal, authoritarian power can be extended step by step at the expense of democratic institutions. Transnational risks such as the COVID-19 pandemic make the political order appear even more fragile and vulnerable because they reinforce the impression that Europe's political and economic openness is a weakness rather than a strength.

Many states in the EU's immediate neighborhood are increasingly dependent on Russia, China, or Turkey. The arc of conflict that stretches from east to south around the EU has widened and intensified within a very short time. The number of crises that challenge Europe's security and the European way of life, whether now in or the near future, has increased. In addition, ethnic conflicts, resource scarcity, and brain drain are contributing to the political and economic destabilization of individual states and entire regions in the European neighborhood. As a result, Germany is losing more and more room for maneuver both nationally and internationally.

Under these geopolitical and geo-economic circumstances, it is particularly difficult to provide collective goods such as climate neutrality or global vaccination protection, or to bear the immense political, economic, and humanitarian costs that would arise if the global community failed at both tasks. One question of great importance is how Germany and Europe, in the face of the economic dominance of US and Chinese players, can play such an active role that they are not doomed to adopt the standards of others. Particularly important areas in this regard are cloud computing and the production of batteries or green hydrogen.

Overall, Germany must try to formulate smart strategies, coordinate them with like-minded states inside and outside the EU, and then implement them together. A key new challenge is to shape global transformation in the areas of climate and digitalization within liberal, multilateral structures quickly enough and, at the same time, inclusively. Germany should also strengthen cohesion within the EU. Both the divergence of rule-of-law standards and the hindrances to foreign and security policy decision-making are issues that should be on the agenda of the new German government. After all, Europe's capacity to act externally is directly linked to its ability to act internally.

NEW RISKS REQUIRE NEW APPROACHES

As described below, the new federal government must lay the foundation for successful action in the current environment in substantive and organizational terms:

Foreign Policy Begins at Home

The structure of the German federal government and the organization of government action have so far reflected a strict separation of domestic and foreign policy. There are historical and constitutional reasons for this. It is less and less feasible, however, to manage today's political challenges along this domestic-foreign dichotomy because most fields of action of German policy have an international dimension.

Germany is in the middle of a transformation: in view of the political challenges, political actors have long recognized the necessity of taking a 360-degree perspective. The borders between the internal and external are blurring. International economic policy, international security policy, and international technology policy are increasingly coming to the fore.

However, the political institutions that have been shaped by history and grounded in constitutional law, as well as the political culture that has developed over decades, have so far prevented the adoption of a solution-finding approach suited to the problem. The country's first "traffic light" coalition offers a chance to pave the way for bold political innovation.

1. Domestic and foreign policy developments can no longer be separated. The challenges are so complex that the political responses to them must necessarily be interlinked. The major societal challenges – climate transformation and digitalization – can only be addressed if the international dimension is taken into account.
2. Networked external action, in which all relevant actors contribute to a cross-cutting policy approach, must be based on interconnected thinking and planning at home by actors who think across policy areas and

responsibilities. In many respects, however, the structures of German foreign policy are not yet designed for this.

3. Due to Germany's social and economic openness, coupled with its international interconnectedness and interdependence, vulnerability has become the norm. Cross-sectoral and cross-border shocks – including those caused by targeted external interventions – will be impossible to avoid. The boundaries between war and peace are becoming blurred. The goal of state action must be to strengthen the resilience of society, the economy, and democracy, both internally and externally.
4. This will require a more decisive and effective European policy. In a world of ideological system competition, global interconnectedness, and advancing technologization, no one state on its own can guarantee the security of its citizens. Resilience for Europeans therefore means resilience as Europeans.
5. Many changes in the political, economic, social, and ecological systems in which Germany is embedded are irreversible. Some risks have already resulted in damage (for example, to climate systems) or become tangible threats (for example, to social peace). In many cases, they have shaken the system's foundation, undermining its ability to regenerate. A return to the status quo ante is no longer possible, or hardly possible at all.
6. Over the past decade, politics, economics, society, and ecology have become so interdependent that selective policy approaches cannot achieve necessary success. Those working at the intersection of individual policy fields must not only coordinate over desired results but also consider positive or negative feedback effects.

STRENGTHENING THE CAPACITY TO ACT AND WINNING BACK THE SPACE TO SHAPE AFFAIRS

To be capable of action, Germany must change the character of its foreign policy: away from a reactive, ad hoc policy that seeks to limit damage, and toward a proactive policy that systemically and rationally seizes opportunities and shapes affairs. What the German government needs here is leadership: as a partner in international (crisis) diplomacy, Germany must be able to identify internationally compatible goals and lead by example. This also entails cultivating a willingness to share risk and the ability to make decisions, even under great uncertainty.

The German government will only be able to successively act more proactively and with more foresight, however, if society accepts this. One of its greatest tasks over the coming years will be to advocate to citizens, civil society, and the business community for an active German foreign policy – and to defend it against attacks from within and without.

Germany must also become better at recognizing chances, exploiting them, and even creating them – whether the issue is conflict resolution and prevention, promoting innovation and boosting competitiveness, or multilateral cooperation. The new German government must develop a realistic and responsible self-image and understanding of its role. Germany is and will remain the pivotal European player when it comes to opening the door for better policies in Europe and in global partnerships. Its power potential is still so great that its actions count – not because Germany alone can solve problems, but because its decisions and actions have serious consequences for its partners and opponents, sometimes even more serious than for Germany itself. This is also how its partners and rivals view the Federal Republic.

For the new federal government, too, the EU will be Germany's constitutive political, legal, and economic framework, which must be strengthened and defended against attacks from within and without. In addition, Germany should cultivate proven and essential partnerships and alliances that go beyond the EU – for example with the United Kingdom, the United States, and the countries of the European neighborhood. No less important will be to establish new, possibly issue-specific networks and alliances to meet global policy challenges. German foreign policy has always been successful when it has offered entry points for the foreign policy of important partners and like-minded countries, for example when shaping European integration and the EU's eastward enlargement, or negotiating the Iran deal (JCPOA).

If Berlin continues to persist with its wait-and-see attitude, Germany will become increasingly unattractive as a partner within the EU and in the transatlantic relationship, NATO, the WHO, and other organizations and alliances. Punching below its weight in this manner would shrink Germany's room for maneuver. The demeanor of the new German government should be defined by a combination of the will to act, foresight, and a controlled willingness to take risks.

RECOMMENDATIONS

Federal Elections as a Window of Opportunity

A policy of small steps – that is, a “business as usual” approach – over the next four years would not be enough to strengthen Germany’s ability to act and open up new room for maneuver. The recent federal elections and subsequent coalition negotiations were an opportunity to critically rethink the status quo and renew German foreign policy.

How can this opportunity for renewal be seized? Under the leadership of the German Council on Foreign Relations (DGAP), a group of renowned German experts met in a strategy group from the end of 2020 to the summer of 2021 to develop recommendations for action for the new German government and catalyze reform. The following recommendations do not cover all policy areas of importance to Germany; rather they represent a selection. However, the approach underlying the recommendations has implications for all of the Federal Republic’s foreign policy activities and for the way old and new partnerships should be shaped. In our view, the following tasks should have priority:

- Reforming the structure of German foreign policy
- Shaping security and defense comprehensively
- Strengthening the German economy and shaping globalization
- Holding one’s own in the systemic competition with China
- Asserting oneself in the global competition in the technological sphere
- Strengthening internal resilience and repelling attacks against democracy and society
- Making Germany a leader on climate protection
- Counteracting the conflict effects of climate change
- Implementing a more effective and humane asylum and migration policy
- Improving the prospects of European integration for the Western Balkans

We make concrete proposals for how to improve Germany’s and Europe’s capacity to act in the thematic areas listed above. For each topic, an action plan analyzes the key challenges and opportunities for German policy. These action plans distinguish among problems of analysis, of coordination, and of implementation. They contain concrete recommendations on the partners and instruments German foreign policy should work with – in the short, medium, and long term – to pursue certain goals. There is a tension here between what is absolutely necessary and what can be implemented in the short and medium term. In view of the international challenges, the German desire for “perfect” must not be the enemy of “good.”

Action Plan for German Foreign Policy Structures

How Germany Can Better Make, Communicate, and Implement Foreign Policy Decisions

In the field of foreign and security policy, Germany is increasingly confronted with cross-cutting challenges. While the strategy processes of past years recognized this interconnectedness and complexity, they have not sufficiently reformed structures and processes of decision-making. To become more capable of action, the new federal government must modernize the structures of governance, improving its ability to deal with parallel, multilayered crises and long-term developments and anticipate foreign policy opportunities and challenges. It must not only strengthen its institutional networking, but also actively – together with academia and civil society – do more to bring strategic debates into the political and public spheres.

The action plan formulates the following recommendations:

- In order to ensure good coordination at the highest political level on complex, interdepartmental foreign and security policy issues, the Federal Security Council (Bundessicherheitsrat or BSR) should be upgraded into the central body for foreign policy coordination in the federal government. This legislative period should begin with a process to **define a German foreign and security policy strategy** that is based on a broad concept of security and involves both the German public and international partners. Once this progress is complete, the BSR should present the new strategy and monitor and support its implementation.
- The federal government should do more to bring foreign policy debates into the German Bundestag, for example by publishing an annual report on Germany's place in Europe and the world. In addition, the federal government and parliament should seek out opportunities to **involve civil society**, for example by setting up an annual national security week in the Bundestag.
- **Foresight capacities** should be better connected across ministries and integrated into government practice. The government should initiate an interdepartmental

foresight process, incorporating its results into the work of the BSR. The Federal Academy for Security Policy (Bundesakademie für Sicherheitspolitik) can serve as a platform for an exchange on methodology.

- **The exchange of personnel between politics and research** should be intensified in order to strengthen foreign policy expertise in the ministerial apparatus and make scientific policy advice more practically relevant.

Action Plan for Security and Defense Policy

What Germany Must Do for Security, Defense, and Peace

Because Germany is an open, globally interconnected country, its security is inextricably linked to that of its European neighborhood and the world. Yet the geostrategic environment is deteriorating drastically. New factors – such as China's pursuit of global dominance, Russia's revisionism, the United States' ambivalence toward its role as security guarantor, new weapons technologies, and information operations like propaganda and disinformation – are making Germany more vulnerable. While Europe's neighborhood is increasingly becoming the scene of competition among major and regional powers, Europe itself has long been the venue for the global competition between systems. The new German government must renew German security, defense, and peace policy in order to maintain its room for maneuver and confront strategic challengers.

The action plan formulates the following recommendations:

- The federal government should **strengthen national strategic capability by taking three steps**: creating a Federal Security Council capable of action, tasking a security policy commission with proposing new principles, and bringing in civil society to help shape security.
- By summer 2022, the German government should enable a **qualitative leap forward with regard to the integration of the EU and NATO**. The foundation for this should be an analysis of European security that both organizations find coherent. On this basis of this, it would be possible to determine a European level of ambition

that both the EU and NATO would work to fulfill, using their specific instruments and strengths. European states should contribute more to NATO's conventional capabilities – doing so would also strengthen the EU.

- One focal point for European contributions could be the **European Joint Force**. Germany can promote the implementation of this force by reviving the framework nation concept and expanding it to include armaments.
- Germany should complement its efforts to meet **NATO's two percent target** with an initiative to adjust **spending metrics**, for example by recognizing contributions toward strengthening climate security, cybersecurity, and innovation as well as promoting projects with third-party partners.
- Germany should pass a **Bundeswehr Planning Act** to enable greater planning certainty with regard to the financing of Bundeswehr projects. The Bundestag should also launch a full equipment initiative.
- In its talks with NATO allies, Germany should promote a **disarmament initiative for intermediate-range nuclear missiles**. To this end, it must actively contribute to collective security and adhere to the NATO principle of nuclear deterrence. It should accept France's invitation to a strategic dialogue on the role of nuclear deterrence and involve other European partners in discussions.
- **The goals and instruments of crisis prevention** must be reorganized, and representatives from civil society should be involved in this process. Strategic capability development should be further developed with other ministries in an integrated manner. Germany should play a leading role in building up a **European stabilization corps** – and contribute fifty percent of the required capabilities.
- Germany, together with EU, NATO and G7 partners, should ensure it is positioned **to secure access to technologies and, if necessary, to deny access to rivals**. It should embed its **export policy** more deeply in strategies for specific countries and regions, as well as pursue a systematic opportunity-and-risk approach.
- To **increase Germany's resilience to hybrid and multi-layered threats**, the federal government should hold regular exercises and simulation games at all levels (federal, state, local) and with all actors (civilian, military, governmental, private). Institutions deemed critical should be subjected to regular stress and functionality testing.

Action Plan for the Economy and Foreign Policy

How Germany Can Strengthen Its Economy and Shape Globalization

Germany's foreign economic policy is characterized by numerous tradeoffs – for example, between promoting growth and upholding universal values, between environmental standards and trade agreements, or between economic goals and security policy interests. When it comes to balancing economic and foreign policy interests, the rising tension between the United States and China has an especially large influence on Germany's actions. Both powers use economic pressure points to push through their geopolitical interests. Germany is particularly affected by this due to its strong focus on exports. The new federal government should develop a strategy for how Germany can counter external pressure on its own economy and that of the EU. Another key question is how Berlin can take advantage of its competitors' and rivals' economic pressure points in the future to pursue German and European interests. In order to remain capable of action, Germany must address its own weaknesses – for example, in public administration and the promotion of young talent – and play an active role in shaping globalization.

The action plan formulates the following recommendations:

- Germany's economic strength is directly linked to the economic and political resilience of the eurozone and the EU as a whole. In addition to **diversifying value chains**, German foreign economic policy should therefore work to **create a more resilient eurozone and thus a more resilient EU**. Key building blocks include completing the banking union, integrating capital markets, and guaranteeing a greater quantity of safe assets.
- There is a risk that critical technologies and digital infrastructure become the **target of long-term takeover strategies**, for example through targeted Chinese investments in the context of the Belt and Road Initiative. Germany should arm itself against an increase in such attacks. In order to mitigate the risk of hostile takeovers of key EU technologies, Germany should advocate investment controls on the EU level. It is also essential to invest more in promoting innovation, to advance the diversification of value chains, and to prioritize

technologies that allow Germany to avoid being dependent on individual states.

- Germany should contribute to a European foreign policy that at once anticipates and actively shapes the consequences of the Green Deal and the **decarbonization agenda for Europe's neighborhood**. For instance, the EU should promote clean energy production in countries that depend on fossil fuels with a view to creating new sources of revenue and maintaining economic and political stability. Germany and the EU should also seek an agreement with the United States on a carbon border adjustment mechanism, as this would also create incentives for China to reduce its emissions.
- Germany and the EU should make an active **contribution to controlling the pandemic** and boosting global preparedness by expanding European production capacities for vaccines and critical medical products. The German export model can only continue to function if the COVID-19 pandemic can be ended without doing lasting damage – politically and economically – to third countries. Ending the pandemic is also a precondition for Germany and the EU to reduce the disruptive potential of Chinese and Russian vaccine diplomacy.

Action Plan for China and Foreign Policy

What Germany Must Do to Hold Its Own in the Systemic Competition with China

China presents a challenge to Germany on many levels, from the competitiveness of its industry to the robustness of its democratic institutions. For too long, Germany and the EU have relied on a “change through trade” (Wandel durch Handel) approach, which has not paid off. On the contrary, China is now a threat to the international rules-based order and Western democracies. Only in cooperation with the EU can Germany clearly position itself vis-à-vis China – yet disunity is paralyzing the EU. In order to avert the systemic challenges posed by China's rise and Germany's potential loss of prosperity and competitiveness, the new government must change the course of its China policy.

The action plan formulates the following recommendations:

- China policy must be perceived as a **cross-cutting task for society as a whole**, not just as an issue for foreign or trade policy. The government should strive to ensure that countries, municipalities, the business community, and civil society are well placed to deal appropriately with the new realities.
- One of the responsibilities of a **new expanded, upgraded Federal Security Council** should be to deal with China policy. Before each meeting, specialist departments of the respective ministries should confer with one another. A “China Staff” consisting of renowned representatives from academia, administration and civil society should advise the Federal Security Council.
- The German government should establish and fund **“China information exchanges”** that provide targeted advisory and educational services to communities, schools, businesses, and other social actors.
- The **strategic approach to China** should be adjusted: the relationship should not be categorized as one with either a “partner, competitor, or strategic rival,” depending on the policy field. Instead, those working in each policy field should examine how the systemic rivalry also affects partnership and competition.
- On the EU level, the German government should advocate for the introduction of qualified majority voting for foreign and security policy. At the same time, it should work with partners to create a group for deeper cooperation – an **“open pioneer group on China”** – as part of an effort to overcome logjams. This group, which should also be open to non-EU partners, should define which interests, values, and measures constitute a principled EU-China policy.
- In close coordination with like-minded partners, Germany should actively participate in creating an alternative to the Belt and Road Initiative. The joint communication on **EU connectivity, the Blue Dot Network, and the “Build Back Better” initiative** are suitable starting points.

Action Plan for Technology and Foreign Policy

How Germany Can Assert Itself in the Global Contest over Technology

Technologies – especially in the digital domain – are drivers of innovation and the decisive indicators for (future) competitiveness, economic strength, and resilience. However, the United States and China are dominating the global race for technologies. Germany is losing hold of the leading role it once had in central key technologies, a development with geostrategic consequences. As dependence on the United States and China increases, the risk of becoming a battleground for great power competition rises as well. China's technological dominance also poses numerous threats to freedom of expression and respect for human rights. Even though these challenges are well-known, there is a glaring lack of digital expertise within the government in Berlin. What is more, there is a lack of coordination in government on technology-related policies. The contradictions and conflicts of interest in German technology policy are increasing.

The action plan formulates the following recommendations:

- In technology policy, Germany must become more agile when it comes to identifying and shaping technological innovations. The German government should therefore **make digital technology policy a cross-cutting task** and systematically build up political expertise and networks. If the new government does create **a digital ministry, it should be a central building block with support from strong political leadership** and competencies in the areas of broadband expansion, administrative digitization, research funding for key technologies, regulatory issues in the digital economy, and innovation funding. It should also be responsible for the foreign policy dimension of technology policy. An alternative to such a ministry could be a technology task force with its own budget in the Federal Chancellery.
- In addition, all government departments must systematically take technology issues into account. In many respects (new) **technologies can drive change** and contribute to solutions in other policy areas. Promoting innovation is desirable not only from an economic

perspective, but also to mitigate climate risks or to achieve the Sustainable Development Goals.

- **A post for foreign technology policy should be established at the highest level in the Federal Foreign Office.** It is particularly important for Germany to address its own dependencies and vulnerabilities, better understand China's interests and strategies, and develop a strategy for dealing with them.
- Germany must promote innovation within its borders and throughout the EU. This will require more **targeted investment**: in human capital, in the development of key technologies, and in the translation of good ideas into economically successful products.

Action Plan for Resilience and Democracy

How Germany Can Repel Attacks on Its Society and Democracy

Western democracies are increasingly exposed to cyberattacks and other forms of hybrid threats that strike at their foundations. Among these threats are hacking attacks on state institutions such as the Bundestag, the deliberate spread of misinformation in times of crisis, and the sabotage of elections. Increasingly large segments of the German population are turning to online-based media offerings and are thus more exposed to disinformation campaigns or deep fakes. Germany should work with its EU partners to find answers to these complex threats so that democracy does not suffer irreversible damage.

The action plan formulates the following recommendations:

- Germany should actively promote **resilience-building measures** to counter cyber threats and disinformation among the general public. The COVID-19 pandemic should have made it clear that German crisis management needs to systemically consider the risk of disinformation campaigns. In addition, the government should modernize and improve its communications.
- At the EU level, a new **European Public Service Broadcaster** should contribute to the transparency of decisions in the multi-level system. An independent ratings agency could help check the factual content of news

reports, especially on social media. In addition, policymakers should seek to **use regulation to achieve greater transparency** and increase trust in the internet. To this end, in negotiations over EU regulations, Germany should push for identifiable online identities, which would help citizens distinguish between bots and people on social media.

- **Structures for dealing with hybrid threats should be strengthened or newly created** at the EU and German levels. For example, the purview of the National Cyberdefense Center (Nationales Cyber-Abwehrzentrum) should be expanded to counter hybrid threats, and the detection of external disinformation and propaganda (see the work of EEAS's East StratCom Task Force) should be improved at the national level. The German government should enhance the cybersecurity of critical infrastructure, especially government agencies. At the same time, it is important to invest in scientific research projects on hybrid threats. The EU Agency for Cybersecurity (ENISA) should serve as a platform for EU member states to discuss hybrid threats and, following a joint process, develop guidelines for dealing with hacking and disinformation.

Action Plan for Climate and Foreign Policy

How Germany Can Become a Climate Leader

By ratifying the Paris Agreement, Germany has committed itself to become a leading climate nation. The new government urgently needs to take action, both to reduce emissions and adapt to climate change. The catastrophic floods of July 2021 showed that the safety of citizens is at stake; however, Germany is also affected by extreme weather events abroad. The transformation of the German economy will affect foreign relations. For the sake of its external credibility, Germany must step up its own emissions reductions and climate adaptation while also engaging in global climate and development policies. Finally, it must prepare for new geopolitical realities arising from the global energy transition and help shape the transformation in third countries.

The action plan formulates the following recommendations:

- **The new German government should treat the fight against the causes and consequences of climate change as a cross-cutting issue.** Climate, foreign, security, and development policy goals should be better linked. All government ministries and agencies should strengthen their climate education and training. Moreover, political decisions should be systematically reviewed across ministries for climate risks in order to create the basis for a **coherent foreign climate policy**. These reviews should not only aim to ensure that Germany achieves the 1.5-degree target of the Paris Agreement, but also that the efforts of Germany's partners to do so are actively supported.
- Relatedly, Germany should **allocate more resources to climate finance and development aid**. The ruling coalition should recognize the links among development, climate, and security as well as set aside a higher share of the budget for development policy.
- Germany should **advocate the standardization of climate standards** and climate risk disclosures, particularly in the context of the Taskforce on Climate-Related Financial Disclosures (TCFD).
- Germany should work to ensure that **development banks and international financial institutions** such as the World Bank and the IMF take greater account of climate change. In addition, the KfW, the German state-owned investment and development bank, should be tasked with developing standards for the disclosure of climate and transformation risks.
- Germany should **actively advocate EU climate policy** and defend the CO2 border adjustment in its diplomacy.
- While there are good metrics for greenhouse gas emissions, it remains difficult to compare and evaluate adaptation measures. Therefore, Germany should **mobilize an international task force on adaptation metrics**.
- Germany should invest more in **cross-border science funding** and push for the **disclosure of climate and weather data**, in Europe and around the globe.

Action Plan for Climate and Security

How Climate Change Fuels Conflict and What Germany Can Do About It

As an export-oriented economy, Germany has a major interest in stability abroad. Climate impacts – in the form of extreme weather events or tipping points in the Earth System – are already exacerbating and fostering conflicts, as the example of the Sahel shows. Germany must improve its ability to recognize crises early on. It should also make a greater contribution to managing socio-ecological crises abroad and ensure that the issue of climate and security is given greater priority at the multilateral level.

The action plan formulates the following recommendations:

- The **approaches of different ministries to climate and security issues should be brought together** inside the ministries with the most competence in this area. This could be achieved by setting up an interministerial steering security group for climate and security, with members drawn from the Federal Chancellery, the Federal Foreign Office and the ministries responsible for defense, economic cooperation, the environment, and the interior, which would regularly exchange information at the level of department leaders.
- As part of the implementation and further development of the Guidelines for Crisis and Conflict Prevention, the **German government should make new voluntary commitments** – the aim should be to increase funding and staffing in ministries and foster the ability of the scientific and NGO communities to better identify risks.
- At the EU level, Germany should **push for crisis prevention guidelines** with a focus on non-traditional security risks. In the same vein, it should push for **the prioritization of climate security** at UN level, through the Group of Friends, and advocate **the appointment of a special envoy for climate and security**.
- The government should **strengthen its expertise in climate security issues**. The same applies to international task forces. A pool of experts could advise German missions abroad on climate risks on the ground. More support should be given to scientific research.

Action Plan for Migration and Foreign Policy

How Germany Can Limit Irregular Migration and Help Refugees

In recent years, Germany has been unable to achieve its policy goals with regard to refugees and irregular migration. There is a lack of a coherent European asylum and border policy. Foreigners in Germany who are obligated to leave the country are rarely deported; at the same time, many migrants who attempt to reach Europe die on the way. Asylum rights and human rights standards are violated at the EU's external borders. Fear and a populist narrative of "mass migration" distort the asylum debate in EU member states. The new German government should work to implement cooperation initiatives and pilot projects that promote a humane and realistic asylum policy in the EU and throughout the world.

The action plan formulates the following recommendations:

- Germany should try to persuade **Malta and Italy to resume the coordination of sea rescue missions**. Together with other EU countries, Germany should form a coalition of countries willing to take in people, with the aim of finding a country to take in people rescued from the Mediterranean within twelve weeks.
- At the EU's external borders, Germany should help **set up a pilot project involving several member states located both on the EU's external borders and in its interior**: the border authorities of Germany and the Netherlands would cooperate with authorities from the EU Mediterranean countries and implement a system for examining applications within a period of eight weeks.
- The EU should **conclude new agreements, in particular with Morocco and Tunisia, for the effective repatriation** of persons who entered the EU irregularly and are now obligated to leave. In return for these states' cooperation, the EU should **open legal mobility channels**, especially by easing visa requirements.

- Germany should offer Greece and Turkey a **new EU-Turkey declaration** that commits Germany to accepting up to 40,000 refugees per year in exchange for the rapid implementation of asylum procedures in Greece and the repatriation of those not in need of protection.
- Within the framework of the Global Compact on Refugees, Germany should **campaign for the renewal and further development of the international asylum system** and work to improve the quality and reception capacity of asylum systems in third countries. In cooperation with UNHCR, WFP, and UNICEF, it should initiate a multi-year global budget for refugee assistance in countries of first arrival. It should also work diplomatically to encourage middle-income countries to take in more people in need of protection.
- A “**Southeast European Economic Area**” should be created by 2030, integrating the region into the EU single market. This larger single market could also help to overcome bilateral border tensions (Serbia-Kosovo).
- At the same time, the **promotion of the rule of law, democracy, and human rights** should be a central part of the process, as should regular anti-corruption reports by the European Commission.
- Germany should work to **strengthen the Council of Europe**, which Kosovo should join, making it the last Western Balkan country to do so. The implementation of judgments of the European Court of Human Rights throughout the region should become a central prerequisite for EU integration.

Action Plan for the Western Balkans and EU Neighborhood

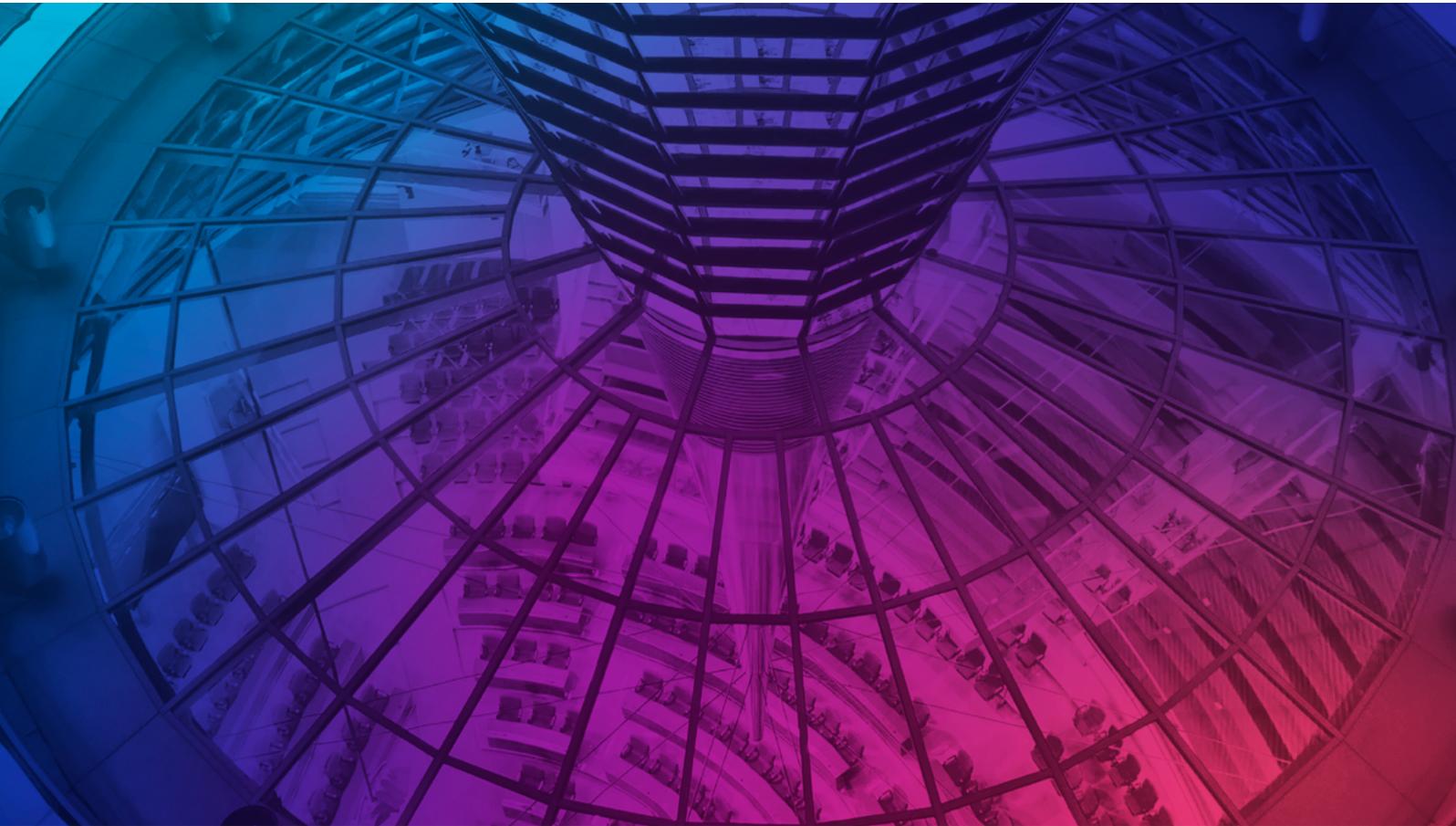
How Germany Can Contribute to Lasting Peace in the Balkans

Since the end of the Yugoslav Wars, German and European foreign policy has aimed to support stability in the Western Balkans. The decades of peace in the region can be considered a success, but the new mobilization of ethnic tensions and increases in military spending show that there is a growing risk of a return to instability. There is a close link between the credible prospect of accession to the EU and the implementation of reforms in the region. Given the skepticism about enlargement in some EU member states, however, the accession of new states has become implausible. Through a new initiative, Germany should give the states of the Western Balkans new prospects of accession and contribute to resolving disputes.

The action plan formulates the following recommendations:

- Germany should **back a new two-stage accession process**. The goal of negotiations with all six Western Balkan states would remain full accession, but a concrete intermediate goal would be offered as well: full access to the European single market.

DGAP REPORT



Action Plan for German Foreign Policy Structures

How Germany Can Better Make, Communicate, and Implement Foreign Policy Decisions



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Germany's decision-makers in the field of foreign and security policy are facing major challenges in a rapidly changing environment. The complex mix of often new issues, technologies, and players is testing the federal government's capacity for political analysis and action. Geopolitical and geo-economic interests are becoming more and more intertwined with technological dependencies – a development that threatens Germany's security and prosperity. It is difficult to pinpoint the individual ministries responsible for addressing these challenges, as they usually involve cross-cutting issues.

In light of the rapid changes in the international system, the clearly deteriorating strategic situation, and the far-reaching transformation brought about by digitalization, it is high time for Germany to establish a better institutional basis to underpin its foreign and security policy. The federal government is responsible for improving its ability to deal with parallel, complex crises and long-term developments.

By introducing more modern institutional links within the federal government, with the involvement of academia and civil society, and by deliberately organizing strategic debates both in closed-door settings and in the public sphere, Germany would enhance its capacity to take early, well-thought-out action.

These proposals are not a meaningless institutional exercise. Creating new fora and opportunities for debate can lead to the emergence of new analyses, perspectives, and solutions that differ from those previously available. Political will is not a binary concept that is either present or non-existent. In any good strategy, political action is the outcome of a constant weighing of objectives and means while seeking to answer the questions: What can I achieve, and what do I want to achieve? This is done by people who bring together their ideas and strategies through institutions and processes. Who is involved in a decision-making process, how and when these people come together, and what decision-making powers they have are all factors that have a significant impact on the options considered, the substantive decisions taken, and their implementation.

Change is only possible, however, if it is supported in the political and societal circles in which the decision-makers operate. Simply announcing decisions is not enough; instead, those involved need to have an opportunity to debate the right solution and must then be able to explain the outcome. Moreover, this process must take place in advance of a crisis, not in the middle of it.

This ties in with a third issue: foresight. Political ideas need to be developed, as do tools and instruments, often over a

period of years. Decision-makers have to try to anticipate the future. This includes projecting the course of unavoidable trends and clear-cut developments, but also thinking through scenarios that anticipate unknown but plausible developments.

While political reflection processes in recent years (white papers, reviews, strategies) have analyzed new developments in depth and have in some cases adopted an inter-ministerial approach, decision-making structures and processes have been left largely untouched. This was primarily due to recognition of the fact that an integrated approach, while widely regarded as objectively necessary, raised tricky questions in terms of the power balance between different ministries and between coalition partners (e.g., in the case of the 2016 White Paper on Security Policy and the Future of the Bundeswehr). The 2018 coalition agreement did more to illustrate the problem than address it: under the heading "Ensuring Capacity to Act and Strategic Capabilities in Terms of Foreign, Security, and Development Policy," it merely recommended greater support for several think tanks. Since then, the pace of political developments around the world has been accelerated further by the COVID-19 pandemic and the heightened great-power rivalry. Germany's coalition negotiations in fall 2021 offered a major opportunity both to renew the federal government's analytical capabilities in the field of foreign and security policy, and to adapt Germany's outdated decision-making structures and processes to reflect today's challenges.

Without renewal and adaptation, German foreign and security policy risks amounting to nothing more than mainly reactive responses to external crises. It would then fall increasingly short of what is needed to match the scale of the new threats. On the other hand, a genuine evolution of capabilities and structures could enable the federal government to show greater leadership in the action it takes. A new framework and sense of direction would be brought to the essential task of assuming responsibility in Europe and around the world. Germany could take more coherent action, despite the vicissitudes of expected crises. At the same time, this would pave the way for more coherent communication with the public and with Germany's partners and allies.

The Afghanistan crisis has illustrated the federal government's difficulties when it comes to anticipating crises, planning for them, and managing them optimally. Although key information about developments in Afghanistan was available in the form of embassy reports and intelligence, it was not assessed holistically or adequately in substantive and political terms. The necessary coordination and decision-making processes among the relevant ministries,

the intelligence services, and the crisis unit at the Federal Foreign Office fell short of what was needed.

Structural changes and strategy development processes are not a panacea. They are no substitute for political will, and they cannot preempt the political decision-making process in concrete situations. But given the cross-cutting nature of many new challenges, which the federal government has so far been unable to address properly due to the ministries' distinct tendency to think in terms of ministerial silos, new instruments must now be created to support early, coherent, and decisive action.

TAKING STOCK

Unlike its allies – such as the United Kingdom with its Integrated Review or the United States with its National Security Strategy – Germany does not have a comprehensive foreign and security policy strategy. In the last electoral term, several strategic approaches and policy guidelines were published, including the federal government's 2016 White Paper and policy guidelines on specific regions and topics, for example on crisis prevention (2017) and the Indo-Pacific region (2020). However, foreign and security policy strategy is meant to be defined primarily at the level of the European Union and NATO.

Both the federal government's white paper and the policy guidelines on crisis prevention call for the development of an interministerial, "integrated" approach in foreign and security policy. In practice, however, there is often a lack of coordination: firstly, between the operational level and the political leadership and, secondly, between the ministries at the highest political level. Examples of this include uncoordinated statements from the cabinet (e.g., on the northern Syria initiative) and parallel communications (e.g., six different strategies in relation to Africa in six years). The lack of coherence not only demonstrates the communication failures and turf wars that exist between the ministries; it also prevents consistent communication with the public, and contributes to uncertainty on the part of precisely the European and transatlantic allies on whom Germany depends when acting in the field of foreign and security policy.

Various formats already exist for interministerial coordination on matters of foreign and security policy. Coordination takes place primarily at the weekly meeting of the state secretaries – the highest-ranking officials in the ministries – and at the joint intelligence briefing attended by the state secretaries and the heads of the security and intelligence services. Meetings on specific issues are also held at the level of the state secretaries, and there are task

force formats at the level of heads of directorate. However, these meetings are not regular or mandatory. As a result, interministerial coordination often depends on political will or the personal relationship between those involved. Mechanisms to elevate outcomes at working level to the strategic-political (cabinet) level are particularly lacking.

Germany has a Federal Security Council (Bundessicherheitsrat or BSR) – a cabinet committee whose permanent members are the Federal Chancellor, the head of the Federal Chancellery, and the federal ministers responsible for foreign affairs, justice, defense, economic affairs, and development. However, it deals primarily with the authorization of arms exports. Plans to upgrade the BSR to make it a coordination body – proposed in the 1998 SPD–Green coalition agreement and the 2016 White Paper – came to nothing. One argument that has repeatedly been put forward against upgrading the BSR is that in Germany, a country traditionally governed by coalitions, any move to concentrate decisions in the Federal Security Council would tilt the balance of power toward the Federal Chancellery to an unacceptable degree. It is true that the balance between the Federal Chancellor's power to determine policy guidelines and the principle of ministerial autonomy must be preserved, for both political and constitutional reasons. However, these concerns should not be allowed to continue to block improvements to decision-making mechanisms for foreign and security policy.

Pursuing a joint strategy first requires an analytical consensus and joint thinking about the future. Approaches such as the PREVIEW mechanism at the Federal Foreign Office help with early crisis detection and reaching a joint understanding of a given situation. In addition, the "Federal Government Situational Analysis Centre (Foreign and Security Policy)" was established in 2019. Despite this, a common situational analysis is still lacking, as is a political assessment and evaluation of that situational analysis. At present, there are a large number of usually unconnected approaches in individual ministries, for example in the Chancellery's Policy Planning Staff; the Federal Ministry of Defense's Office for Defense Planning; and the Federal Foreign Office's Directorate-General for Humanitarian Assistance, Crisis Prevention Stabilization, and Post-Conflict Reconstruction known as Directorate-General S.

There are also shortcomings when it comes to integrating academic expertise with political realities. The institutional boundaries slow the flow of information, despite the urgent need for expertise on issues such as policy toward China, climate change, and approaches to new technologies. In Germany, unlike in partner countries, the "revolving door" between political practice and analysis is, with a few exceptions, almost at a standstill.

The Bundestag's work leaves little room for grappling with strategic foreign policy issues. Its debates are often limited to current affairs. Yet broader discussions are needed, both in parliament and in the public sphere, to develop a consensus and build strategic awareness. This is even more important given that foreign and security policy now blurs the line between the external and the internal; it is, consequently, a task for the whole of society. That said, the public's risk awareness and understanding of threats are often not in line with those of the federal government. This makes it difficult for Germany and the EU to take coherent action in the field of foreign policy. Security policy debates only occasionally attract public attention, which may be partly attributable to the fact that they are often conducted in a reflexive manner. Greater capacity for action therefore requires broader, more innovative debates.

The new federal government is thus confronted with the challenge of responding to the new reality with an analysis and structures that meet the challenges posed by the wide-ranging nature and complexity of the issues, and by the need to be able to respond rapidly and coherently. At the same time, the federal government must help to overcome the inertia caused by ministerial interests. New bodies or processes must reflect the special features of Germany's system of government – i.e., coalition governments, the principle of ministerial autonomy, and the federal structure of the state. The “European reflex” in Germany's actions in the field of foreign and security policy must also be further strengthened to consistently take into account how German policies are perceived by European and international partners, and how they affect them. It is also vital to ensure that decision-making in Germany can link up with European decision-making processes.

RECOMMENDATIONS

1. HOLISTIC THINKING AND JOINT ACTION: CONNECTING RELEVANT POLICY FIELDS

Upgrading the Federal Security Council

The Federal Security Council should become the central cabinet committee for issues of foreign and security policy to develop a joint understanding of near- and long-term challenges (see also the Action Plan for Security and Defense Policy). It should provide a forum for strategic policy debates at the political level and facilitate concrete, timely decisions on matters of strategic importance – in other words, it should not engage in micromanagement. It should meet regularly, for example every month or two months. Its strategic planning dimension should be kept separate from the work of the federal government's crisis task force. This will institutionalize strategic planning at the level of the federal ministers in a way that is compatible with the German constitution.

A fixed group of ministries should be represented on the Federal Security Council, including the Federal Chancellery; the Federal Foreign Office; the Federal Ministry of Defense; the Federal Ministry for Economic Cooperation and Development; the Federal Ministry for Economic Affairs and Energy; the Federal Ministry of the Interior, Building, and Community; and the potential new federal ministry for digital affairs. Other participants (ministries, the German states, the intelligence services) should attend on an ad hoc basis, depending on the topic and challenge being discussed. This format should operate on the basis of a broad concept of security with particular emphasis on, for example, geo-economic and geo-technological issues, cybersecurity, or the link between climate and security. Human security and sustainability also belong in this spectrum.

The thematic groundwork to support the committee should be organized in such a way that the ministries retain a strong position: They would provide the expertise, while the Federal Chancellery would merely be responsible for coordination. Lead responsibility for other coordination formats at the level of the state secretaries and below, some of which already exist, should remain with the federal ministries. The

Federal Security Council would continue to discuss decisions on arms exports as well.

The work of the Federal Security Council should be supported by a permanent secretariat, with half of its members being experts and methodologists (on subjects such as big data, strategic foresight, etc.), and half being representatives of relevant ministries. The secretariat should prepare expert reports and suggest topics for discussion by the Federal Security Council on its own initiative. It should also ensure that the BSR has links with German and international experts and similar bodies, and engage in substantive dialogue, for example with the EU, NATO, and the United Nations. The aim of the secretariat's work should be to provide optimal substantive support for the members of the BSR, but also to facilitate uncomfortable discussions at times to enhance anticipation and imagination as well as raise awareness at an earlier stage of issues when action is needed.

A Look at Germany's Partners: The United Kingdom

The United Kingdom set up a National Security Council (NSC) in 2010. It serves as a coordination mechanism for joint strategy development and implementation on the basis of a common situational analysis. The NSC is supported by a secretariat that now has 200 members of staff; it is attached to the Cabinet Office (similar to the Chancellery in Germany) and is headed by a national security adviser. The NSC includes representatives of the Prime Minister's Office; the Foreign, Commonwealth, and Development Office; the Home Office; the Treasury; the Cabinet Office; and the government departments responsible for defense, business, trade, and justice. It is possible for meetings to be attended by other government departments, the Chief of Defense Staff, the heads of intelligence, and the leader of the opposition. The meetings are prepared under the leadership of individual government departments in "implementation groups," in which the issues and draft decisions are discussed on an interdepartmental basis before being debated at the political level. An interdepartmental situational analysis is also developed for the NSC, based on analyses produced by intelligence services, security agencies, and government departments.

Progress is regarded as having been made in terms of improved political coordination, a view expressed in a parliamentary assessment published in 2019, for example. The Foreign, Commonwealth, and Development Of-

ice has not seen its influence decline – it continues to play a key role in the NSC's work. The Integrated Review 2021 goes so far as to call for even greater interministerial coordination and more far-reaching competences for the NSC.

Agreeing on a Strategy Development Process for the First Year of the New Federal Government

All new structures should be developed on the basis of substantive premises and priorities. This is the only way to ensure that their usefulness for Germany's security and prosperity is clear and can be communicated convincingly to the German population and Germany's partners. The first step should therefore be a strategy development process that takes the foreign and security policy objectives set out in the coalition agreement and determines which are short-term, medium-term, and long-term priorities – in addition to refining and operationalizing these objectives. This process should also be used to reflect specifically on what objectives Germany can secure with which partners and in which alliances. Lead responsibility should rest with the Federal Chancellery, embedded in the structure of the Federal Security Council.

This kind of strategy development process – unlike the coalition negotiations – allows the involvement of European and international partners and perspectives, for example by means of bilateral consultations and focus groups on specific topics. It thus increases the transparency and dependability of German foreign and security policy for partners and allies. The process should begin early in the electoral term to ensure that it reaches its full potential in establishing binding policies. Processes launched at a later date can all too easily be used primarily to subsequently rationalize decisions that have already been taken on an ad hoc basis.

All federal ministries should be involved in the strategy development process, if possible. The process should, and must, also explore new dimensions where the "internal" and the "external" intersect, making them comprehensible for the ministries (one example is the topic of 5G and network security). The capacity to act and to lead in the field of foreign policy requires as broad a domestic consensus as possible; for that reason, civil society should be involved from the outset, for example via citizens' forums and forums at the level of electoral districts.

The strategy development process should result in a national security strategy. The Federal Security Council will then have the task of advancing the implementation of the objectives formulated in it and submitting an annual report to the German Bundestag. Each year, when the report is submitted, the Federal Chancellor should deliver a speech on foreign and security policy, along the lines of the annual State of the Union address given by the president of the European Commission (see also the Action Plan for Security and Defense Policy).

2. ANTICIPATION: DEVELOPING AND INTEGRATING FORESIGHT CAPACITIES

To enhance the resilience of Germany's foreign policy and its crisis management capabilities, strategic foresight should be made a higher priority to allow a better assessment of short-term, medium-term, and long-term risks. To this end, the federal government's existing foresight initiatives (for example in the foresight division at the Federal Chancellery, the Future Forum (Zukunftskreis) established by the Federal Ministry of Education and Research, or PREVIEW at the Federal Foreign Office) should be better integrated into government practice. An interministerial foresight process should be launched, and "focal points" for foresight issues should be designated in all ministries. The results should feed into the work of the Federal Security Council.

Methodological issues must be coordinated on an interministerial basis. The Federal Academy for Security Policy (Bundesakademie für Sicherheitspolitik) can be used as a platform for exchange among the ministries and for international networking on foresight issues. The development of an improved German foresight approach should be guided by European and international foresight networks and products. These should be analyzed and examined as possible options for Germany (for example: the European Strategy and Policy Analysis System, a foresight network at the level of the EU institutions, or "Global Trends 2030," a report published by the National Intelligence Council).

A Look at Germany's Partners: Finland and France

In Finland, foresight activities are coordinated and promoted in the Prime Minister's Office but are regarded as an exercise in "thinking ahead" for the whole of society. The Government Foresight Group, which in-

cludes academics, coordinates the national work of the foresight network. In each electoral term, the government submits a "Report on the Future" to Parliament" that deals with strategic issues that are relevant for the future. Ministries also develop their own specific Future Reviews.

In France, the "alerte précoce" process acts as an early warning system. Roughly every two months, an informal dialogue takes place between government ministries and the intelligence services. An assessment is carried out for a time horizon of three to six months using the following categories: (1) foreseeable changes in the international context, (2) upcoming events/elections/dates, (3) conceivable and probable disruptive scenarios in current and ongoing crises, (4) "signaux faibles" (weak signals), i.e., signs of potential new crises that are already starting to emerge

3. ESTABLISHING PERMANENT ARRANGEMENTS: ENCOURAGING STRATEGIC DEBATES

Foreign policy action requires a balance between crisis-driven ad hoc measures and a long-term strategy that lays the foundations for better management of future challenges and disruption. It is important to secure the necessary public backing for this – foreign policy requires continuity, credibility, and dependability. Continuous interministerial coordination and strategy development processes on the part of the federal government are important components of this. They should be supplemented by measures that facilitate the exchange of personnel between politics and research, enhance foreign policy debate in the Bundestag, and raise public awareness of foreign policy opportunities and risks.

Boosting Exchange Between Ministries and Scientific/External Experts

The exchange of personnel between politics and research should be significantly intensified. Making it easier to cross from one side of the divide to the other would, if advocated by the political level and facilitated at the institutional level, result in greater expertise in the ministerial apparatus and, at the same time, make scientific policy advice more practically relevant. This requires less rigid personnel structures in public authorities; in particular, posts for experts should be created, and a review should be undertaken of the principle of rotation and the principle that staff should

be generalists. Institutional intermediary structures between policy-makers and scientific experts should also be created.

Opportunities for Strategic Debates in the Bundestag

The German Bundestag is the right forum to review the priorities and policies established at the beginning of the electoral term. The federal government should make a commitment to publish an annual "Report on Germany's Place in Europe and the World." A report of this kind, drawn up under the lead responsibility of the Federal Security Council, would give parliament a suitable opportunity to hold strategic foreign and security policy debates that go beyond current affairs and mandates for missions and, simultaneously, reflect on the implementation of the national security strategy. As a one-off measure, the government could conceivably also establish a "Commission on German Foreign and Security Policy" composed of independent experts and selected members of the public that aims to reach a societal consensus on matters of foreign and security policy. These measures, together with a "national security week" in parliament, would serve the important purpose of broadening the debate and raising awareness of external threats and the necessary political measures resulting from them.

DGAP REPORT



Action Plan for Security and Defense Policy

What Germany Must Do for Security, Defense, and Peace



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Because Germany is open and globally networked, its security is inextricably linked to that of its European neighbors and the world. This interdependence, as well as the deterioration of the global strategic landscape, should compel the new German government to comprehensively overhaul German security policy. Should it fail to do so, Germany risks losing its sovereignty of action to strategic challengers.

As an open, globally interconnected country, Germany's security is inextricably linked to that of its European neighborhood and the world. Particularly since the fall of the Berlin Wall in 1989, reunified Germany's prosperity, security, and standing have been enhanced by normative orders that developed under the umbrella of the United Nations, especially the European Union and the Western Alliance, supported by the security guarantee provided by the United States. No country in Europe has benefited more than Germany from EU enlargement and the introduction of the euro. The energy partnership with Russia and the trade partnership with China have helped to make Germany the economic powerhouse of Europe. Finally, NATO expansion has placed the former German frontline states at the geographical center of the European allied territory.

In Germany, as the diplomat Thomas Bagger has noted, this development was misinterpreted in two ways: first, as proof of global convergence toward the Western model and, second, as evidence that the German experience of a peaceful resolution to the Cold War could be universalized. As a result of these misunderstandings, many Germans wrongly came to believe that they were living in an acceptable and stable status quo that allowed a shift to comprehensive disarmament. They did not want to see the dark side of economic interdependence, for example in the case of dependence on trade with China. They were even less inclined to believe that partners can become rivals and opponents, as, to cite the most recent example, has been true of Russia since the illegal annexation of Crimea in 2014. Finally, Germany ignored its partners' criticism of the strategic side effects of German economic policy for far too long, for example in relation to initiatives such as Nord Stream 2. These willful misconceptions afflict German security policy to this day.

A NEW, DANGEROUS ERA

It is now clear that the historic constellation of circumstances that afforded Germany such unique protection in the period following the end of the Cold War is coming to an end. New dangers and threats to Germany's security are growing rapidly, reinforcing the impact of existing threats

such as wars, failed and failing states, terrorism, and the proliferation of weapons of mass destruction:

- China's pursuit of global dominance and Russia's territorial revisionism
- The ambivalence of the United States toward its role to date as a global security guarantor
- New weapons technologies (e.g., hypersonic missiles, AI, autonomous systems, space-based systems, biotechnological materials), sometimes in combination with "old" but modernized weapons systems, such as nuclear weapons
- Information operations (propaganda, disinformation) using new media technologies

Wars, crises, and internal conflicts can be found not just at Europe's borders (Israel-Palestine, Syria, Armenia, North Africa), but within Europe itself – in Belarus, Ukraine, the Balkans, and the Eastern Mediterranean. They have an adverse effect on Europe in various ways: via gaps in supply chains or freight and gas transit routes, via migrant and refugee flows, and via attempts to politically exploit diaspora populations. The local parties to these conflicts are often backed by third powers such as China, Russia, Iran, Turkey, or Saudi Arabia. The European neighborhood is increasingly becoming the scene of competition between major and regional powers, and Europe and Germany can hardly hope to avoid being drawn in. This is particularly true when allies, such as Turkey, are involved in these conflicts.

THEATER OF SYSTEMIC COMPETITION

Europe itself has long been a theater for and an object of systemic competition between democracies and autocracies. China, Russia, and Turkey are pursuing different aims, but there is no mistaking the fact that all three countries are increasingly acting as rivals or even opponents of the West. In this context, they exploit differences within NATO or the EU. They drag bilateral conflicts into these organizations and play actors and the public within the member states against each other. They support domestic extremists and stand in the way of solidarity and joint action. Ultimately, this means that the future of the West, the European project, and democracy in Germany is at stake.

That said, the existing security arrangements in Europe (NATO, the EU, and the OSCE) are also being called into question by their own members. The OSCE's legitimacy is being undermined by autocratic governments, such

as Russia's. The EU is being weakened by Brexit and by authoritarian and nationalist governments, such as those in Hungary and Poland. NATO, for its part, is affected by the ambivalence of the United States, although a French president declaring the Alliance politically "brain-dead" is also not helpful. But Germany's political players must also accept a large share of the responsibility: For decades, they have failed to educate the public about the real challenges of security and defense policy. They have called Germany's contribution to defense into question and underfunded the Bundeswehr. And despite their stated commitment to the EU and NATO, they are engaging in projects with Russia and China, such as Nord Stream 2, that divide Europe and the Western Alliance.

With these obvious centrifugal forces in the Alliance and in the EU, Germany is the fulcrum at which the European order could be overturned. Anyone in search of proof need look no farther than the disinformation and propaganda campaigns aimed at the country's September 2021 federal election, and at the accompanying generational and power shifts. Moreover, Germany has witnessed interference by foreign players on a massive scale for years, ranging from the legal purchase of municipal or private infrastructure and innovation systems to illegal cyberattacks. Yet the German government has only treated hybrid threats as an issue in their own right since 2020 – with the Federal Ministry of the Interior taking the lead. This puts Germany among the stragglers in the EU and NATO.

WHAT NEEDS TO BE DONE?

In recent years, Germany has begun to narrow the gap between wishful thinking and reality in its security policy. The federal government took the lead on EU sanctions against Russia following the illegal annexation of Crimea in 2014. It has also participated more in collective defense in NATO and in international military missions. Germany's defense budget has grown significantly, from €32 billion in 2014 to almost €47 billion in 2021. And yet the impression persists that Germany mainly reacts to external pressure – and even then does too little, too late.

RECOMMENDATIONS

In light of the deteriorating strategic situation, the new federal government must find the strength to overhaul German security policy. Should it fail to do so, Germany risks losing its sovereignty of action to strategic challengers. Three things are therefore necessary: Firstly and at the very start of its legislative period, the new federal government needs to initiate a mind shift in security policy with the help of practical measures. Secondly, this should lead to changed processes and new institutions. The third step is for existing policies to be adapted and sharpened; this applies, in particular, to the approach taken to hybrid threats, crisis prevention and stabilization, the nuclear order, and new technologies.

STRATEGIC CULTURE AND INSTITUTIONAL REFORMS

The Afghanistan crisis has only reinforced what has been apparent since the beginning of the COVID-19 pandemic in 2020 and the catastrophic flooding in western Germany in the summer of 2021: The German state is not capable of sophisticated anticipation, planning, and management of major crises. It is particularly overwhelmed when several crises occur simultaneously. Coordination and decision-making among the relevant ministries and agencies (intelligence services, crisis units) is inadequate. The principle of departmental independence (Ressortprinzip) at the national level, Germany's federal structures, and the lack of cooperation with private stakeholders impede coherent action by the government and the state as a whole (see also the Action Plan for German Foreign Policy Structures).

1. Make Germany's Strategic Culture More Vibrant

There are limited options for action that Germany's political players can even envision, regard as legitimate, and advocate publicly. They lack the vision, political will, and readiness to shoulder responsibility and take the risks that are required to both pursue policies that rise to the level of the challenges the country is facing and shape structures and processes to ensure that the necessary instruments and resources are available. Yet a failure to take problems into account at the planning stage results in a lack of adequate instruments to address them (masks,

communications infrastructure, or rapid reaction forces). This, in turn, means that security cannot be fully ensured or cannot be ensured at all. In an acute crisis, these varied shortcomings limit the room for maneuver by political players to such a degree that they are unable to take adequate action.

This is due to a specific societal-cultural dimension known as a country's "strategic culture" that determines the basic assumptions underlying a country's security policy. It also sets the framework for which issues can be the subject of political debate and decision-making, and which options for action are simply inconceivable. In Germany, this framework of conceivable objectives and means, and thus the country's room for maneuver, is more limited than that of our closest partners. The reason for this can be found in norms and beliefs that are rooted in German history, party politics, and society. Political decision-makers thus encounter considerable resistance if they wish to pursue policy approaches outside of this generally accepted framework. Such approaches are rarely considered in the planning process.

It is therefore legitimate and necessary for the new federal government to set itself the goal of strengthening Germany's national strategic capability, i.e., the ability to define appropriate security policy objectives and provide the means to implement them. That said, the necessary changes to Germany's strategic culture will be difficult to achieve. It will require political stakeholders not only to accept the need for these changes, but also to muster the will to communicate the desired changes to the public and to actively involve the public in this process.

In a federal system like Germany's, power is distributed across multiple levels. Changes to the perception of security problems, objectives, means, and solutions are only possible if the government, parliament, the security policy community, and civil society have the opportunity to participate in this change. Otherwise they will block it.

The key to lasting changes to government action is to have institutions and processes that make whole-of-government action the rule. Problems must be recognized as such across the whole of government, solutions must be agreed upon jointly, and instruments must be used in a coordinated manner. The fact that the government and bureaucracy have to explain their actions regularly at the various levels of the state, and explain them to the public, means that they can also help to expand the framework of conceivable objectives and means.

2. Create a Federal Security Council Capable of Action

The most important institutional reform is redesigning the Federal Security Council (Bundessicherheitsrat or BSR), which to date has almost exclusively taken decisions on military equipment exports. It should be turned into a central instrument of coordination for the federal government. This is necessary to enable interministerial coordination and decision-making on all security issues. Depending on the topic, the German states (Länder) should also be involved, as they are becoming more relevant in terms of security in the non-military field. States and municipalities make decisions about who receives access to critical infrastructure such as data networks, water and energy supplies, or ports.

The new BSR should consist of a cabinet committee as a body for discussion and decision-making, and a secretariat to support it. The cabinet committee would provide a forum for ministers to hold regular discussions on strategic issues and take binding decisions. As a permanent support structure, the secretariat would be tasked with taking up items from the federal government's agenda and submitting them to the committee. However, it should also be able to place issues before the committee on its own initiative. Half of the members of the secretariat should be officials seconded from the ministries involved in the BSR, while the other half should be practitioners and experts from academia and the private sector. The secretariat should be jointly led by senior officials and scientific experts so that it can draw on both perspectives.

The first step in creating a new BSR is appointing a coordinator with the rank of a state secretary and establishing a task force to develop it and carry out its work on an interim basis. Important thematic support can be provided by the security policy commission (see the next recommendation). Based on the commission's proposals, the BSR should present a national and federal security strategy after roughly two years.

3. Establish a Security Policy Commission

As one of its first actions, the BSR should set up **an independent security policy commission**. It should be composed of parliamentarians, experts, and ministry officials. Within one year, it should produce a report that sets out the risks and opportunities to be considered by a national security policy, and provides recommendations for substantive policies, structures, and instruments. In this way, the commission would offer vital substantive input for the national security strategy and the BSR's other work.

The commission should subsequently assess the progress made on implementing the security strategy each year. Its reports could help to **build a community of experts, policy-makers, and practitioners in ministries and private organizations**. This will help the government improve its articulation of national security policy and encourage public debate, which, in turn, is the prerequisite for the evolution of Germany's strategic culture.

4. Democratize Security Policy

New solutions and the evolution of security policy become possible if the government, political parties, and parliament are forced to move beyond rote arguments and practiced reflexes, and instead have to explain and justify their positions. The public should be involved in the development of policy options and visions for the future. A security policy capable of rising to the current challenges can only emerge if civil society understands, accepts, and – ideally – supports it. This is particularly true of preventive measures. The following options should be considered:

Civil society should be consulted, especially in the development of visions for the future and the formulation of policy options. Its findings and proposals should be fed into the work of the security policy commission and the national security strategy. To this end, **the government and parliament could declare a security and peace policy year or semester**. Its implementation could be supported by the Federal Agency for Civic Education (Bundeszentrale für politische Bildung), the state agencies for civic education, political foundations, ministries, schools, universities, media outlets, and other institutions by means of interactive and participatory events. These should be held throughout the country and go beyond the expert community to include the general public.

An **annual national security week** could be held in the Bundestag.

The federal government should present an annual report on the implementation of the national security strategy, preferably during the security week, introduced by a speech on security policy delivered by the chancellor.

The Bundestag's current committee structure does not reflect the interdependence of domestic affairs, foreign affairs, defense policy, economic policy, and development cooperation, but this is essential for a strategic German security policy. The Bundestag should therefore set up **a committee on security policy**. This new committee would monitor and support the work of the Federal Security Council and be responsible for parliamentary scrutiny of its work. This approach ensures that a greater capacity to act for the executive does not come at the cost of democratic legitimacy and parliamentary oversight. The committee should include parliamentarians from all relevant committees.

This would enable a comprehensive security policy approach and would help place defense policy issues within their proper foreign policy context. This would give security and defense issues greater weight and reach.

POLICY REFORM

1. Integrate the Strengths of NATO and the EU

Global and regional security institutions, such as the United Nations and the Organization for Security and Co-operation in Europe (OSCE), are achieving less and less as they are blocked by conflicts among their member states. Germany should do all it can to prevent a further erosion of these institutions. However, at present, it is primarily the EU and NATO that offer real capacity to act and shape developments.

In Europe, 21 countries are currently members of both NATO and the EU, and yet they are not making the most of the joint potential of these two institutions. The relationship between the EU and NATO is characterized by mistrust and indifference, at times even a sense of rivalry. In Germany, political stakeholders are often biased in their commitment to either one of these institutions. They ascribe meanings to it that fit their own world views instead of using both organizations for a comprehensive security policy.

In fact, these ideological or categorical framings are an obstacle to greater security. Europe can only successfully address the rapidly growing challenges if it makes use of the competences of both organizations together. This requires a willingness to overcome ideological positions. NATO is the strongest military alliance in the world if the allies are politically united. But the more Europe's security depends not only on traditional military capabilities, but also on the protection of critical infrastructure, resilience, prevention, management of complex conflicts, and the use of new technologies, the more the EU's capabilities for action in non-military fields come to the fore. The EU has unique instruments in the fields of civilian crisis management and climate change, as well as in technology, via regulation, standardization, and its ability to set development incentives.

The federal government should press strongly for a qualitative leap forward with regard to the integration of the EU and NATO. The political window of opportunity for major change will close in the summer of 2022, when both the EU and NATO finish work on new strategic documents. Germany should press for as coherent an analysis as possible of the current state and future of European security. To this end, it should persuade the 21 countries that are members of both the EU and NATO to use the results reached by that point in the EU's discussions as a common basis for NATO's process, which is just beginning. The United Kingdom is also likely to support the goal of ensuring coherence.

- Building on their joint analysis, the staffs of the EU and NATO should work together to define what **level of capabilities must be achieved in Europe** in order to cover the entire conflict spectrum (with the exception of nuclear deterrence). The EU, NATO, and the member states will make individual contributions to this level of ambition.
- There should be a visible political, military, and technological focal point for the Europeans' military contributions to the level of ambition (and thus the European pillar in NATO), in the form of a **European Joint Force** (EJF). The EJF should provide 50 percent of the conventional capabilities required for collective defense in Europe and military crisis management. This would automatically also strengthen the EU's capacity to act, as national armed forces are available to both the EU and NATO.
- The **NATO planning process and the EU cooperation instruments** CARD (Coordinated Annual Review on Defence), PESCO (Permanent Structured Cooperation), and EDF (European Defence Fund) should contribute to the implementation of this joint aim. The foundations have already been laid for this. The federal government should attach particular importance to the technological-industrial field. American and European companies are competing in this area, and Europe is insisting on the greatest possible degree of autonomy. From a military perspective, the effectiveness of the Western armed forces depends on technological superiority and interoperability. Targeted efforts should therefore be made to include NATO allies in EU projects and vice versa.
- Necessary and reliable partners can also be found outside the EU and NATO, however, which is primarily relevant to **security engagement in regions such as Asia**. This is an area where the federal government should forge additional partnerships, for example with Australia. This can take place both within informal formats and coalitions of the willing and through cooperation with existing regional formats.
- There should also be institutional changes at the national level. At the Federal Foreign Office, the separate units for the EU and NATO should be replaced by a **department for Euro-Atlantic security**. The same approach should be taken in the departments for policy, planning, and equipment at the Federal Ministry of Defense. The aim is to bring security policy objectives to the fore rather than institutional logics.
- The planned reform of the Bundeswehr should be embedded in the development of the EJF. Germany can promote the implementation of the EJF by **reviving the Framework Nations Concept** (FNC) and expanding it to include armaments and procurement. For example, Germany should offer partnerships not only with regard to military structures, but also in terms of the defense industrial base. This would discourage a further renationalization of the defense sector in Europe and would reduce industrial dependence on the rest of the world. In this way, Germany would help to preserve a high-performance defense technology and industrial base at the European level.

2. Improve Planning Certainty and the Use of Funds

The debate in Germany about adequate security and defense funding is reduced to wrangling about whether NATO's two percent target makes sense. Germany has repeatedly pledged to meet this target, but remains far from doing so. Germany has also promised to continuously increase its defense spending in the EU framework.

This blinkered focus on spending increases – and mainly on military spending – is no longer appropriate, however, given the expanded threat spectrum. Nonetheless, the federal government must not allow the suspicion to arise that the only reason it is emphasizing the need for greater spending efficiency and the inclusion of non-military aspects of security is because it still wants to avoid opening the purse strings and would prefer to continue to freeload off the United States and other NATO countries.

An internal organizational aspect is also relevant here: Even if Germany continuously raises its defense spending, these budget increases are made on a short-term basis and are often only guaranteed for the following year. The Bundeswehr cannot invest this funding meaningfully in long-term projects if it does not know whether the necessary funding will be available for the entire duration of the project. In other words, the issue of adequate funding has at least two dimensions: whether Germany's NATO and EU pledges are reliable – whether Berlin is keeping its word; and whether the Bundeswehr has a reliable basis for planning. The current funding arrangements undermine both.

- The new federal government must move very quickly to ensure that it can bring together its various aspirations (meaningful funding and a broader security focus), as **NATO intends to present its new strategic concept** as early as 2022. The issues on the agenda are the threat spectrum, burden-sharing, and, in particular, the range of security risks and instruments in the fields of climate, health, and technology.
- To ensure it is credible in the eyes of its allies, Germany should adhere to **NATO's two percent target** and make clear that it will meet the requirements by 2024. If Germany succeeds in doing so, its enhanced credibility will also increase its influence in NATO. The new federal government can use this influence to seek support for an **adjustment of spending metrics and areas of spending**. In this context,

Berlin should expand the focus of the contributions to include climate, cybersecurity, and innovation. A portion of spending (0.5 percent of GDP) should be reserved for joint projects with EU and NATO countries, as well as with other partners (such as Australia). This would also help to consolidate industries and military equipment in Europe.

- In addition, the Bundestag can provide planning security by passing a **Bundeswehr Planning Act** and thus boost the efficiency of public spending. A Planning Act should stipulate funding over a longer period (five to ten years) for long-term projects judged to be necessary by consensus. The projects in question would be determined by the Bundestag.
- However, as the Bundeswehr also still lacks many small purchases that never make it onto priority lists, but whose absence is felt in a crisis, the Bundestag should also launch and fund a full **equipment initiative** for four years. It would be counted toward NATO's two percent target and would rapidly improve the Bundeswehr's operational capability.

3. Help Shape the Nuclear Order, Deterrence, and Arms Control

The significance of nuclear weapons is rising worldwide, and the nuclear order is becoming more complex. New players have emerged. At the same time, nuclear and conventional capabilities are becoming increasingly intertwined with new technologies. This development entails a great deal of uncertainty, particularly when novel conventional capabilities are combined with modernized nuclear weapons.

The situation is exacerbated by the progressive weakening of arms control. The termination of the Intermediate-Range Nuclear Forces (INF) Treaty on land-based intermediate-range missiles, the uncertainty about the long-term future of the treaty on strategic nuclear weapons (New START), and the erosion of the Non-Proliferation Treaty are increasing the risk of miscalculations. The problem is aggravated by China's rapid nuclear armament; so far, Beijing has shown little willingness to engage in arms control. Disarmament proposals such as the Treaty on the Prohibition of Nuclear Weapons are less likely to succeed than ever. While well-intentioned, they have no chance of being implemented because, from the perspective of nuclear states, they offer no convincing alternative for safeguarding their security interests. They provide neither

verification mechanisms nor guarantees of a permanent elimination of nuclear weapons.

Germany does not have nuclear weapons of its own. It is dependent on NATO and the contributions of the United States, France, and the United Kingdom for nuclear deterrence. As a result, Germany cannot directly set the conditions for nuclear deterrence or for arms control and disarmament. European and transatlantic unity in NATO is the key precondition for both a secure deterrent and disarmament.

NATO is now confronted by two interlinked nuclear zones: the Euro-Atlantic area, which is threatened by Russia's steadily growing nuclear arsenal, and the Asian region, where China is pursuing geopolitical dominance. Strategic stability can only be defined on a three-way basis by the United States, China, and Russia, with Europe having a very limited say. Russia's nuclear arsenal, particularly its intermediate-range missiles, is primarily a European problem, while China's is primarily a US problem.

- In its talks with its NATO allies during the new legislative period, Germany should promote a **disarmament initiative for intermediate-range nuclear missiles in Europe** at sea, on land, and in the air. This class of weapons should be the focus because their surprise potential puts pressure on Europe, and they could be used to blackmail European countries even in peacetime. If Russia disarms the nuclear-capable intermediate-range missiles that were developed and introduced in breach of the INF Treaty, the NATO states could offer not to station any conventional guided weapons in Europe that could hit Russian missile facilities and command posts.
- However, the federal government will only have a chance of being heard if it can credibly establish that it gives absolute priority to common and equal security for all NATO states. Unilateral initiatives are out of the question. Germany must actively contribute to collective security and adhere to the NATO principle of nuclear deterrence. As long as this is organized via **nuclear sharing**, Germany should play its part reliably. This includes, on the one hand, explaining the challenges of the nuclear order in Germany, creating transparency about the costs and benefits of nuclear deterrence for Germany, and playing a forward-looking role in considering potential changes, for example as a result of new US nuclear doctrines. On the other hand, however, it also means the stationing of US nuclear bombs on German soil, and the provision of conventional combat

aircraft that are certified to transport these nuclear weapons. For political and technical reasons, the **new generation of these combat aircraft should be purchased or leased from the United States**. They would then be of military value even in the event of a change to the nuclear deterrent, for example as a result of a changed US doctrine.

- France and the United Kingdom, the two European nuclear powers, also play an important role in the nuclear order and for deterrence in Europe. **Germany should accept France's invitation to join a strategic dialogue on the role of nuclear deterrence in Europe** and France's contribution to this. That said, Germany should seek to ensure that the dialogue's processes and substance are not defined by France alone, but rather jointly by the European countries. Compatibility with NATO must continue to be ensured. Other shared issues – where the United Kingdom should also be involved – could include the question of what contribution Europe can make to reducing the risk of conventional or nuclear conflicts in the Indo-Pacific region.

4. Place Crisis Prevention and Stabilization on a Better Footing

Since the end of the Cold War, crisis prevention and stabilization have become key elements of German peace and security policy. Yet, following missions in the Western Balkans that were successful overall (see also the Action Plan for the Western Balkans), the failure of the Western reconstruction mission in Afghanistan calls into question many of the basic assumptions of this policy. The United States has said that the era of "state building" is over. Germany's new federal government does not have to follow its lead on that, but it too will need to reassess objectives and instruments. Four elements are key:

- **A thorough analysis of the operations in Afghanistan, Mali, and other major civilian or military engagements:** The aim should be to determine in what circumstances, and with what means, crisis prevention and stabilization can be successful. The German public, too, will only accept new missions if a convincing case can be made that there are valid grounds to believe they have a chance of success. The security policy commission can play a key role in analysis and communication.

- Achieving a deeper understanding of interactions:** Even today, many advocates of crisis prevention and stabilization overestimate the effectiveness of missions and underestimate the risks. In addition, some stakeholders believe that the firm emphasis of crisis prevention and stabilization on peace promotion is incompatible with the use of military means to protect people and missions. Yet development requires security. A better understanding of the potential and limits of crisis prevention can be achieved by means of a participatory learning process, for example a policy lab on the future of crisis prevention and stabilization for representatives of the political community, institutions, and civil society.
- Strategic planning:** Stakeholders at both the national and international level are failing to ask what their future engagement in crisis prevention and stabilization could look like and what they will need in this context – they let events take them by surprise and then use the instruments that are available on an ad hoc basis. The new federal government should engage in long-term planning – with a time horizon of, say, 2040 – about the conflicts for which Germany should be prepared, what objectives it wants to achieve, and what means are necessary to achieve them. The first step is to establish a working group composed of strategic planners from the Federal Foreign Office and the Federal Ministry of Defense, where strategic foresight projects already exist. They can be joined by other ministries and civil stakeholders. This kind of integrated planning and coordination of instruments would also serve as a model for the EU, NATO, and the United Nations. Proposals to this effect should be fed into the work on the EU's Strategic Compass (by the end of 2021), the EU's Civilian Compact (by 2023), and NATO's strategic concept (by 2022).
- A European stabilization corps:** Today, thousands of civilian and military experts, ranging from engineers to police instructors, would already be needed to achieve structural change in complex conflicts from the Sahel to Syria. The new federal government should therefore launch the process of building up a European stabilization corps and contribute fifty percent of the required capabilities itself. In what would essentially be a civilian version of the Framework Nations Concept, Germany would not only contribute to crisis stabilization, but also to leading and shaping these operations. To this end, Germany should make a pool of 5,000 specialists available who, together or in part, can provide the core, the leadership structure, and the logistics team of major

civilian or integrated operations. This would enable many smaller countries to join and make a meaningful contribution

5. Reorganize Export Controls on Military Equipment and Technology

Both within the EU and internationally, Germany plays a key role when it comes to defense industry products – as a manufacturer, cooperation partner, and exporter. With regard to traditional military equipment exports, however, Germany is regarded as unreliable. Despite clear (and restrictive) rules, there is a lack of transparency about decisions on exports and bans, and the grounds on which these decisions are taken. Germany is thus jeopardizing its own industrial-technological base, which is dependent on exports, and its ability to cooperate with partners.

In addition, traditional military weapons, from a technological perspective, now play only a minor role. Specific (usually digital) technologies are becoming much more important in complex weapons systems. These “emerging and disruptive technologies” (EDT) pose a much bigger problem for security policy, as they significantly increase the capabilities of weapons systems. In addition, military applications now represent only a small area within the wide field of security applications. The existing export control and technology regimes have long since lost the ability to cover and regulate new technological developments.

New technologies are also leading to conflicts between economic and security interests: Artificial intelligence and quantum computers will be an important source of prosperity for the countries that control these technologies in the next five to 20 years. At the same time, these technologies are believed to have a high damage potential if they are used in conflicts – whether in the military context, against infrastructure, or to engage in targeted societal interference. Attempts to align approaches to controls in Europe are hampered by the fact that countries have very different positions on what the right balance is between economic and security interests.

At the same time, the question of how countries can secure access to and control of these technologies is becoming highly significant in political and strategic terms. The new technologies are a major field of geo-strategic contention, particularly among the United States, the EU, and China. Germany's partners in the EU and NATO are pressing for rules that make it easier

to export jointly developed military systems. That said, European countries are also competing against each other. The United States, for its part, is pushing for a much more cautious approach to knowledge and technology in relation to potential opponents, especially China. Finally, Germany, like other countries, is seeking to cooperate with countries in other regions, such as the Indo-Pacific. Technology cooperation in the field of security and defense is an attractive option in this context, as Europe has interesting products to offer.

- Together with its EU, NATO, and G7 partners, Germany should not only **secure access to technologies** (for example by investing in innovation), but also **ensure it is in a position to deny access to rivals** (for example by moving production back to Germany, introducing investment controls, or acting to protect supply chains; see also the Action Plan for the Economy and Foreign Policy). This results in the following tasks, which should be handled by the new Federal Security Council and discussed in the national security strategy:
 - Defining which key technologies Germany wants to retain at the national level and at the European level
 - Identifying and coordinating how access to technologies and innovation can be secured in Germany and at the European level
 - Defining how access to strategic technologies can be controlled (access denial) in Germany, at the EU level, and in the G7 framework
- In the future, Germany must **justify its policy on military equipment exports in terms of security** policy and make it more reliable and comprehensible for both the German public and international partners: When is supplying weapons and technology justified, and how does it benefit Germany in terms of security policy? To what extent does the federal government regard military equipment exports as a security policy instrument to support Germany's interests and political influence?
- The new federal government should **embed its export policy in a strategy for specific countries and regions and pursue a systematic opportunity-and-risk approach**. A strategy for specific countries and regions that makes distinctions based on the security situation and security interests would allow military equipment exports to be framed in German foreign and security policy explicitly as a means

of exerting political influence. This would be the basis for related assessments and public justifications. The strategy would need to weigh risks and opportunities: What responsibility and options for action would Germany have if military equipment were to fall into the wrong hands, for example in the event of a coup, and how likely are such events? A traffic light system that ranks countries on the basis of the existing export criteria could be helpful. No specific justification would be required to export to countries on the green list; in the case of countries on the red list, every export would require a specific justification; decisions would have to be taken on a case-by-case basis for countries on the yellow list. The categorization of countries on these lists should be reviewed regularly.

- The new federal government can also promote reliability by passing an export law that creates a **standardized statutory basis for the export of war weapons, military equipment, and new categories (i.e., EDT)**. The law should also include control mechanisms (e.g., end-use monitoring) and sanction options, such as decommissioning military equipment. However, when drafting a new export law, the federal government must also consider the potential financial repercussions for the arms industry of a more restrictive policy and the possibility of compensation for the loss of economies of scale.
- Finally, Germany should launch and help to shape **an international initiative for EDT export controls**. This should aim to create an export regime for critical technologies.

6. Strengthen Resilience in Germany, Europe, and the Alliance

Other players have long gone beyond the narrow confines of the military sphere to exert pressure on Germany; this is shown by the rise in cyberattacks on critical infrastructure, manipulation of social media, and disinformation campaigns in connection with the pandemic. To protect Germany in such hybrid, multilayered conflicts, civil society and the military – private and public stakeholders – must work together more closely from the local level all the way up to the EU and NATO. In particular, cooperation between the national and international level (EU, NATO) and coordination between the EU and NATO should be further enhanced.

- The new federal government should hold regular exercises and simulation games at all levels. Such ex-

ercises help participants understand processes and requirements, identify gray areas, and be prepared for crises. More cross-sectoral exercises should be held nationally and Europe-wide. Within Germany, there should be more drills to test the interaction between the various levels (local, state, federal) and actors (civilian, military, governmental, private).

- The institutions deemed by the federal government to be critical to maintaining the functioning of the state should also be subjected to stress and functionality testing. This will allow security precautions at the federal, state, and local level to be reviewed and improved.

DGAP REPORT



Action Plan for the Economy and Foreign Policy

How Germany Can Strengthen Its Economy
and Shape Globalization



Dr. Guntram Wolff
Director, Bruegel

The direction of German economic policy – in particular, foreign economic policy – is a key issue for Germany’s new federal government. At the heart of this issue is the trade-off between promoting growth and employment through further economic integration and seeking to protect universal values such as human rights.

The trade-offs between security policy and economic objectives are more concrete. For example, there is a major economic interest in an international division of labor in the technology sector. Yet this can result in security vulnerabilities if, for example, Germany lacks the domestic capabilities to respond to cyberattacks or if the country becomes dependent on suppliers of key technologies. Finally, German and European policies seek to support global public goods such as the fight against climate change, but there can be a trade-off between calling for the establishment of environmental standards and concluding international trade agreements rapidly.

Another significant aspect of the current situation is the rising tension between the United States and China, and its potential impact on Germany. The diminishing effectiveness of international and multinational rules in a geopolitical environment in which many powers are pursuing different interests is also a key issue. The events of recent years have shown how the United States uses economic pressure points to push through its geopolitical interests in relation to Germany, an approach now also being employed by China. For example, the United States used threats to halt Europe’s economic trade with Iran and, by doing so, also undermined an important European security interest.

OPENNESS ALSO MEANS VULNERABILITY

This raises the key question of how Germany should deal with international pressure on its own economy, and to what extent Germany and Europe can, for their part, use their trading partners’ economic pressure points to pursue their own interests around the world. An approach often suggested in the United States is to scale back economic ties in order to be less vulnerable. This stands in contrast to the approach taken by the EU, which in 2019 described its relationship with China as a strategy of cooperation, competition, and systemic rivalry (see also the Action Plan for China and Foreign Policy).

This is an extremely important discussion for Germany because its economy is highly open. Exports account for more than 30 percent of gross domestic product. Fifty percent of German trade in goods is with the EU, while 10 percent is with China, 7 percent is with the United States, and 4

percent is with the United Kingdom. The openness of the German economy, with the EU as its main trading partner, is the foundation on which German prosperity is built. For its part, the EU has concluded trade agreements that provide a secure basis for German and European companies to do business worldwide.

At the same time, openness also means vulnerability. Germany must therefore actively shape globalization in order to ensure that it is capable of action in the future and to protect its own interests. A strategy of decoupling or scaling back international ties is not recommended. At the same time, instruments must be refined in the European framework to allow interests to be defended and asserted, and to reduce Europe’s susceptibility to economic pressure.

DOMESTIC ECONOMIC WEAKNESSES

Germany’s economic development has been generally positive since 1999. Growth in gross domestic product per capita is very similar to that of the United States. France and the United Kingdom are somewhat behind Germany and the United States; Italy has been stagnating for decades. Meanwhile, China’s rise is so impressive that it eclipses all developed economies in terms of growth.

Yet a more in-depth analysis also reveals significant structural weaknesses in Germany, to which German economic and foreign policy must respond over the coming decade:

- Germany and the EU have a relatively old corporate structure with few young and growing companies. In the Top 50 of the Fortune 500 Global Companies, 22 companies come from the United States, 12 from China, and just 7 from the EU (3 from Germany: Volkswagen, Daimler, and Allianz). For the first time, China now has more companies in the Top 500 than the United States.
- The shortage of qualified personnel, for example in the digital sector and especially in the field of artificial intelligence, is hampering the introduction of cutting-edge technologies. Germany risks losing its leading position in important sectors in which data-driven and AI-based solutions are becoming the industry standard.
- Germany’s “energy transition” is incomplete; the country faces a combination of comparatively high energy prices and inadequate progress on decarbonization. Although the share of renewable energy is rising, it is below the EU average and lags far behind the front-runners, the Nordic countries.

- Significant weaknesses are also clear in the context of public administration efficiency. The OECD Digital Government Index, which looks at the openness, use, and reusability of government data, ranks Germany below the OECD average.

These weaknesses are the background against which German foreign economic policy will be shaped in the coming

years. Remedying domestic weaknesses is clearly an important task for the new federal government to make the economy more competitive. This will also make Germany stronger in the field of foreign policy. Recommendations are set out below for four key areas of foreign economic policy that will be vital for German prosperity and for achieving more far-reaching political objectives.

RECOMMENDATIONS

Enhancing the Resilience of the EU and the Eurozone

The EU has made substantial progress on remedying the eurozone's initial flaws. Important steps have included the creation of the European Stability Mechanism (ESM) and the European Central Bank's OMT program for the purchase of government bonds as well as joint banking supervision, an improved bank resolution mechanism, and the recovery fund that is supporting the weaker EU countries during the pandemic. That said, systemic weaknesses still exist alongside country-specific problems.

Germany's new federal government should develop a proactive strategy to reduce the eurozone's weaknesses. This involves issues such as completing the banking union, deepening and integrating capital markets, and increasing the available quantity of safe assets. Not only would this bring direct growth and stability dividends; but it would also be an important contribution to strengthening the euro's international role via the creation of attractive investment opportunities. This, in turn, would make it easier for the EU to withstand pressure, such as in the case of the Iran sanctions.

Germany's close economic integration with the EU means that it is in Germany's interest to continue to strengthen the EU single market, the macroeconomic and financial resilience of the eurozone, and the conditions for growth in the EU. A weak single market not only means missing out on opportunities for growth; the resulting financial fragility can also have a negative impact on political stability.

Managing Technological and Geopolitical Confrontation

Technology policy (see also the Action Plan for Technology and Foreign Policy) has risen up the agenda to become one of the main fields of foreign economic policy. This is due, first, to the key role that digital technologies play in all economic sectors. Second, competitors can exploit digital interdependencies for geopolitical purposes. The EU has focused more on this issue in recent years but does not have all of the necessary tools to respond effectively. While it can push through important standards in this area through regulation, it lacks financial instruments to promote new technologies. Additionally, decisions on foreign investment in European companies with key technologies are mainly still taken at the level of the member states.

In the field of data sovereignty, the EU has set international privacy standards, but it now needs a strategy to facilitate digital trade with countries with a lower level of data protection. The lack of investment in new technologies, networks, and human capital is a fundamental problem. For example, the EU has too few graduates in AI. It is essential to launch a training drive, strengthen the digital single market, boost investment, and improve venture capital funding to keep Europe from falling further behind in the field of digital technology. This, in turn, is vitally important to enable Europe to manage interdependencies better and thus reduce its level of vulnerability.

The conflict between the United States and China in the field of technology will shape German and European foreign economic policy in the coming years. Europe cannot be a neutral onlooker. Of course, there will also be disagreements with the United States. But the most important objective of European policy will be to reduce vulnerability to China and to manage interdependence. In addition to boosting domestic investment and making consistent use of the "Brussels effect" to set international standards, Europe also needs defensive tools. For example, creating investment control mechanisms is

a necessary and useful step to ensure that acquisitions of key technologies can be prevented.

When taking decisions on the use of technologies, it is important to consider Europe's robustness and resilience. On the whole, however, a defensive strategy will not be enough. Europe must invest more in digital technologies – not just so it can better manage geo-strategic dependencies, but first and foremost so it is equipped for the future in terms of these key technologies. In recent years, Germany has rightly begun to invest more in digital technologies. However, the current levels of investment are still inadequate and should be increased.

Climate Policy Should Not Be Limited to Germany

In the field of climate policy (see also the Action Plan for Climate and Foreign Policy), there are two main areas for action that are relevant in terms of foreign economic policy. First, the European Green Deal has direct and indirect implications for trading partners around the world. Second, German and European policy must aim to accelerate decarbonization worldwide.

The European Green Deal will change trade flows. The ambitious target of full decarbonization by 2050 and a major reduction in emissions by 2030 means that the EU will lower its fossil fuel imports. As of 2030, in particular, there is projected to be a significant reduction in gas imports from Russia. But other energy suppliers in the European neighborhood will also be affected. These direct impacts can adversely affect countries' economic models and thus also have an impact on political stability. Autocrats who depend on oil and gas revenues may potentially come under pressure. Managing this political transformation will be a major challenge.

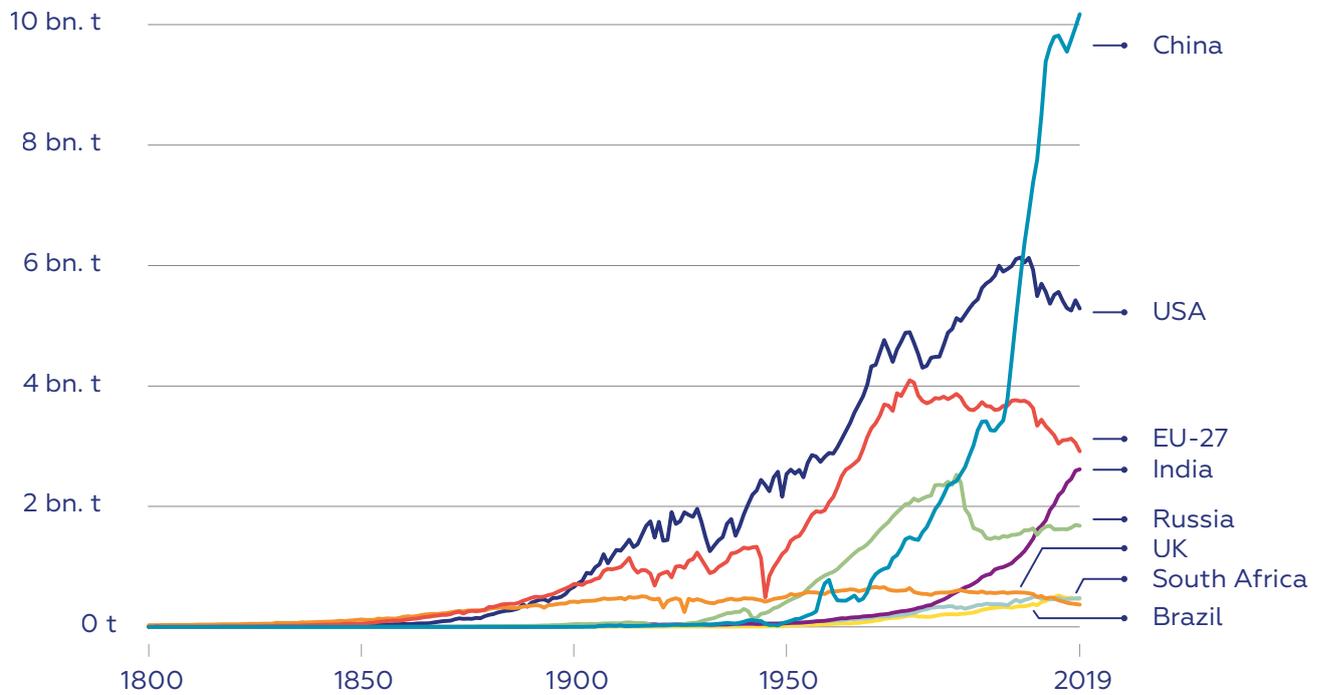
The energy transition also means that the EU requires considerable imports of raw materials for "green" technologies. Resilient supply chains will be important to avoid new dependencies on suppliers of raw materials. Finally, falling demand for fossil fuels will have global implications; all other things being equal, it will result in lower prices. The EU is among the biggest importers; consequently, the impact will certainly be relevant for global prices. European foreign policy cannot ignore the Green Deal; on the contrary, it will have to manage its global effects. Bruegel has designed a work program that includes development assistance and technical aid, for example, to address the transformation of economic systems. At the same time, it is important to

drive forward the development of green energy generation in Europe's neighborhood. For example, green hydrogen could become a new export for countries that see their fossil fuel exports to Europe fall.

The other big question is whether and how the EU and Germany can accelerate decarbonization worldwide. First, it must be noted that global emissions are continuing to rise. The EU now only accounts for around 8 percent of global emissions, far less than China (26 percent) and the United States (13 percent). Consequently, the European Green Deal alone can only make a small contribution to tackling climate change. One key question will be how China can be persuaded to embrace decarbonization more quickly. This is not just a matter of cooperation, but also of ensuring that it is in China's interest to rapidly reduce its emissions. In this context, a transatlantic agreement with a border adjustment mechanism for emissions is recommended. This would give China an incentive to step up its climate efforts and could also have a positive influence on other countries.

Technology partnerships with third countries, particularly poor third countries, could help to globalize the Green Deal by lowering the cost of use of green technologies. Flanked by financial support, this could lead to a cost-effective reduction in global emissions.

Rising Annual CO2 Emissions



Note: CO2 emissions are measured on a production basis, meaning they do not correct for emissions embedded in traded goods.

Source: Our World in Data (2020) based on the Global Carbon Project, Carbon Dioxide Information Analysis Centre (CDIAC), <https://t1p.de/859q>

Using Health Policy as an Opportunity for Moral and Economic Leadership

Health policy and efforts to tackle the pandemic should also become a key pillar of German foreign policy – not only because of their economic relevance. Although significant progress has been made on controlling the pandemic, the global economy remains vulnerable, and the number of COVID-19 cases around the world is still high. At the same time, there is a risk of new pandemics and other health risks.

That said, this also represents a major economic opportunity for Germany and Europe, which have strong health sectors. For example, the EU could expand its role as a key global producer of essential medical goods. From a foreign policy perspective, the most important aspect is how the EU and Germany would enhance their global reputation by playing a leading role in tackling the pandemic. Getting a grip on this health crisis as quickly as possible is a moral imperative. The

world has the financial and technological means to achieve this, and the EU should play a key role in this context.

The immediate and most urgent task in the coming years is to accelerate vaccinations against COVID-19 in low-income countries around the world. The world and the global economy cannot be safe while there are high numbers of cases and while it is possible for new variants of the virus to emerge. German foreign policy should continue to prioritize this issue.

It is perfectly possible to immunize the majority of the world’s at-risk population by the end of 2022. According to estimates by the International Monetary Fund (IMF), this would cost roughly 50 billion US dollars, 35 billion dollars of which would have to come from international support. The IMF estimates that the economic benefits of ending the pandemic more rapidly would be worth 9 trillion dollars, making this the most important and profitable global investment at present. Germa-

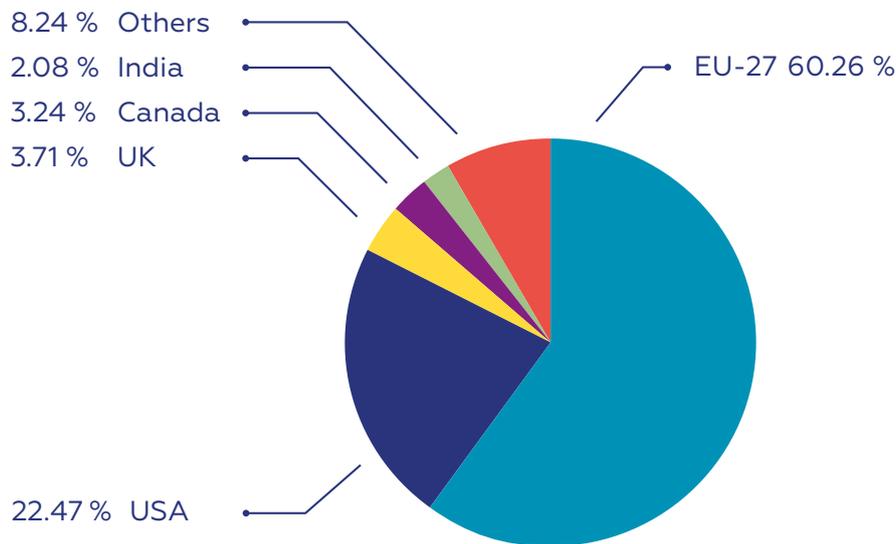
ny's new federal government should continue to spearhead international support for global vaccinations. It would make sense to press for the EU to order larger quantities of vaccines and pass them on cheaply to low-income countries. This would create incentives to rapidly increase production capacities. Financial benefits could be used to improve prevention measures in low-income countries.

The risk of pandemics has risen more generally. COVID-19 was not a one-off event; experts believe there is a high risk of a similar pandemic in the next ten to twenty years. This means that efforts to tackle pandemics must, like climate change, occupy a key place in German foreign policy. For example, Germany should

work with other G20 partners to strengthen the global health system, improve early warning systems for pandemics, and boost basic research in the field of health.

In the medium term, Germany and the EU should seek to play a key role in supplying the world with medical goods to control pandemics. Large vaccine production capacities will have to be maintained even in pandemic-free times so that production can be scaled up rapidly in the event of an outbreak of disease. The EU has kept its borders open during the COVID-19 pandemic and continued to export vaccines. With its many innovative pharmaceutical companies, it can now play an even bigger role.

Largest Exporters of Vaccines Worldwide (Based on Value Traded)



Note: Share of global trade in vaccines excludes intra-EU trade. Numbers are averages between 2017 and 2019.

Source: Bruegel (2021) based on WITS, <https://t1p.de/1c4l>

IN CONCLUSION: FORGING A STRATEGY

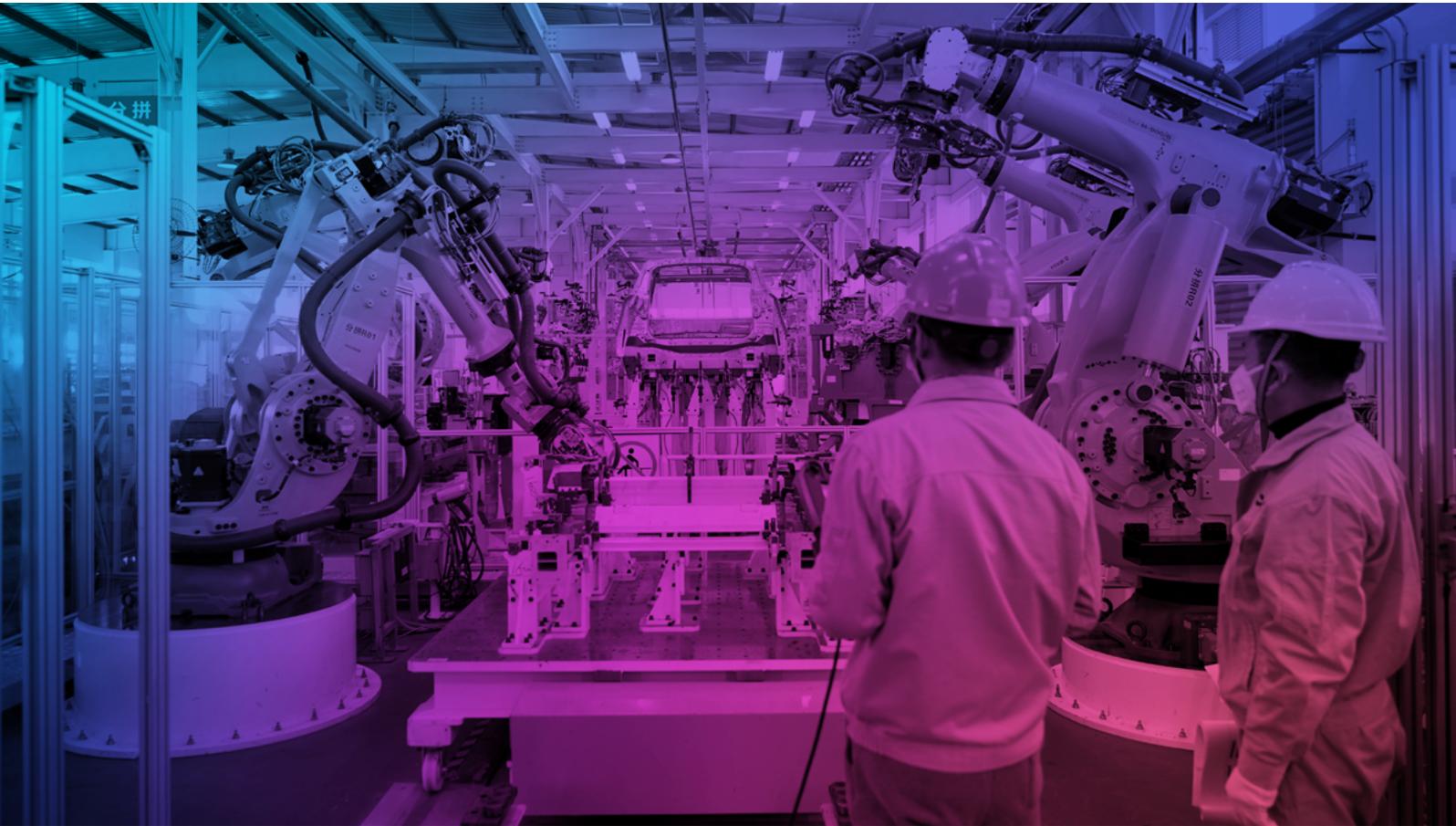
In times of major geopolitical tensions and severe economic crises, there is a political tendency to want to solve problems by embracing protectionism. This is rarely successful, however. Brilliant minds, such as Adam Posen, are now warning that a protectionist trade strategy would betray the interests of the middle class. Particularly in Germany, it would involve considerable risks for the export-oriented SME sector and the employees of these companies. The historical evidence even suggests that a severe economic crisis could usher in a new golden age of globalization.

Consequently, Germany should choose a strategy that focuses on managing globalization and economic interdependencies rather than pursuing decoupling. However, economic interdependence also means vulnerability to foreign political pressure. Therefore, three guidelines are of key importance.

1. To be able to assert its positions credibly, the EU needs stronger instruments, such as a more robust investment screening process or a subsidy screening process. Such instruments can increase the stability and openness of globalization, as they act as a deterrent to other trading powers and thus encourage them to comply with global trade rules. The multilateral system is strengthened if Germany and the EU remain a strong pillar alongside the United States and China.
2. The EU is the appropriate framework for action to achieve this. Germany has neither the economic nor the political power to withstand pressure from China or the United States on its own. It is a major inconsistency that, in an integrated single market, the tools to provide protection from external threats, such as hostile takeovers to acquire key technologies, remain located – for the most part – at the national level, even though the investments, once made, allow access to the entire single market. Germany should support EU initiatives that provide for greater centralization of such decisions. It would be advisable to reconsider the unanimity principle in the field of foreign policy.
3. The resilience of value chains must be boosted in economic sectors of outstanding strategic importance. This means pursuing a diversification strategy to reduce dependencies on individual producers, for example in the case of modern digital technologies. Examples include key technologies such as computer chips or essential raw materials for the production of green technologies.

Implementing the proposals made in the four concrete fields of action discussed above – resilience, technology, climate, and health – would have clear benefits for Germany and the EU. Strengthening the European economy and European decision-making structures would not only benefit business, but also create room for maneuver in relation to international partners and competitors. One of the strengths of the EU and Germany is supporting and reinforcing global public goods. The new federal government should press ahead with this because it increases Europe's influence worldwide and enables it to better assert its interests and values.

DGAP REPORT



Action Plan for China and Foreign Policy

What Germany Must Do to Hold Its Own in the Systemic Competition with China



Dr. Tim Rühlig

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China's economic and political rise poses a challenge to Germany on many levels, from the competitiveness of its industry to the robustness of its democratic institutions. This systemic challenge is all the more difficult to address because Germany is highly dependent on China in economic terms.

For far too long, Germany and the European Union (EU) failed to act because they were relying on a “change through trade” (Wandel durch Handel) approach. Yet these long-held hopes have not been fulfilled. On the contrary: China now threatens to reshape the international rules-based order and Western democracies. Germany's belated awakening to this reality has left the country poorly positioned, as dependencies and the balance of power have shifted in China's favor.

A clear stance in relation to China can now only be maintained in the framework of the EU, as Germany is the only EU member state that China still takes at all seriously. However, China is adopting an increasingly assertive approach toward Germany as well. Germany's influence will decline unless the EU as a whole develops a greater capacity to act. Yet the EU member states are currently still divided.

That said, Germany is also one of the major causes of the lack of unity within the EU. Its national interests, primarily economic in nature, are not only keeping the EU from adopting a common position on China; they are also fueling doubts in the other EU member states about German solidarity. There is growing pressure on Germany to adjust its policy toward China. The costs of moving forward with the current policy would be incredibly high. The United States is also pressing for a radical change of policy toward China. The new federal government should completely overhaul Germany's China policy.

WHAT THE RISE OF CHINA MEANS

Until a few years ago, Germany and Europe placed their hopes in “change through trade” in China. This was based on the assumption that economic cooperation would lead to three-fold liberalization in China: In the economic sphere, reforms were expected to pave the way for a free market economy; domestically, China's economic opening would lead to prosperity, pluralism, and ultimately democratization; and internationally, integration in global markets would encourage China to become part of the rules-based international order. This paradigm has proved to be incorrect, particularly since Xi Jinping came to power. On the contrary, China's authoritarian state capitalism has been strengthened and is becoming a beacon for other countries. There are four dimensions to this development:

the strengthening of domestic authoritarianism, the resurgence of China's state sector, a more aggressive foreign policy, and China's democracy-eroding influence in Europe.

1. The Strengthening of Domestic Authoritarianism

Since coming to power in 2012 to 2013, President Xi Jinping has strengthened the Chinese Communist Party's authoritarian rule. In particular, his government is using digital technologies to expand the apparatus of control and repression. Freedom of speech, already limited, is severely curtailed by close monitoring of social media; at the same time, the “real name” registration requirement for social media use makes it difficult to remain anonymous online. Internet platforms are increasingly resorting to self-censorship since being made liable for content published by their users. Finally, the high-profile punishment of prominent critics also acts as a deterrent.

At the same time, the Chinese government is increasingly cracking down on the Muslim population in Xinjiang province. China stands accused of committing crimes against humanity, including the detention of around 1.5 million Muslims; estimates differ in terms of the exact figure. In the Hong Kong Special Administrative Region, the 2020 national security law violates the liberties codified in international law that had been enshrined in the Sino-British Joint Declaration on Hong Kong and in the International Covenant on Civil and Political Rights. Any criticism of Hong Kong's government can be punished as subversion. Even protests using blank sheets of paper are treated as a criminal offense.

In short, trade with China has not stopped authoritarianism from growing stronger and, contrary to long-held hopes, has failed to encourage China to open up in political terms and move toward democracy.

2. The Resurgent State Sector

In economic terms, too, the opposite of what Germany expected has come to pass: Since 2011, Xi has been strengthening the state sector. This is directly eroding the level playing field with Germany's free market economy. In the 1980s and 1990s, German hopes that China would open up in economic terms seemed to be fulfilled. The planned economy from Mao Zedong's era was replaced by the gradual introduction of free-market competition and a greater role for the private sector. Yet these economic reforms largely came to a halt under Xi's predecessor, Hu Jintao. Since Xi took office in 2011, the government has doubled

down on strengthening and centralizing China’s state-owned enterprises. This is clearly shown by the state-dominated banking sector’s lending: In 2011, state-owned enterprises received just 28 percent of the total credit volume due to their weaker economic performance. Under Xi Jinping, this share rose to 83 percent by 2016. In the absence of functioning capital markets, this redistribution of loans represents significant support for the state sector and an erosion of market-economy principles.

At the same time, the private sector has been brought under the direct political control of the Communist Party to a growing extent. One example is the systematic introduction of party cells in private companies. Another is the crackdown on leading private-sector groups in the digital sector, such as Alibaba, Ant, Tencent, and Didi. In particular, the Communist Party is using antitrust powers to attack companies that it believes have grown too powerful. Alibaba founder Jack Ma disappeared from the public eye for weeks after a private video in which he made critical comments became public.

3. China’s Aggressive Foreign Policy

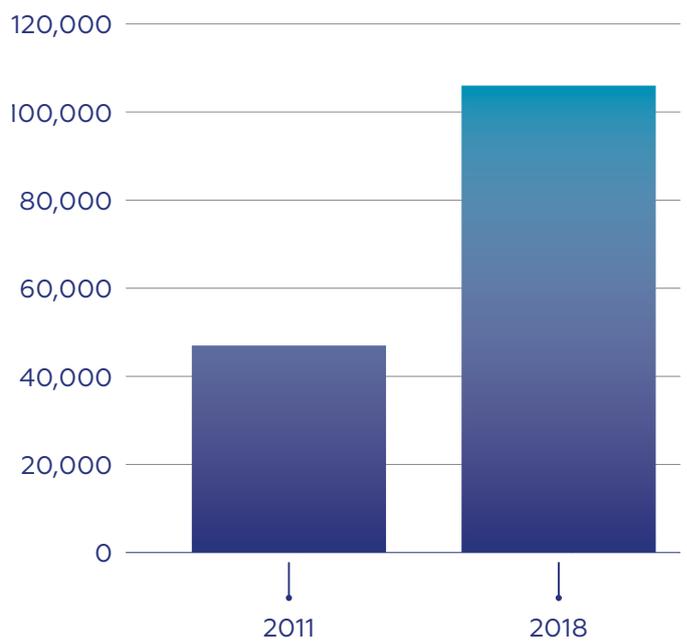
The fact that China bounced back from the 2008 global financial crisis more quickly than Western countries gave China’s leaders hope that they have the superior system. However, this feeling of strength is coupled with concern that China’s one-party system is vulnerable. Government, corporate, and household debt is soaring and has reached at least 270 percent of gross domestic product. The actual loan loss ratio is far higher than the official figures. Inefficient credit allocation also means that China could remain caught in the middle income trap; in other words, it might not be managing to catch up to the world’s wealthy countries. The well-educated younger generation is increasingly frustrated by the lack of career opportunities. Further problems are arising from the growing mobility challenges in the megacities, the need for greater environmental and climate action, endemic corruption, and growing nationalism in society.

On the one hand, the Chinese population expects the Communist Party to use its power to assert Chinese interests around the world. On the other hand, it is demanding a policy that enhances China’s international recognition, status, and reputation. This mix of strength and vulnerability is resulting in China’s increasingly aggressive and nationalist foreign policy. In the South China Sea, China has abandoned all restraint and built military bases on artificial islands. Beijing disputes the jurisdiction of the international tribunal that ruled in favor of the Philippines in 2016. Regarding

Taiwan, China feels strong enough to think out loud about using military means to bring about reunification.

The export controls and punitive tariffs imposed by other countries have made clear to China’s leaders how vulnerable China has become as a result of its economic integration into global markets. By adopting a new “dual circulation” strategy, they are therefore trying to become more independent of global value chains and to foster domestic innovation. At the same time, China is boosting its influence by investing in infrastructure in third countries as part of the Belt and Road Initiative. Contrary to the hopes harbored in Germany, China has not become part of the rules-based order.

Number of Party Cells in Joint Ventures



Source: Handelsblatt (2018), based on figures from the Organization Department of the Chinese Communist Party, <https://t1p.de/p78e>

4. China's Democracy-Eroding Influence in Europe

In Europe, China is increasingly proving to be a player that undermines democratic rights, freedoms, and institutions. China's activities revolve around its desire to be able to control the discourse in all political and public debates relating to China. One example is China's disinformation campaign about the outbreak of the COVID-19 pandemic.

In spring 2021, China responded to moderate EU sanctions by introducing drastic countermeasures against EU parliamentarians and European academics, including the Mercator Institute for China Studies (MERICS) in Berlin. China also undermines artistic freedom, the freedom of the press, and academic freedom by threatening institutions and individuals in Europe for comments they have made. In Switzerland, a professor stepped down from supervising a dissertation after China took umbrage at tweets made by her doctoral student.

These events raise the question of how forcefully China will react when its economic interests are affected, not just its ideological interests. The German parliament must prepare itself for Chinese reactions to the implementation of the supply chain law, for example. The Swedish fashion manufacturer H&M recently faced calls for a boycott after it announced that it no longer intended to use cotton from China's Xinjiang province.

These examples show the accuracy of the increasingly widespread view in the EU that China's rise is going hand in hand with an erosion of the liberal order in the West and in Europe.

THE COSTS OF BUSINESS AS USUAL

China is a systemic challenge because the country's fundamental structural differences pose a threat to the political and economic order preferred by Germany and the EU (democracy versus autocracy, free market economics versus state capitalism). Not only do these differences shape Germany's relations with China; they also influence its options for action across a wide range of policy fields. Consequently, the debate should not focus solely on how Germany can ensure that democracy, free trade, and globalization can remain the guiding paradigms of European foreign policy; it should also cover the question of how they can be actively defended. In this context, the federal government's reticence is astounding, as the costs of inaction or business as usual are immense. The potential loss of prosperity, competitiveness, and international influence, including in relation to the EU and other allies, is unacceptably high.

The increase in China's power is mainly the result of its economic strength and growing innovativeness, especially in the field of digital technology. If Germany does not start now to actively limit its economic and technological dependence on China, it will cease to be an innovator and instead become a market for next-generation Chinese technologies. Not only would this significantly diminish Germany's competitiveness and prosperity (see the Action Plan for Technology and Foreign Policy); but it would also curtail Germany's ability to take autonomous decisions on the international stage. In the EU context, the former Commission President Jean-Claude Juncker described this as the risk of losing what he called "weltpolitikfähigkeit," the capacity to play a role in shaping global affairs. Capabilities in the field of digital technology are a key power resource in the 21st century. Various factors, including Germany's limited control over data and the weakening of its position in international value chains, mean that Germany risks becoming a battleground in the great-power conflict between the United States and China. The controversy over whether to allow the Chinese network equipment provider Huawei to be involved in the development of the 5G network is just the first example of this.

Unless it changes course, Germany risks becoming less important in the eyes of a key ally, the United States. What matters to the United States is the great-power conflict in the Asia-Pacific region. Although Germany published an Indo-Pacific strategy for the first time in 2020, this can only be the first step in gaining capacity to act, together with the EU, in the Asia-Pacific region. Only if Germany and the EU contribute their own resources and develop a clear stance on the main great-power conflict of the 21st century will they stay relevant in this context and remain important to the United States as more than just a source of legitimacy.

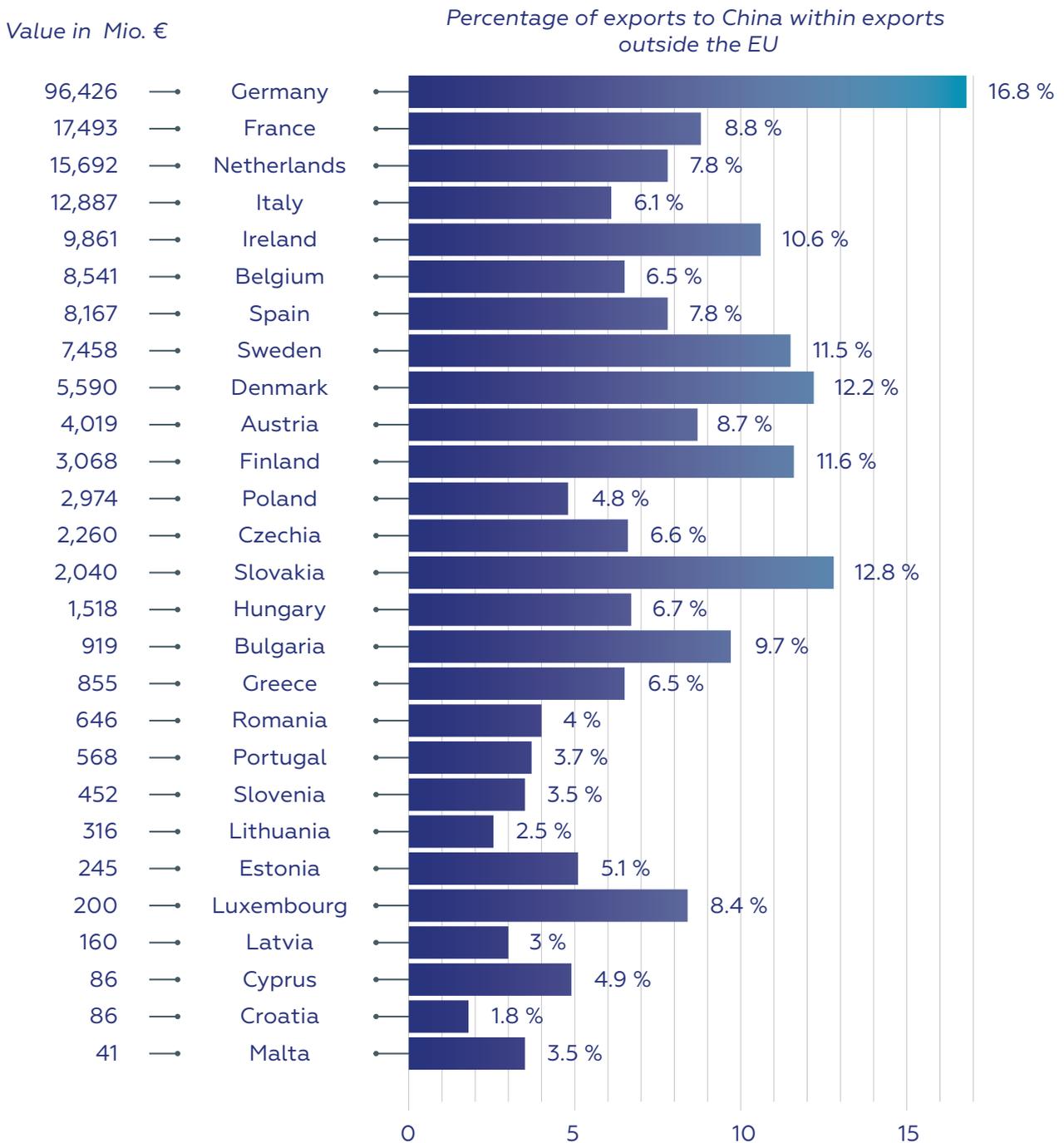
THE DIVIDED EU AND THE RESPONSIBILITY OF THE MEMBER STATES

In view of the systemic challenge that China represents, there is growing recognition that the EU is the appropriate framework for action, not the individual member states. That said, EU foreign policy is a matter for the European Council, where all EU member states have a veto, and beyond recognizing that China is a key issue for EU foreign policy, the member states remain divided. This persistent lack of unity and the EU's resulting inability to act are not only a reflection of a stronger pro-China stance by Central, Eastern, and South-Eastern European countries, especially Hungary; they are also the result of Germany's prioritization of its national economic interests. Given the sizeable

proportion of Germany’s foreign trade that is accounted for by China (see graphic), smaller EU member states do not have confidence that Europe will take united action if they come under pressure from China.

Despite this lack of unity, a realignment of the EU’s China policy is under way.

EU Exports of Goods to China, 2020



Source: Eurostat (2021), <https://t1p.de/5dky>

The European External Action Service (EEAS) sought to encourage this process in 2019 with a new “strategic outlook.” This document – approved by the heads of state and government – describes China for the first time not just as a partner and competitor, but also as a systemic rival. The European Commission is also emphasizing the EU’s international ambitions. It is striving for an “open strategic autonomy” that aims to reduce Europe’s dependencies both by developing its own capacities and by diversifying suppliers. Tellingly, this concept is increasingly being discussed from the perspective of reducing Europe’s dependence on China. Finally, the European Parliament has also reached a clear and critical stance on China in a series of resolutions in recent years.

Given, however, that the member states are responsible for foreign policy, a consensus is needed to achieve any significant increase in Europe’s capacity to act in relation to China. Yet Germany, in particular, has so far failed to push for this. Observers explain this by citing either Germany’s close economic ties with and dependence on China, or Chancellor Angela Merkel’s stance. Chancellor Merkel was said to have a great fascination with China, coupled with a conviction that China’s rise is unstoppable.

This was not always the case, however. When, around five years ago, Germany’s federal government joined forces with France and Italy to call for a screening mechanism for foreign direct investment, this sparked a debate about a new EU policy toward China. The background was the Chinese Midea Group’s acquisition of a majority stake in the Augsburg robotics company Kuka, which led to concerns that German expertise could fall into China’s hands, undermining Germany’s competitiveness. Once the screening mechanism for direct investment was adopted, however, many in Berlin believed they had solved the problem.

Today, the pressure to take action in relation to China is far greater than it was five years ago. The new federal government should seize the initiative and return to being a driving force in this context. Germany has a key role to play in the EU framework because it is the only EU member state that is still taken seriously by China, due to its innovativeness and the two countries’ mutual economic dependence.

OPPORTUNITIES FOR A NEW GERMAN POLICY TOWARD CHINA

There is growing recognition in Germany and Europe that China represents a key challenge. This has created four windows of opportunity that should enable the new federal government to fundamentally realign Germany’s China policy:

1. Growing Political Consensus in Germany

In the run-up to the Bundestag election, there were already hints of a consensus among the parties of the Christian Democrats (CDU/CSU), the Social Democrats (SPD), the Greens, and the neo-liberal Free Democrats (FDP) that a political realignment is needed in relation to China. The manifestos of the Greens and the FDP, in particular, struck a critical tone on China. The CDU/CSU and SPD manifestos were more circumspect in their wording; that said, leading politicians from these parties are also taking a more distant tone in their statements. This trend could gain pace now that the federal government is no longer headed by Angela Merkel.

Meanwhile, the federal ministries have already gone a step further. One example of this is the Indo-Pacific strategy produced by the Federal Foreign Office. There has also been a marked shift in how China is viewed in other federal ministries, particularly the Federal Ministry for Economic Affairs and Energy.

2. Growing Support from Business for a Realignment

A realignment is made easier by the fact that European and German associations of trade and industry, which for decades emphasized China’s enormous growth potential, are increasingly drawing attention to the risks caused by the lack of a level playing field. The Federation of German Industries (BDI) was already referring to a systemic rivalry before the EEAS published its strategic outlook. Businesses, particularly in the automotive industry, will continue to press for a moderate policy toward China. But German and European businesses are no longer united in calling for a cooperative China policy that ignores the systemic challenges.

3. Recognition of the Importance of EU Unity

The analysis is already further advanced in the EU institutions than it is in Germany. The member states, too, have come to recognize that a common approach is the only viable option for the future. One example of this is the development of the “5G Toolbox,” a list of criteria drawn up jointly by several EU institutions for dealing with security risks in the development of a new cell phone network. This includes the role of Chinese network equipment suppliers, such as Huawei. Although the member states are still divided, a German initiative for a common EU policy toward China is unlikely to be rejected out of hand.

4. American Pressure

The United States now views China as the biggest international threat, with Russia a distant second. US President Joe Biden regards alliances with democracies as the most important resource in the confrontation with authoritarian China. The United States had already begun to call on the NATO states to take a harder line on China than under his predecessor, Donald Trump. To date, however, the EU

has played a largely passive role as a source of legitimacy for US policy: The EU's consent is intended to show that the United States is not simply acting to advance its national power-political interests. However, if the EU contributed its own resources and adopted a united position, it would be in America's interest to coordinate with Europe and encourage it to play a more active role. Biden's presidency offers new opportunities for the EU to shape policy if it can agree on a joint new course.

RECOMMENDATIONS

Following the Bundestag election, Germany should substantially change its policy toward China; a minor course correction is not enough. One constructive first step is the new Indo-Pacific strategy. It should be fleshed out in line with the EU's central strategies and translated into political practice. However, the realignment of China policy not only requires a transformation in policies at the federal level; it is a task for society as a whole – for the public sector, business, and civil society. Germany should implement its new China policy in the EU context. The new federal government should adopt a principled approach that provides a clear compass in trade-offs among different interests and values. Germany's new China policy must be reshaped in conceptual, institutional, and material terms within a short space of time.

1. CHINA POLICY AS A NATIONAL CROSS-CUTTING TASK

Conceptual Dimension

China's rise is a megatrend. As in the case of other broad trends – such as digitalization and decarbonization, which have a China dimension in their own right – national efforts are needed to ensure that not only the federal government but also German states, municipalities, the business community, and civil society are well placed to deal appropriately with the new realities. It is essential to recognize that China policy is not solely a matter of foreign policy. How China develops has an influence on German competitiveness, is vital in the context of action on climate change, and is important for the future of democratic freedoms and institutions. This means that Germany's approach can no longer be guided by "change

through trade"; instead, the focus must be on defending interests and values at home.

Conversely, Germany's approach to China is more than just a matter of domestic policy. The global future of democracy, the rule of law, universal human rights, free market economics, and free trade will depend primarily on whether the countries that represent and implement these values prove to be successful, competitive, capable of defending themselves, and resilient. If Germany recognizes that China poses a systemic challenge, then the new federal government should provide a systemic response.

Institutional Dimension

Two institutional changes should help to bring about this transformation:

- **China policy in the Federal Security Council:** China policy should become a key issue for high-level coordination within the federal government. It makes sense for this to take place in the framework of a reformed Federal Security Council (see also the Action Plan for German Foreign Policy Structures and the Action Plan for Security and Defense Policy). The relevant directorates-general of the federal ministries should confer with one another ahead of each meeting of the Federal Security Council. In addition, a "China Staff" should be set up, composed of representatives of the academic and business communities and civil society; it should convene before each meeting of the Federal Security Council and advise it on Germany's approach to China.
- **Decentralized China information offices:** To take account of the fact that China is more than "just" a federal policy challenge, the new federal government should develop and fund decentralized China information offices in close coordination with Germany's states and municipalities. These information offices should be created on a decentralized basis across the whole of

Germany, in close consultation with the states and municipalities, and should develop targeted information, advisory, and educational services for various groups in society. This includes companies and municipal administrations facing offers of Chinese investment, as well as public and private research institutions considering the possibility of cooperation with Chinese partners. The same applies to schools, where China is not just a subject covered in lessons; their students use Chinese software and apps, such as TikTok, on a daily basis. The decentralized information offices should provide targeted, practical information and continuing education programs.

Material Dimension

The funding required for the China information offices is fairly limited and should be provided by the federal level. The whole-of-society dimension of the systemic competition with China represents a much bigger financial challenge. Germany will have to strengthen its innovativeness and competitiveness, particularly with regard to digital technology (see also the Action Plan for Technology and Foreign Policy).

Timeframe

Agreement on the new Federal Security Council and the associated China Staff should ideally have been reached in the coalition negotiations, and they should take up their work as soon as possible after the new federal government is sworn in. The decentralized China information offices should be set up by the end of 2023 during a two-year pilot phase. They should subsequently be fully developed and evaluated at least every five years.

2. GERMANY'S CHINA POLICY IN THE FRAMEWORK OF THE EU

Conceptual Dimension

European countries will only be able to regain their capacity to act in relation to China in the EU framework. With this in mind, the new federal government should become a driving force in the discussion in the EU. The strategic outlook published by the EEAS offers a suitable starting point. At present, it describes China simultaneously as a partner, competitor, and systemic rival.

But the question of exactly how this triad should be defined remains contentious. One obvious option is to define China's role based on the policy field in question. For example, China would be a partner in the context of tackling climate change, a competitor in the struggle for global market share, and a systemic rival when it comes to universal human rights.

The federal government should, however, categorically reject any such approach in which China's classification depends on the policy field in question. Instead, it should make concrete proposals as to how the systemic rivalry should affect partnership and competition with China. Equally, Europe must determine what the need for cooperation with China means for the systemic rivalry. This should not be defined in the abstract, but rather on the basis of concrete policy fields. One example is action to counter climate change, which should not be regarded as a policy field based purely on partnership. China is the biggest emitter of greenhouse gases and thus an essential partner when it comes to climate action. At the same time, China and Germany are competing with each other in relation to climate-neutral technologies, and this competition is not taking place on a level playing field.

Institutional Dimension

The new federal government should also press for institutional reforms to strengthen the EU's capacity for action in relation to China:

- **Introduction of qualified majority voting:** Given the lack of unity among the EU member states, the unanimity principle in European foreign and security policy is largely resulting in deadlock. Even though the prospects of success are low, the new federal government should make a push to abolish the unanimity principle in full or in part.
- **Establishment of an EU pioneer group on China:** In parallel to this, it should invite the other EU member states to establish an "open pioneer group on China." The members of this pioneer group should develop common positions on China, take coordinated action, and introduce the principle of qualified majority voting internally in line with the EU's rules. It is true that this amounts to a surrender of sovereign rights, but the group must recognize that capacity for action in relation to China cannot be achieved nationally or within the framework of the EU as a whole until the unanimity principle is abolished.

However, the pioneer group should operate on the basis of a narrow definition of China policy – one that is limited to foreign policy issues and to direct interference by China in the internal affairs of the countries in the pioneer group. A broad, systemic definition of China policy, as advocated in much of this action plan, would only result in the failure of the pioneer group. The principle of EU primacy should apply, meaning that the pioneer group would only act if the EU institutions, especially the European Council, are unable to reach agreement. The pioneer group on China should be open to all EU partners and consult closely with all EU member states and key partners such as the United Kingdom.

- **Coordination with like-minded partners:** Germany should propose the creation of new dialogue formats between the EU and like-minded partners, and the deepening of existing dialogue formats. The transatlantic dialogue in the framework of the new EU-US Trade and Technology Council should be supplemented by cooperation with the United Kingdom, Canada, Australia, Japan, or India. These dialogue formats not only offer the opportunity to coordinate with like-minded partners, but also force the EU to coordinate its positions internally, especially regarding the definition, design, and implementation of the “open strategic autonomy” being pursued by the European Commission.

Material Dimension

The costs of re-anchoring China policy in the EU are limited. The new federal government should, however, signal its willingness to provide financial resources for the pioneer group should this be necessary. From a financial perspective, the more significant issue will be Germany’s involvement in funding EU initiatives to strengthen the EU’s open strategic autonomy, not least in the field of new technologies.

Timeframe

The federal government should provide its conceptual input by the end of 2022. The Federal Security Council’s “China Staff” (see part one of the recommendations) should submit concrete proposals to the federal government by the summer of 2022 and be available to provide advice. The push to introduce qualified majority decision-making and the initiative to establish the open pioneer group should take place over the same

period. The same applies to initiatives for coordination with like-minded partners.

3. COMPASS FOR A PRINCIPLED CHINA POLICY

Conceptual Dimension

Foreign policy decisions are often trade-offs. This is especially true of the multidimensional relationship with the People’s Republic of China. The new federal government should work together with the EU partners in the pioneer group to develop a compass for a principled China policy. Three dimensions are important in this context: (1) the EU’s core interests, (2) the EU’s potential influence, and (3) the scale of China’s infringements of values. Regarding the first and third dimensions, it is necessary to define the core interests and values on which the EU can reach agreement; regarding the second dimension, the key question is what means the EU is willing to use to regain influence in relation to China. To this end, it would make sense to begin by drawing up a matrix to clarify convergences and divergences within the EU/the pioneer group. The aim should be to communicate red lines to China and to reach agreement within the EU/the pioneer group on joint responses in the event that these lines are crossed. China’s growing presence and democracy-eroding influence within the EU should be a particular priority.

Institutional Dimension

The development of a policy that takes a more principled approach should be supported by two further coordination mechanisms:

- **Coordinated protection against threats:** A key aspect of protecting fundamental values and the political system is strengthening intelligence cooperation within the EU. In addition, it is important to not only systematically uncover disinformation campaigns, as the EU institutions are doing – albeit with inadequate resources – but also to publicly expose these campaigns in a high-profile manner that attracts media attention.
- **Services for Chinese citizens in Europe:** As overseas Chinese citizens are the focus of Chinese activities in Europe, Germany and the EU should also invest in an information service for them. This should offer daily news in Chinese about developments in Europe, and

impart information in Chinese about the fundamental values, freedoms, and functioning of European democracies. This service should be aimed at Chinese people living temporarily or permanently in the EU, such as students. Currently, they receive their information almost exclusively from the propaganda issued by the Chinese embassies. In addition, Chinese-language assistance services and contact points must be created that offer overseas Chinese citizens confidential and effective protection in situations in which they are threatened.

- **Strengthening multilateralism:** During Donald Trump's presidency, China benefited from the withdrawal of the United States from several international organizations. Where China is integrating into existing institutions, this should be welcomed by Germany and the EU. However, Germany should work with like-minded partners inside and outside the EU to counter those Chinese initiatives that are developing outside of these institutions, particularly the Belt and Road Initiative. In close coordination with the EU member states and like-minded partners, especially the United States, the United Kingdom, Japan, Australia, and India, Germany should actively participate in creating an alternative to Chinese infrastructure assistance. The EU's Global Gateway, the Blue Dot Network, and the "Build Back Better" initiative are suitable starting points. The key advantage for partner countries should be the transparency and dependability of the Western initiatives.

Material Dimension

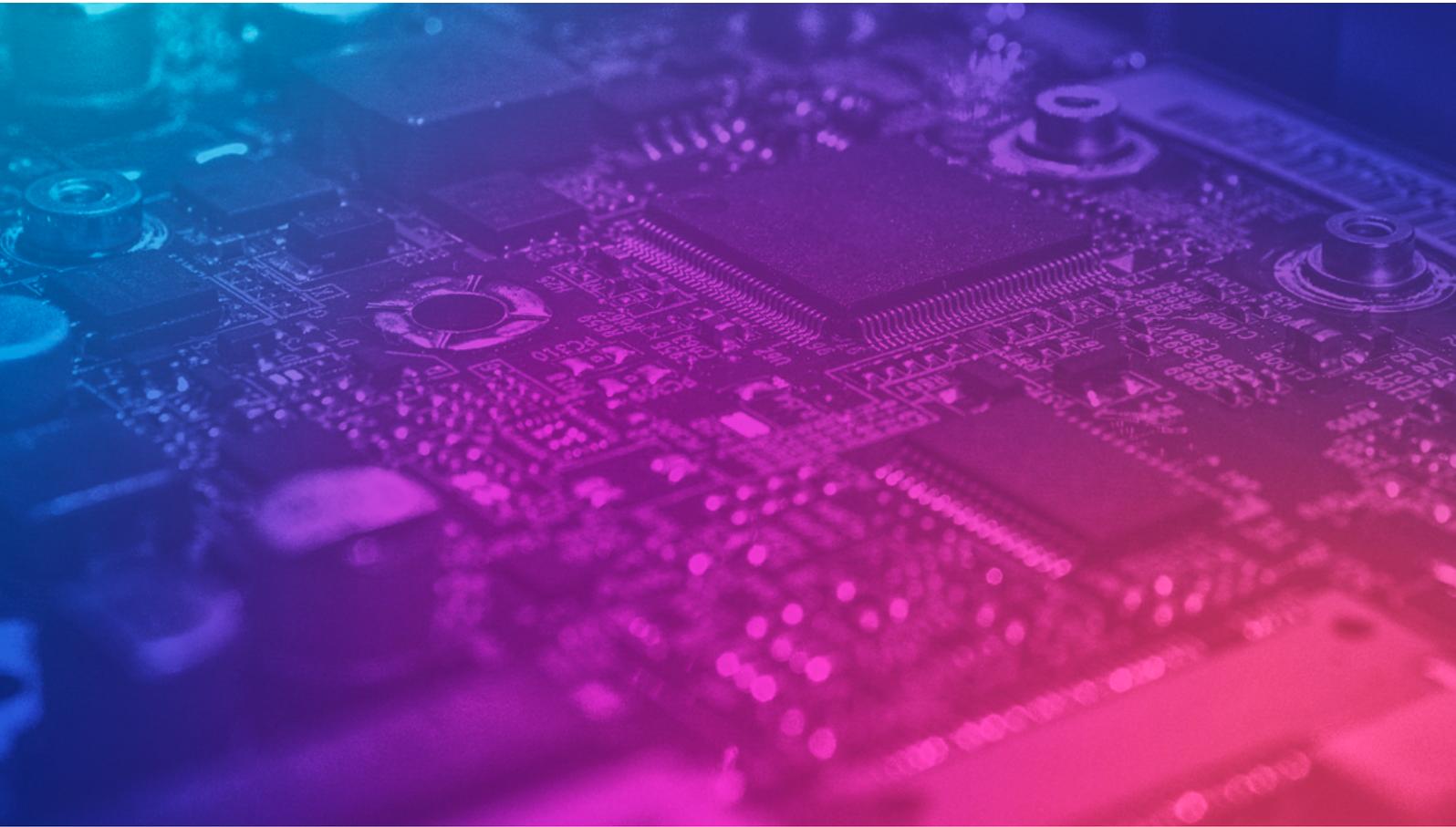
Decentralized information services and contact points for overseas Chinese citizens in Germany should be financed by the federal level, potentially in the framework of the China information offices. Germany's financial contribution will be very important when it comes to developing an alternative to the Belt and Road Initiative. Germany should keep its financial contributions to multilateral institutions stable.

Timeframe

The new federal government should provide its conceptual input to the EU by the end of 2022. The development of decentralized information and protection services for overseas Chinese citizens across Germany should take place gradually over the course of the electoral term. Measures to strengthen multilateralism are

a long-term priority. That said, it is important for the European infrastructure initiative, as an alternative to China's Belt and Road Initiative, to take concrete shape and finance its first projects in the course of 2022.

DGAP REPORT



Action Plan for Technology and Foreign Policy

How Germany Can Compete in the Global
Contest over Technology



Dr. Stefan Heumann
Member of the Management Board,
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The development and mastery of key technologies have formed the foundation for Germany's prosperity. Whether in the case of cars, industrial goods, or chemicals, Germany's economic strength is based on its products, which are highly regarded and in demand worldwide. This economic strength has shaped German foreign policy for decades. In the years of its economic miracle following the Second World War, Germany preferred to flex its economic muscles rather than to engage in saber-rattling. This approach was reinforced after the end of the Cold War. In the absence of the systemic rivalry with Communism, economic interests could be even more effectively combined with support for multilateralism and democratization under the banners of liberalization and globalization.

This approach rested on the belief that anyone would benefit from free trade, the rule of law, and multilateralism – a classic win-win situation. Authoritarianism and wars seemed like anachronisms from a dark past that was about to be left behind. Military might and geostrategic considerations are alien to this type of foreign policy thinking. This paradigm had its heyday around the turn of the millennium when many believed that, with the collapse of Communism and the triumph of globalization and liberalization, a new world order based on democratization, free trade, and multilateralism was emerging.

Twenty years on, no one is talking about a global triumph of liberal democracy anymore. The return of authoritarianism and the systemic rivalry between the United States and China have shaken the foundations of German foreign policy. The digital transformation, which is calling Germany's leading role in key technologies into question, is also challenging these old paradigms. Please note that, here, the term "technology" will be used synonymously with digital technologies.

AN UNACCUSTOMED ROLE

The COVID-19 pandemic has laid bare the extent to which Germany lags behind when it comes to the digitalization of its economy, education system, and public administration. No matter whether the focus is on the use of data management systems in the private sector or on office software for the public sector – the most sought-after digital innovations generally do not come from German or European providers. The current discussion about "digital sovereignty" or "technological sovereignty" is, first and foremost, an admission of this weakness, as it is based on recognition of the fact that Germany has already lost, or is on the brink of losing, its own capacity to act when it comes to mastering digital technologies.

Germany finds itself in a new, unaccustomed role. In the context of digital transformation, it is not the innovator with the best solutions. Rather, it is mainly an attractive market to be seized by the established US tech giants, which are now being joined by new players from Asia and especially China.

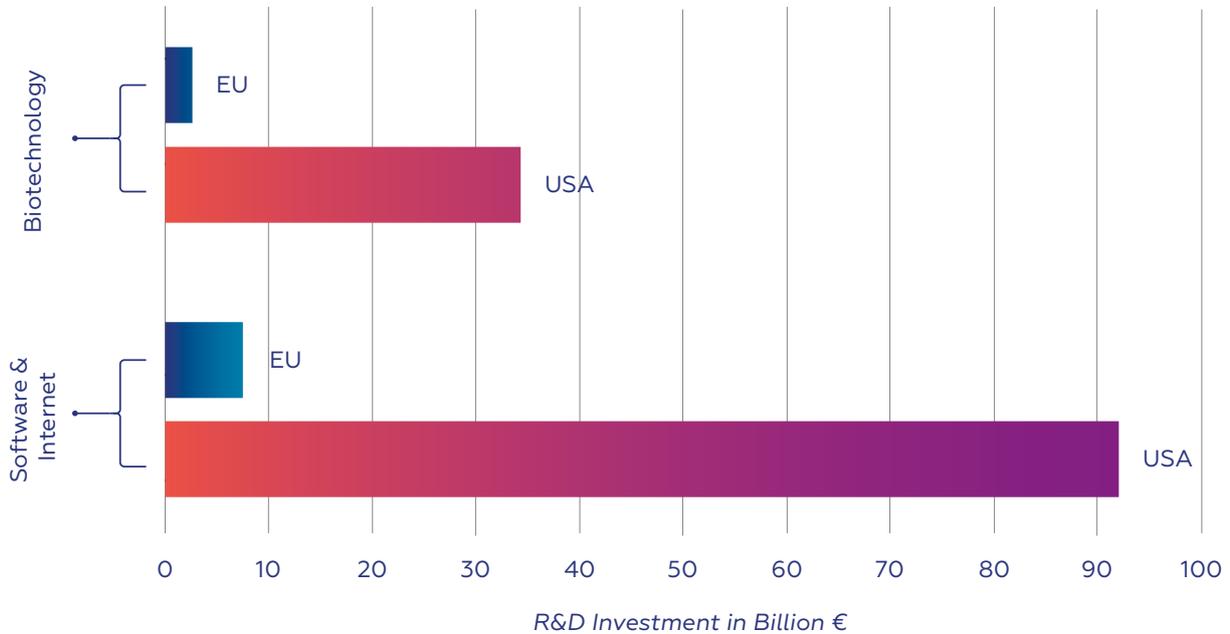
Mastering new technologies has never been solely about economic competitiveness or ethical implications, even though these perspectives have dominated the discourse in Germany. In fact, Germany's view of the development of new technologies, which is strongly shaped by its belief in free markets and competition, is unusual by international standards. As a result of its own historical experience and the success of the German economic model in a world characterized by globalization and the multilateral order, Germany regards the growing tendency to view the technology sector through the lens of geostrategic and security interests as threatening. Germany's foreign policy is still uncomfortable with the nexus between geopolitics and technology and its implications for the country's capacity to act.

AN INDUSTRIAL POLICY DILEMMA

A glance at the United States reveals how much its perspective differs from the German view. The United States has always closely linked its dominant global position with its lead in mastering key technologies – from the harnessing of the atomic bomb in the Second World War via the conquering of space in the Cold War to the use of digital technologies to obtain information for strategic advantages. The Defense Advanced Research Projects Agency (DARPA), an agency of the US Department of Defense, epitomizes this close integration of security interests and public funding for technological innovation. While the innovativeness of the US technology sector owes a great deal to top universities, entrepreneurial spirit, and private investment, it is also fueled by massive research and development investments from the defense budget. China, too, regards the technology sector as the key to greater prosperity and global influence, internal security, and military strength. Meanwhile, France, Germany's main partner in the EU, also views the technology sector through the lens of national interests and geopolitics.

German foreign policy, by contrast, lacks a compass to help it position itself in the international contest in the technology sector. The realization that Germany has fallen behind other countries, particularly when it comes to key digital technologies, has led to a focus on the domestic technology sector. The "digital sovereignty" debate also shows, however, that German policy-makers are still very uncomfortable

Comparison of EU and US Research and Development Investment in Biotechnology and Software and Internet in 2020



Source: European Commission, *The 2020 EU Industrial R&D Investment Scoreboard*, <https://t1p.de/3mns>

with an industrial policy approach, mainly due to fears that Germany taking its own industrial policy measures will encourage an international shift to greater protectionism.

DARPA was an important example and model for the establishment of Germany’s Federal Agency for Disruptive Innovation. Nonetheless, military and civilian support for new technologies is still strictly separated in Germany, unlike in the United States, China, or France. Particularly in the technology sector, the United States remains Germany’s most important partner outside the EU. At the same time, Germany is seeking ways to emancipate itself from the US tech sector to create more space for its own capabilities and innovations.

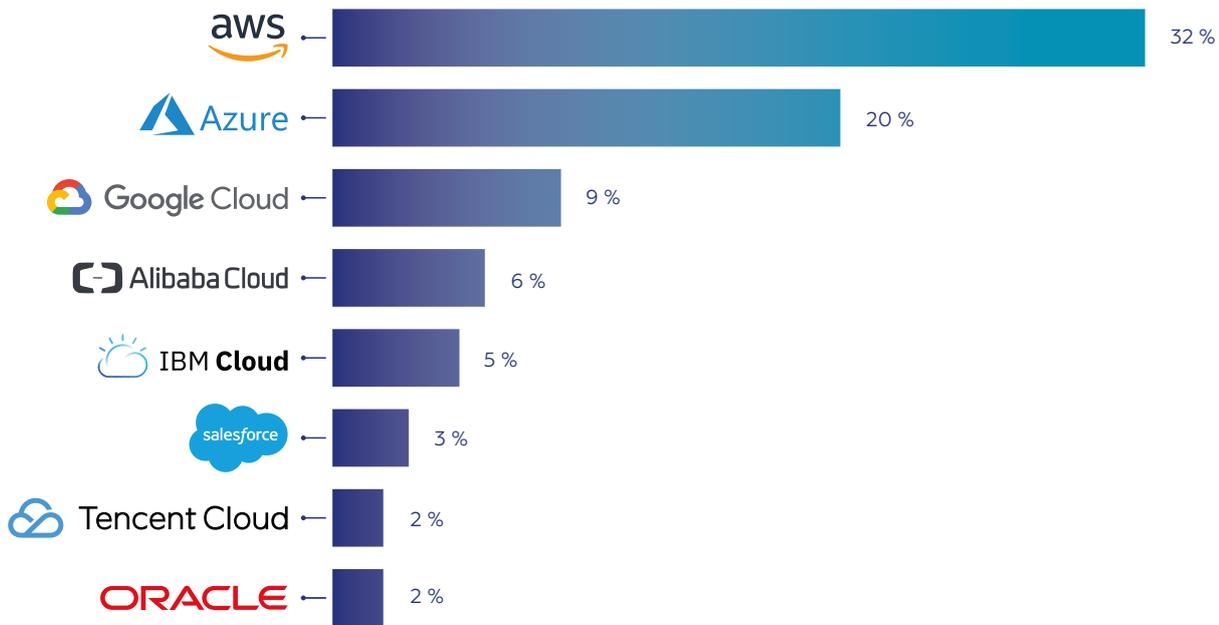
A PAWN IN THE CONTEST BETWEEN THE UNITED STATES AND CHINA

There are good reasons why Germany is reluctant to seek clear answers to the question of how it can reduce its dependencies and strengthen its own capabilities. This not only requires identifying short-term, medium-term, and long-term opportunities for action that are based on a deep understanding of the technology sector, but also a willingness to set priorities and accept the associated costs. As things stand today, German technology policy already suffers from major contradictions and conflicts

of interest. The biggest problem is that these contradictions will only continue to grow if Germany fails to act. Germany faces a major challenge when it comes to positioning itself in terms of technology policy in the international context. Closer links with the United States in the tech sector will inevitably lead to sharper confrontations with China. Developing domestic technological capabilities to reduce dependence on US companies is unrealistic in the short term and would be a high-risk and expensive approach. The same can be said of any attempt, together with European partners, to chart a separate course between the United States and China. This would result in Germany and the EU permanently becoming a battleground in the confrontation between Chinese and US interests.

A foretaste of this was provided by the debate on the role of the Chinese telecommunications equipment provider Huawei in the development of Germany’s 5G network. For almost two years, the United States and China tried to influence the decision of Germany’s federal government through various channels. The obvious lack of agreement within the government created more opportunities for external intervention and thus invited even greater external pressure. The 5G debate is evidence that an overt inability to agree on an unambiguous position massively increases the political price of taking a decision that either China or the United States does not like.

The United States Leads the Global Cloud Market – The EU is Irrelevant



Note: The cloud is now the main element of digital infrastructure. Europe has no notable companies or market share in this field.

Source: Statista, based on the Synergy Research Group, July 2021, <https://t1p.de/mbub>

*Includes Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) as well as hosted private cloud services

To avoid such high-pressure campaigns, the German government needs to increase its ability to identify key trends and issues in the tech sector early on as well as their implications for its interests. And that is not enough. Based on such monitoring and analysis, Berlin also needs to formulate clear policy positions that have the support of all relevant stakeholders within the government – no easy task given the legacy of infighting among ministries and parties within the ruling coalition.

KEY CHALLENGES FOR GERMAN TECHNOLOGY POLICY

Weaknesses in the Commercialization of Innovation

By shortening innovation cycles and changing business models, digitalization is transforming the foundations for Germany’s future prosperity. Compared to physical products like machines or vehicles, software-driven

applications such as platform markets can be developed more quickly and rolled out globally via the internet. This creates many opportunities for disruptive innovation by new market entrants. But the key motto behind market disruptions has not changed: There is no innovation without innovators.

In principle, Germany’s systems for education, science, and research mean it is well placed when it comes to the development of technological innovations. Its reputation and high quality of life enable Germany to attract international talent and top researchers. If it proactively seeks to attract international scientists and innovators, while simultaneously improving the conditions for research and start-ups, Germany can compete with the world’s leading innovation ecosystems for the brightest minds.

However, technological innovations can only be consistently translated into economic success if products can be rolled out and production scaled up quickly. As is shown by the United States and, increasingly, China, this requires a strong ecosystem in which – besides entrepreneurial drive

– investors with the necessary capital resources and agile public funding instruments play a key role. Strengthening Germany's position as a hub for innovation must therefore be a priority in the current electoral term.

Technology Policy as a Highly Complex, Cross-Cutting Issue

Technology policy is a cross-cutting issue and must be dealt with accordingly. Support for and the use of technologies in the domestic market also always have implications for Germany's position in the international economy. This is particularly true of digital technologies that make use of the possibilities offered by global online connectivity. This is an area where boundaries are blurred between the internal and the external, as well as among economic, security, and human rights dimensions – especially in the context of the dominance of global internet giants and the growing importance of data for value creation and social innovation.

Facebook, Google, and Apple are among the most innovative and successful companies worldwide. At the same time, their market power raises anti-trust concerns. One thing all three companies have in common is their access to sensitive, security-relevant user data. This data, in turn, raises questions related to national security and is sought-after by security authorities and criminals alike. Enabling the expression and sharing of views and knowledge, these platforms are highly relevant when it comes to the protection of human rights and the process of forming public opinion. Rather than considering how these various dimensions connect and interact, Germany views the technology sector mainly through the lens of highly siloed competences within different regulatory agencies and ministries.

Public Sector Weaknesses

Besides its dependence on major tech platforms, Germany also has glaring weaknesses when it comes to the development and use of digital technologies in the public sector – whether in the education system, public administration, or health sector. The government (at the federal and state levels) and the public administration (mainly at the state and municipal levels) lack expertise in this area, specifically the ability to draw the right conclusions from new trends and then, crucially, to act quickly on these conclusions. Given how far Germany has fallen behind in the tech industry, the German public sector is needed as a driver and funder of technological innovation. Yet public institutions are currently chasing after developments rather than shaping them. This is due to fundamental structural problems in the government and public administration, which require

modernization efforts across the board. This includes creating clear competences and streamlined coordination processes.

Untapped Opportunities of the EU Single Market

The single market gives the EU enormous regulatory power. The combination of the size (number of consumers) and purchasing power (average income in the EU) of the single market makes the EU one of the most attractive markets in the world. Regulating this market gives the EU a powerful lever that can be used to set global standards. The best example in the technology sector is the EU's General Data Protection Regulation, which has become a global standard because tech giants do not want to give up the lucrative European market. The EU is now taking a similar approach with its AI Regulation. To date, however, regulation has not led to a stronger European technology sector, as many policy makers had hoped. On the contrary, the market power of Google, Facebook, Amazon, Microsoft, and Apple has continued to rise in recent years. On top of this, European regulatory requirements have so far not created the envisaged digital single market. There are many opportunities for countries to go it alone, and the implementation and enforcement of European rules continues to differ sharply from one member state to another. As a result, the huge potential offered by the single market, which could give domestic start-ups and industrial companies better opportunities to compete with firms from the United States and China, remains untapped.

Transatlantic Tensions

Under Secretary of State Hillary Clinton, the United States launched the Internet Freedom Agenda and took on a global leadership role in defending the free and open internet. The Internet Freedom Agenda brought the interests of Silicon Valley's global tech giants together with the foreign policy objectives of promoting democracy and human rights and of supporting the US technology sector. Edward Snowden's revelations led to an international backlash against the US government's claim to leadership, as he exposed that government's security interests in having access to global data flows. While the outrage in Europe has since subsided, it has not been forgotten, and it still overshadows the discussions on transatlantic data flows.

The United States is now also taking a far more critical view of tech giants, with calls for greater regulation also being made in Washington. Joint regulatory interests could strengthen transatlantic cooperation. However, major conflicts of interest remain as virtually all major tech platforms

affected by competition regulation come from the United States. Today, it is already apparent that they are attempting to head off intervention by persuading the US government that they are national champions that are essential for competition with China. As a result, the biggest opportunity offered by the new Trade and Technology Council is not the chance to develop joint transatlantic positions, but first and foremost the fact that it requires the EU to react to US interests and proposals. This could advance and institutionalize greater cooperation and coordination within the EU on key technology policy issues.

Technology Policy Will Determine the Future of Globalization

The internet, the infrastructure that underpins so many digital technologies, is global in nature. It facilitates cross-border connectivity and knowledge sharing. The IT sector itself is organized in complex global value chains.

Software-based services and innovations can be rolled out rapidly around the world via the internet. This enabled TikTok, a Chinese app, to build a global community of users in just a few years. That said, there are currently also strong pushbacks against products and services based on global connectivity and the associated data flows. The technological competition between China and the United States is at the heart of this. Major US platforms such as Facebook and Google are blocked for internet users in China, as are many Western media outlets that report independently and critically on China. Partly because of US export restrictions, China has stepped up its efforts to become less dependent on American technologies, for example in relation to operating systems or chip design. There is also a global trend toward stricter national regulation of internet services and data use. Even the future of transatlantic data sharing is uncertain, given the different views that exist on data protection and legal frameworks for government access to data for security purposes.

RECOMMENDATIONS FOR ACTION ON THREE LEVELS

Technology policy needs greater political visibility, and it must be embedded in structural reforms and guided by an overarching strategy. These three levels are interconnected and must go hand in hand if Germany is to successfully overcome the challenges outlined above. While these issues are now receiving a great deal of attention from policy-makers, the only way to ensure they receive lasting and sustainable political visibility is through structural reforms and an overarching strategy.

Technology policy has become a higher political priority, and this is reflected in the calls for a federal ministry for digital affairs. However, the creation of a new ministry will not be enough to establish technology policy as a cross-cutting issue. Structural reforms are also needed to improve interministerial cooperation, to lay the foundations for faster analysis and decision-making, and to implement the resulting strategies and measures effectively. The third level, alongside visibility and structural reform, is strategic positioning, which concerns addressing the challenges and trade-offs set out above.

1. VISIBILITY OF TECHNOLOGY POLICY

The establishment of a ministry for digital affairs is currently the most prominent reform being called for with the aim of boosting the visibility of technology policy. However, creating a ministry does not, on its own, guarantee a high level of visibility and influence at the cabinet table. For this to be the case, the ministry needs to have suitable competences, and a minister with sufficient influence in the government must be appointed. In addition to the roll out of broadband and digitalization of the public administration, a digital ministry should also have competences in the areas of research funding for key technologies, regulation of the digital economy, and funding for social and economic innovation. The foreign policy dimension should be anchored at the institutional level so that the ministry brings the internal and external aspects of technology policy together under one roof and considers both in its decisions.

One possible alternative to a digital ministry is upgrading the Federal Chancellery's competences and resources, for example in the form of a technology taskforce with its own budget. This approach has the advantage of better reflecting the cross-cutting nature of the issue, as it will be impossible for a digital ministry to bring together all the relevant competences. The danger, however, is that a technology taskforce might implement its projects independently of the ministries rather than in cooperation with them. To ensure visibility, a technology taskforce would also need a very close connec-

tion with the federal chancellor; ideally, it should have a seat at the cabinet table. If the approach of closer coordination in the Federal Chancellery is taken, the Federal Foreign Office would have to concentrate on the international dimension of technology policy and develop the necessary resources and structures. However, the establishment of a digital ministry would also require the Federal Foreign Office to take action, and this is discussed in greater detail in the following section.

2. STRUCTURAL REFORM

Technology policy is a cross-cutting issue. Neither a strong digital ministry nor a well-equipped taskforce will be enough to produce an effective technology policy unless structural issues relating to interministerial cooperation and coordination are addressed (see also the Action Plan for German Foreign Policy Structures). The field of technology policy should play a prominent role in the strategy development process, but it must also be integrated into the proposed Federal Security Council and the upgraded crisis response center. The proposed interministerial foresight process should also look at issues of technological change and its geopolitical implications.

Structural reforms are also needed at the ministry level. The issues of higher prioritization, better coordination, and the development of expertise and resources are relevant not only in terms of intragovernmental cooperation, but also in the context of the work of the individual ministries. The focus in this chapter is on the Federal Foreign Office, which – no matter whether a digital ministry is created or not – is the key player in German foreign and security policy.

Making International Technology Policy More Visible and a Higher Political Priority

Not only is the foreign policy dimension of technology policy not a political priority for the leadership of the Federal Foreign Office; but the necessary resources (both human and financial) are also lacking. There is a risk of the foreign policy agenda being dominated by the short-term problems of day-to-day politics rather than by the need to strategically develop capacity to act on this key issue for the future. This issue can only be made a priority if the process is driven by the political leadership and if the necessary resources are made available. To ensure internal coordination and external visibility, a member of the highest leadership level

should be given responsibility for the foreign policy dimension of technology policy. In addition, the relevant competences, which are currently scattered across various directorates-general, need to be brought together.

Developing and Systematically Implementing a Digital Agenda for the Federal Foreign Office

The previous electoral term saw the Federal Foreign Office engage with a digital strategy of its own for the first time. New technologies offer a great deal of potential to improve internal cooperation and collaboration with Germany's missions abroad, and to tap into new analytical sources and capabilities in the work of the Federal Foreign Office. This requires a fundamental evolution of internal processes and structures to improve internal information flows, break down silo mentalities, and streamline decision-making processes. The Federal Foreign Office should set up an innovation unit that can develop and try out new ideas and encourage a shift in internal culture toward more agility and collaboration

Developing and Deepening Expertise

Like the rest of the federal administration, the Federal Foreign Office must compete more for the best talents. It will only be able to recruit digital experts and thought leaders if it offers them long-term prospects. Career structures and pathways should be adjusted to allow greater subject specialization.

Making Strategic Use of the Missions Abroad for Technology Policy

Other ministries are responsible for regulating and promoting digital technologies. The Federal Foreign Office's greatest assets are its global network of missions abroad and its expertise in developing and cultivating international alliances and institutions. However, it is not yet making the most of these assets when it comes to the foreign policy dimension of technology policy. For example, Germany cannot achieve digital sovereignty alone but only at the EU level. This will, however, require a great deal more knowledge and information about competences and strengths in the technology sectors of other EU member states, and more work on developing a common strategic position. China and the United States already receive a great deal of attention. However, the federal government also needs a better understanding of global developments and interests in

the technology sector. Only in this way can the Federal Foreign Office develop a coherent strategy for Germany's foreign policy position on key issues of international technology policy.

3. STRATEGY – CORE ELEMENTS OF A TECHNOLOGY POLICY ' APPROACH

Grasping the Geopolitical Dimension of Technology and Acting Accordingly

Although many in Germany do not want to believe it, new technologies are at the center of geopolitical conflicts. Germany must deal with this reality productively. This does not mean copying American or Chinese approaches. Instead, Germany must grapple much more seriously with its dependencies and vulnerabilities (see also the Action Plan for the Economy and Foreign Policy and the Action Plan for China and Foreign Policy). This includes determining the fields of technology where it is essential for Germany to have its own expertise. Particularly in the technology sector, China has long since ceased to be just a market for German products and is increasingly becoming a competitor. German policy-makers need a better understanding of the long-term interests and developments in China and need to develop strategies to avoid dependencies in the context of key technologies (see also the Action Plan for China and Foreign Policy). Shared values provide an argument for closer transatlantic cooperation. But there are conflicts of interest to be navigated in relations with the United States as well, resulting from the asymmetry of economic strength in relation to key digital technologies.

Establishing Priorities for Technology Policy on the Basis of Overarching Objectives

The development and mastery of technologies is only ever a means to an end, not an end in its own right. German technology policy lacks an overarching vision to give it the guiding framework it needs to set priorities. The following starting points should be at the heart of this kind of sociopolitical vision:

- **Climate action and the Sustainable Development Goals (SDGs):** Technologies that can contribute to climate action and the achievement of the SDGs should be prioritized. The German government needs a mission-oriented approach in which

it works together with stakeholders from the academic community, business, and civil society to define the overarching challenges that it then seeks to address by mobilizing funding and taking further measures – for example in the areas of regulation or public procurement. Such an approach can help drive technology promotion forward in the sociopolitical context. However, this requires capacities in the government and public administration.

- **Openness and capacity to act:** Technologies that do not leave Germany dependent on individual companies or countries should be prioritized. Open standards, interoperability, and open source are important approaches for achieving this goal.
- **Defense of European values:** Human rights and democracy still must be defended in the context of new technologies. The use of new technologies for the purpose of blanket surveillance, discrimination against marginalized groups, and the manipulation of democratic processes must be systematically countered.
- **Access to technology:** Germany should ensure that developing countries have access to technology and the opportunities for development that it brings.
- **Mobilization of capital:** Germany needs to invest more in developing key technologies and translating them into commercially successful products. First steps, such as the establishment of the Federal Agency for Disruptive Innovation or the plans for a technology investment fund, should be systematically refined and strengthened.
- **Europe as the anchor for German technology policy:** Germany is too small to be visible and successful in international competition – particularly with China and the United States. The federal government should stop going it alone and concentrate fully on the further development and harmonization of the digital single market.
- **Security should not be overlooked:** Digital technologies also play an important role for security authorities and the military. Germany must not close its eyes to this reality. It must develop the expertise to allow it to understand the security policy aspects of digital technologies and to use these technologies in line with European values to protect German society and democracy.

DGAP REPORT



Action Plan for Resilience and Democracy

How Germany Can Repel Attacks on Its
Society and Democracy



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For several years, Western democracies in Europe and America have faced a growing barrage of digital attacks. Domestic and foreign players are using hybrid methods, such as cyberattacks, in an attempt to influence the public opinion-forming process in their favor and to weaken institutions, with the aim of inflicting lasting damage on democracy. The press, in particular, is coming under growing pressure due to the online services of major digital providers, and as a result is increasingly losing its ability to fulfil its traditional role. At the same time, some sections of the population have lost trust in traditional media and are turning to alternative, online media services (such as Facebook, YouTube, and influencers).

The 2016 US presidential election and the Brexit referendum are key events in recent years that have exposed the vulnerability of democratic societies to targeted disinformation and propaganda campaigns. These phenomena pose a threat to both the democratic opinion-forming process and the integrity of elections and votes.

The massive wave of false information and conspiracy theories during the coronavirus pandemic has shown that times of crises in which hard facts are in short supply can also be deliberately exploited to spread uncertainty among the public, exacerbate social division, and undermine confidence in public measures to tackle the crisis. In other words, this not only has implications for democracy, but also for Germany's internal and external security.

Finally, hacker attacks on public institutions (especially the German Bundestag) have been taking place for years; these attacks threaten their ability to function and capacity to act, and thus endanger democracy itself.

CHALLENGES

If an answer to the new threats is not found in the near future, there is a risk that democracy will suffer irreversible damage. Efforts must be made to boost digital and democratic resilience within Germany and the EU, and to immunize Europe's societies against attacks from within and without.

The complexity and multifaceted nature of the new threat landscape poses a particular challenge; it requires a wide range of stakeholders to work together at multiple levels and opens up a large number of potential fields for action. In a democratic state governed by law, democracy is the shared responsibility of policy-makers and society, the EU and the member states, business and consumers, and no single stakeholder can solve these problems alone.

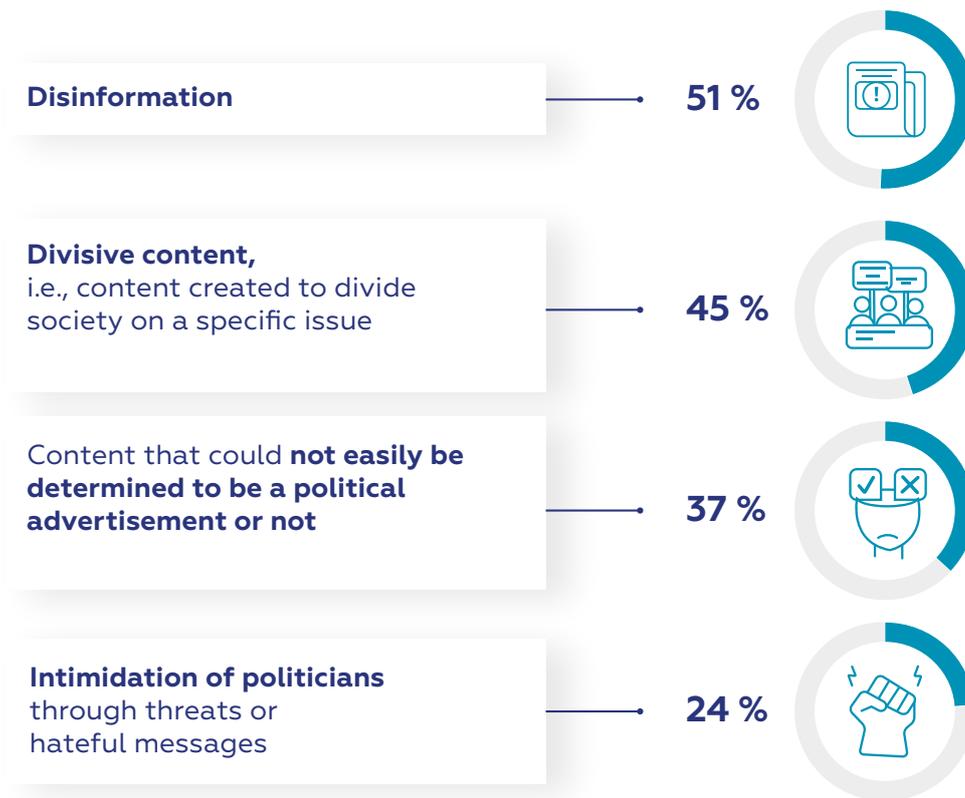
Moreover, disinformation and propaganda are issues that touch on a gray area for freedom of information and opinion, which is essential in a democracy. A nuanced and tiered approach is therefore necessary to avoid unjustified interference in these liberties and prevent accusations of state censorship. Targeted government measures against specific content can therefore only be considered as a last resort, if at all.

Well over one third of the public now obtains political information from social networks. Since it came to light that third countries or private actors paid by them make targeted use of these platforms to spread disinformation and propaganda with the aim of undermining the public's confidence in democracy, however, these networks have increasingly become the focus of criticism.

The number of alternative online media services deliberately used to spread false information and propaganda, or at least hyper-partisan content, is growing. Lower production costs and improved technical options give these formats a professional appearance, making it harder for the public to distinguish them from serious news. Many users also currently have a relatively low level of media literacy. On top of this, there are news services such as Russia Today (RT) or Sputnik that are controlled by foreign players and are also used as a means of spreading propaganda.

Europeans Frequently Come into Contact with Harmful or Illegal Online Practices

EU-wide, respondents who use the internet were asked whether they have ever been exposed to or personally witnessed these four issues when online:



Source: Special Eurobarometer 507, <https://t1p.de/n4f29>

RECOMMENDATIONS

BUILDING PUBLIC RESILIENCE

Disinformation, propaganda, and political advertising are not brand-new phenomena that first emerged in the digital era. To counteract the changes to how information is provided and received that have been brought about by the internet, it is important to invest in building and maintaining public resilience. In concrete terms, the aim should be to make it easier to access trustworthy, well-researched content; to boost

the public’s media literacy; and to create an information ecosystem in which disinformation and propaganda can be identified more easily.

1. Strengthening the Press and Broadcasters

- Given that it is impossible for any individual to keep up with today’s barrage of online news, people are more dependent than ever on the selection and presentation of information by the institutions of the press and broadcasters. Public service broadcasters, in particular, play the key role in providing the basic service of ensuring the public is supplied with

trustworthy, fact-checked information. The free press must be strengthened to ensure the supply of high-quality news in the future. Regulatory intervention with the aim of creating a level playing field for internet companies and media operators could also be a useful approach. This can take place primarily by expanding the new Inter-State Treaty on Media Services (Medienstaatsvertrag) to include the operators of social networks, which will then be required to take on similar responsibilities and obligations in terms of reporting.

- Against the background of a radically shifting media landscape, the possibility of realigning the constitutional mandate for broadcasters to ensure the provision of a basic service for the public must be considered, with an even greater focus on providing fact-checked content in the future.
 - Consideration should be given to the possibility of supplementing German public service broadcasting with a European public service broadcaster, which would make the EU's policies and the decision-making processes in Brussels, Strasbourg, and Luxembourg more transparent and understandable.
 - Furthermore, an independent rating agency could be created to rate media services, focusing on criteria such as "factuality of reporting." An agency of this kind would, of course, have to be independent and free of state influence, and subject to oversight by the courts, in order to avoid the impression that it is a "ministry of truth."
- transparency of sponsored political content online. The current federal government should actively participate in these initiatives – via the Council of the European Union – and contribute proposals of its own.
- One key objective should be to create greater transparency in the online context. The public should be able to know who commissioned an advertisement, and with whom or what people are interacting via social media. It should be clear what is and is not a bot, and whether a "message" is not "real" because it is the result of interaction with a bot.
 - Furthermore, in the case of posts with political content, it should be clear to users whether it is a paid advertisement or journalistic content.
 - Platforms should also face more stringent responsibilities regarding the use of algorithms. The criteria that determine the algorithmic selection and presentation of news should be made more transparent.
 - Online anonymity, currently taken for granted, is increasingly becoming a challenge as well. As cyberspace develops into a second (virtual) world in which people live their lives, greater consideration should be given to means of facilitating identification in similar ways to the traditional (real) world. One conceivable option would be for anonymous "cyber identities" (conveyed by internet avatars) to be identifiable in the real world, enabling people to be held accountable for their actions in certain circumstances.

2. Platform Regulation

Today, major online platforms play a key role in the dissemination of information by acting as gatekeepers. To ensure that the public's confidence in democracy is not undermined by disinformation and propaganda, there is a need for platform regulation that creates new responsibilities – reflecting their role as gatekeepers – and places greater obligations on platforms more generally.

With its proposal for a Digital Services Act, the European Commission has taken an important first step in the direction of this kind of regulation, with the aim of setting standards for social media and data collection by platforms – an approach that is similar to the General Data Protection Regulation. In addition, the EU has announced that it intends to launch legislative initiatives on the regulation of artificial intelligence and the

3. Public Relations Activities

Although the federal government is not allowed to intervene directly in the public opinion-forming process, it is free to engage in information and public relations activities and to inform the public about its work. In the future, the federal government should make greater use of the possibilities and reach of social networks to supply the public with trustworthy information. The "Together Against the Coronavirus" (Zusammen gegen Corona) campaign run by the Federal Ministry of Health on Instagram can serve as a model; it provides up-to-date information about efforts to tackle the pandemic and the recommendations issued by the Robert Koch Institute in the form of short, easy to understand video clips. However, the government should refrain from engaging in counterpropaganda in the narrower sense as, from a psychological perspective, it can have the effect of reinforcing people's views.

4. Boosting Media Literacy

Although social media use is continuing to rise, many users still have a low level of media and technical literacy. For example, around half of Europeans do not know what an algorithm is, let alone how it functions or what influence algorithms have on the selection and presentation of information. In the medium term, it is important to boost the public's media literacy, in particular that of young people as part of their education, and to raise public awareness of the mechanisms and dangers of online disinformation and propaganda.

The idea of an independent rating agency could again be useful here. A certification process could be considered, through which online news providers could confirm that they comply with and uphold journalistic standards under the press code. As is already common for online shops, the operators of online news services would be entitled to display a kind of quality label on their website after passing the agency's checks.

When it comes to cybersecurity, the "human element" is demonstrably among the biggest security risks. For example, the biggest cyberattack on the German Bundestag to date, in 2015, was only possible because users unthinkingly opened phishing emails. Boosting the public's media literacy is therefore very important in this context, too.

Anticipating Threats, Detecting Them at an Early Stage, and Responding to Them

One of the keys to repelling the new threats is detecting them at an early stage so that it is possible to respond to them in time. Previous experience with disinformation campaigns and cyberattacks has shown that a substantial proportion of these attacks are orchestrated and event-driven, and so they can be anticipated in certain circumstances.

- In the short term, detection and early warning systems should be created to allow such attacks to be identified at an early stage and defensive measures to be taken. The situation centers of the relevant security authorities could be strengthened with specially trained staff.
- The relevant security authorities already have a platform for cooperation to identify and defend against cyberattacks, in the form of the National Cyberdefense Center (Nationales Cyber-Abwehrzentrum). While its mandate is currently limited to cyberat-

tacks in the narrower sense (IT systems), this could be expanded to include tackling disinformation.

- The possibility of creating a structure in Germany similar to the EU's East StratCom Task Force could also be considered; it would focus solely on detecting and combating foreign disinformation and propaganda.
- At the European level, the European Union Agency for Cybersecurity (ENISA) could provide a forum to facilitate and coordinate the exchange of experience between the EU and its member states on political hacking and disinformation in the context of elections and crises. Guidelines and rulebooks for dealing with these challenges could be drawn up on the basis of this exchange of experience. The federal government should seek to ensure that the German security authorities are closely involved in cooperative structures of this kind.
- Building on lessons learned from the coronavirus pandemic, the issues of disinformation and propaganda should be an integral element of Germany's crisis response policy in the future.
- There are already signs that disinformation campaigns and cyberattacks are becoming a permanent problem; solving it will require established structures that facilitate close communication among policy-makers, security authorities, the academic community, and business. Efforts to tackle hybrid threats must be further institutionalized. In particular, the work of the National Cyber Security Council and its associated working groups should definitely be continued and intensified.
- To better prevent future cyberattacks on public institutions and ensure they retain the capacity to act at all times, Germany should invest in the IT security of critical infrastructures, especially that of constitutional bodies at the federal and state levels.

Supporting Research

One special characteristic of new hybrid threats, such as disinformation and cyberattacks, is that they benefit to a significant degree from the amplifying effect of certain technologies (algorithms, malicious social bots, etc.), or are even the product of them (AI-generated deepfakes). Tackling these phenomena therefore requires an understanding of exactly how they work and how these technologies interact. On top of this,

the rapid pace of technological advances means that new threats can emerge at any time, and countermeasures must therefore be continuously adapted. Public authorities are therefore dependent on having an up-to-date picture of the threat landscape at all times.

- To enable it to keep up with future developments in the field of disinformation, the federal government should continue to support interdisciplinary research projects. A promising interdisciplinary platform that can serve as a starting point for further work already exists in the form of the DORIAN project (detecting and tackling disinformation), which is supported by the Federal Ministry of Education and Research.
- Particular attention should be devoted to new, even more dangerous forms of disinformation, especially deepfakes. These are photos or videos manipulated using AI in such a way that they are no longer readily identifiable as fakes. Experts fear that the foreseeable widespread use of deepfakes in the near future could further erode the public's already battered trust in politics and the media. It is therefore all the more important to drive forward regulation of the use of artificial intelligence.
- Researchers seeking to conduct a scientific analysis of the phenomenon of disinformation are dependent on data that can shed light on the exact dynamics of the spread of fake news on social networks. Currently, however, there is an information gap in favor of the major online platforms,

which have the relevant data, but often refuse to make it available for research purposes. The possibility of establishing an obligation for online providers to grant researchers access to this data in a manner that complies with data protection requirements should therefore also be considered in the context of the EU's forthcoming regulation of platforms.

TRANSATLANTIC ECONOMIC AND VALUES-BASED COMMUNITY

Germany, as a member state, is part of the European Union and multilevel constitutionalism. Consequently, Germany must refrain from designing policies in isolation and instead always consider its actions in this context, or in other words from the perspective of cooperation and the division of labor. This is particularly true in the case of challenges such as the hybrid threats that are relevant here, which affect all member states and the EU equally and require a cohesive approach. The federal government should therefore work toward the definition of a joint strategy for the EU and the member states.

At the same time, Germany and the EU should look for partners on the other side of the Atlantic (the United States, Canada) and in other parts of the world (especially the EU's neighborhood and Australia and New Zealand) who want to join their efforts to safeguard democracy and boost digital resilience. A joint forum for dialogue on practical approaches and new concerns could, as part of a "transatlantic economic and values-based community," be anchored in the framework of the OECD, NATO, or a new "alliance for digital democracy."

CONCLUSION

Various key events in recent years have exposed Western societies' vulnerability to disinformation, propaganda, and targeted efforts to influence elections, and have demonstrated the need for action on this issue. German policy-makers have to respond to these new threats to democracy by taking active measures to protect it and by boosting democratic and digital resilience. The complexity of the new threat landscape requires a cohesive approach by Europe's democratic countries, with the involvement of business and civil-society stakeholders, as well as partners from across the Atlantic. In this framework, Germany should, together with the EU, press for the development of a common strategy based on the guiding principles of transparency, credibility, media literacy, and shared responsibility.

DGAP REPORT



Action Plan for Climate and Foreign Policy

How Germany Can Become a
Climate Leader



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Germany has to become a climate leader. That is not optional, but a legal obligation – as the Federal Constitutional Court made clear in its ruling on April 29, 2021. The court not only warned of the need to adhere to the principle of intergenerational equity in the climate change law on which it was ruling, but also emphasized that Germany, as a leading industrialized nation, made a commitment when it signed the Paris Agreement to make a greater contribution to climate action than emerging economies and developing countries.

Article 3 of the Paris Agreement stipulates that the successive climate targets set at national level by each signatory must represent a progression over time. This national contribution must also reflect the highest possible ambition for the country, expressing its common but differentiated responsibilities and respective capabilities. Germany is a highly developed country with a considerable degree of historical responsibility for climate change and a strong interest in an economic and technological leadership role. Its obligation under the Paris Agreement is to play its part in ensuring that the world successfully makes a just transition to a carbon-neutral economy by showing leadership. During Federal Chancellor Angela Merkel's term of office, Germany already wasted a lot of time and room for maneuver with its inadequate Climate Change Act: years in which emissions could have been lowered and German businesses could have prepared for new rules. This mistake must not be repeated. But even setting aside international agreements, there are good reasons why Germany must take foreign policy action.

WHAT IS AT STAKE FOR GERMANY

First, Germany's economy depends on its export and trade relations across the world, which are changing in the face of a changing climate and the global energy transition (see also the Action Plan for the Economy and Foreign Policy). It is extremely important to Germany, as a major exporting nation, that foreign and global climate standards take into account the interests of German exporters. The EU is currently a trailblazer in some respects when it comes to the development of climate policy measures that affect foreign policy (for example, the proposed carbon border adjustment mechanism and emissions trading for international shipping). Germany must endeavor to explain the reasons for such measures to third countries and seek to ensure that they do not result in diplomatic clashes or retaliatory trade measures. However, these measures do not yet go far enough to achieve the aims of the Paris Agreement. Germany must develop and implement more ambitious measures. Alternatively, such measures will be developed by others, e.g., the UK with its strong finance sector, to

standards not automatically best for Germany's different economic strengths.

The second reason why Germany must take foreign policy action is the geopolitical aspect. The global energy transition is fraught with geopolitical risks. When renewable energy replaces fossil fuels – and the question is when, not if – oil and gas exporters will lose out and fossil infrastructure will largely turn into stranded assets. Other countries can benefit from this (see also the Action Plan for the Economy and Foreign Policy) by exporting green electricity, for example, or raw materials such as rare earth metals, which are important for renewable energy technologies. The global energy transition means that Germany will face new geopolitical relations, competitions, and rivalries, which it will have to manage.

Thirdly, and on the forefront of current public debate, climate policy is also about the safety of the German public: The deadly floods in July 2021 made clear that Germany is not even adequately prepared for today's extreme weather events. The report published by the Intergovernmental Panel on Climate Change (IPCC) in August has once again highlighted that intense rainfall events and other weather extremes will continue to become more frequent in the coming years as a result of climate change and will thus become a growing threat. The report also dispelled any doubts about the fact that this rise in extreme weather can largely be halted if the world reduces its carbon dioxide emissions to net zero. As Germany's carbon dioxide emissions account for two percent of global emissions – as opponents of climate action never tire of pointing out in an attempt to evade responsibility (never mind that Germany makes up just one percent of the global population) – it is essential for German foreign policy to support emission reductions abroad. Germany not only has a moral duty to minimize climate damage abroad; it also has a pragmatic interest in doing so because climate damage always hits the most vulnerable in every society hardest, increasing inequalities and thus contributing to conflicts in Germany's direct neighborhood and globally (see also the Action Plan for Climate and Security).

Finally, Germany also has a strategic interest in helping to shape the transition from fossil fuels to a climate-neutral economy in the countries of the Global South, and the adaptation of these countries to the impacts of climate change. This is not only important for security policy reasons (see also the Action Plan for Climate and Security), but also due to Germany's economic interests, given that China is investing heavily in Sub-Saharan Africa and South-east Asia.

It has been established that the world aims to reach net zero by the middle of this century. The only question is whether Germany will help to define the rules and standards of global trade and energy policy – or whether it will have to implement decisions taken by others. The latter entails considerable risks for the German economy, including with regard to planning reliability, long-term financing, and market access. The 2021 elections offered Germany opportunities to take on a leadership role.

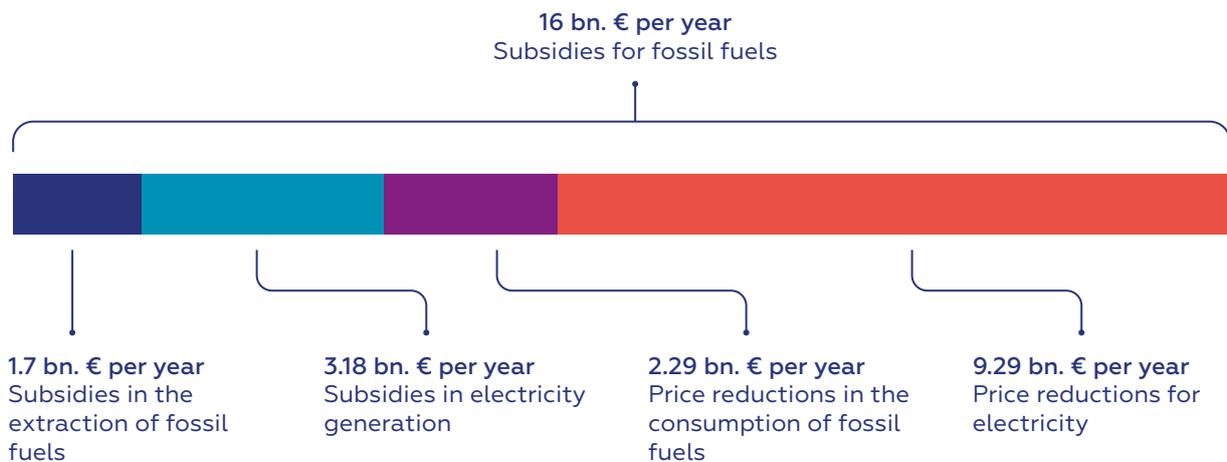
MORE AMBITION AT HOME

If it is to become a climate leader, Germany must openly and transparently set out the trade-offs between more future-proof economic activity and short-term profits. The same applies to trade-offs between domestic and foreign policy objectives, such as that between German export policy and fair market access for developing countries and emerging economies, which would help to avoid or at least reduce international conflicts. Compromises ought to be made in both of these areas, in the spirit of international and economic responsibility. This means raising ambitions at home: a more rapid phase-out of coal, oil, and gas, and other kinds of decisive action, such as construction regulations designed to achieve climate neutrality in buildings,

a fundamental shift in transport policy, and reform in additional sectors, such as the financial industry and the agricultural sector.

The slow phase-out of coal hangs like a millstone around the necks of German climate diplomats. Yet Germany could solve this problem relatively easily. Although coal is supposed to be phased out by 2038 at the latest, almost all experts believe that this process will already be complete in 2030. The most recent German and EU climate targets have all but guaranteed this. In spite of this, Chancellor Angela Merkel's government rejected any changes to the coal phase-out decision, not providing credible plans to end fossil fuel subsidies more generally and even very publicly continuing to destroy villages and ecosystems to dig up coal. This is undermining German diplomats' efforts to achieve global progress in the field of climate policy. For example, if the G20 countries try to persuade China, Russia, and India to phase out coal by 2030, Germany can contribute little to the debate. This will remain the case for as long as this wealthy country, which sees itself as a climate trailblazer, itself plans to end coal burning at a later date. Speeding up the phase-out of coal is vital not just for Germany's credibility, but also from an economic policy and geopolitical perspective. These two areas cannot be fully separated from foreign policy.

Annual Subsidies for Fossil Fuels in Germany



Source: Friedrich-Ebert-Stiftung (2020), based on Federal Ministry of Finance (BMF) 2019, Federal Ministry for the Environment (BMU)/Federal Ministry of Finance (BMF) 2017, Green Budget Germany (FÖS) 2018, German Emissions Trading Authority (DEHSt) 2019, Federal Government 2018, <https://t1p.de/2f7k>

PROGRESS ON DEVELOPMENT POLICY AND CLIMATE FINANCE

International development policy, particularly climate finance, is another area that needs to be included more in foreign policy. Germany already plays a pivotal, highly respected role in international climate and development policy today through its long-term engagement in many countries in the Global South, for example via the Gesellschaft für internationale Zusammenarbeit (GIZ), Germany's development agency, and the Kreditanstalt für Wiederaufbau (KfW), the country's development bank.

Germany should leverage this reputation to develop clear criteria for payments in the framework of the Green Climate Fund (GCF), the main financing instrument of the UN Framework Convention on Climate Change for the transfer of funds from the traditional industrialized countries to the Global South. At the same time, Germany should advance GCF's long-term ambitions and financing. At the UN Climate Change Conference held in Copenhagen in 2009 (COP 15), the industrialized countries committed to "a goal of mobilizing jointly USD 100 billion dollars a year from 2020 onwards to address the needs of developing countries." According to a report published by the UN Independent Expert Group on Climate Finance, however, they have failed to keep this promise. There are also criticisms of the methodology used by industrialized countries to calculate the funds provided.

Germany has so far failed to fully meet its obligations in the GCF framework. Likewise, the United States has emphasized the importance of climate finance but is not doing enough to turn its words into action. The same is true of the host of last year's UN Climate Change Conference, the United Kingdom. Yet by failing to keep their own commitments, the industrialized countries lack credibility when they ask developing countries to make ambitious climate pledges (such as phasing out coal or eliminating subsidies for fossil fuels).

RECOMMENDATIONS

At the end of 2019, the Federal Foreign Office published a report on climate diplomacy that shows how almost every decision taken by German foreign policy makers has climate implications – from the financing of an expressway abroad to trade agreements or development assistance. Climate is a dimension that must be taken into account in all aspects of Germany's foreign relations, both at the national level and in the framework of the European Union and the United Nations. The year 2021 was pivotal: many decisions were due to be taken on the development of standards in relation to climate finance and the disclosure of climate-related risks.

1. Taking Climate Priorities into Account in All Decisions

In order to meet the climate targets established by the Paris Agreement and develop a climate-neutral economic and financial system while taking the other Sustainable Development Goals into account, stakeholders in German foreign policy need to have sufficient expertise in climate science and policy and sustainable finances. This includes parliamentarians, the staff of all ministries at all levels, the employees of institutions such as KfW and GIZ, and the staff of partner organizations in Germany and abroad. The federal government should develop and implement a climate training program, as this is the only way to ensure that decisions will actually lead to the goal of climate neutrality.

All political decisions should be examined in terms of their climate implications in order to ensure that Germany does not make huge investments that will become worthless in the near future because they depend on fossil fuels or are exposed to high climate risks. This final point is particularly relevant, as most organizations and governments currently treat climate as just one field of work among many others. As a result, many decisions are not scrutinized in terms of their compatibility with climate targets. Changing this, especially for the government ministries, should be a top priority for the new federal government.

This, of course, also applies to energy policy. The Nord Stream 2 decision, for example, would undoubtedly not be taken today. Now, however, it is important for the federal government to determine how Germany can permanently phase out natural gas use and what will then happen to the associated infrastructure in the long term as well as how to ensure the European electricity market is functioning without coal and gas-fired power stations to stabilize the load and prices. A sustainable finance system, which can only be established in a reliable political framework, is key. Germany is currently a long way from being a leader. The final stage of the COVID-19 pandemic offers the new federal government a rare opportunity for reform. It could shape a green recovery under German and transatlantic leadership in the current electoral term.

An important step in climate mainstreaming is better integration of development policy and climate and foreign policy goals. Closer cooperation with the research and scientific community, especially including social science research, is also necessary in order to ensure that local stakeholders can identify with projects. This kind of long-term capacity building helps to develop resilience. The need to better assess projects' sustainability is not the only reason why research is necessary. At present, there are also no guidelines that can be used to plan and prioritize adaptation measures and to compare international adaptation needs. This is problematic both within Germany itself and for climate finance worldwide. The result is that funds can easily be misused and that development policy lacks an important scientific basis.

2. Boosting Climate Finance and Development Assistance

In all highly developed countries, the share of the budget devoted to investment in support for development and climate adaptation in developing countries needs to rise. The current target of 0.7 percent of the federal budget is very low, and yet Germany still fell short in 2020, when the actual figure was 0.6 percent. Other countries, such as the United Kingdom, are also failing to meet their already low targets. This could be changed by awareness raising and more effective communication about how closely development, climate change, and security are intertwined. Investment in sustainable development policy helps to maintain and build peace around the world. An important first step would be for the new federal government to acknowledge this and commit to significantly boosting the development assistance budget. The funds for climate finance should

also be topped up. At the G7 summit held in Cornwall in June 2021, Germany pledged to raise its contribution to climate finance from four billion to six billion euro per year by 2025 at the latest. The new federal government should flesh out this pledge.

It is difficult to overstate the importance of standards in the field of climate finance. The fact that a whole array of sometimes incompatible and opaque environment, social, and governance (ESG) criteria currently exists means that they can be misused for greenwashing on a grand scale. Germany must adopt a clear position on the harmonization of climate and financial standards. This is particularly relevant with regard to the EU taxonomy, which sets out which economic activities contribute the most to achieving the EU's environmental objectives. The aim is to encourage investment in truly sustainable economic activities. This requires standards that are set based on clear metrics and not by industries that benefit from continuing to burn fossil fuels.

Again, the year 2021 was pivotal as many decisions were due to be taken on the development of standards in relation to climate finance and the disclosure of climate-related risks. Under the presidency of the United Kingdom, COP26 made this issue a priority. A framework for the disclosure of climate-related risks in companies has been created in the form of the Taskforce on Climate-related Financial Disclosures (TCFD). Germany should very rapidly determine how, and with what resources, the government and non-governmental stakeholders will participate in this platform.

Finally, the transfer of climate-friendly technologies should also be supported. Alongside progress in established networks and alliances – such as the United Nations Climate Technology Centre and Network (CTCN), WIPO Green, Mission Innovation, the International Solar Alliance, and others – new approaches are needed. This includes government purchases of licenses for key technologies so that they can be made freely available.

3. Refocusing Development Banks

Development banks and the International Monetary Fund (IMF) will play an important role in the transition to a more resilient, greener, and more nature-positive society, especially in the world's poorest countries. Germany should seek to ensure that climate change is adequately considered in all decisions taken by international financial institutions such as the World Bank, regional banks, and the IMF, especially in the context

of post-COVID economic stimulus packages. Resilience against climate risks must be made a priority in the implementation of these packages in order to ensure that the right lessons are learned from the coronavirus crisis.

Germany's own development bank, KfW, is successful and respected around the world. It therefore offers an ideal starting point for developing and implementing strategies to integrate climate change into development finance. Germany has already gained experience in this, for example via GIZ projects, but learnings are currently not shared. Also, success metrics are not standardized and tested against risks of maladaptation.

Insurance is another priority in development finance today. However, financial assistance for poor countries in the wake of a catastrophe does not solve the main problem of their high level of vulnerability. In the countries of the Global South, support should be provided on – at least – equal terms for the prevention of humanitarian catastrophes caused by weather and climate extremes, and for resilience building. Scientific studies have repeatedly shown that adaptation measures are only successful if functioning governance structures are in place. The situation is similar with re-

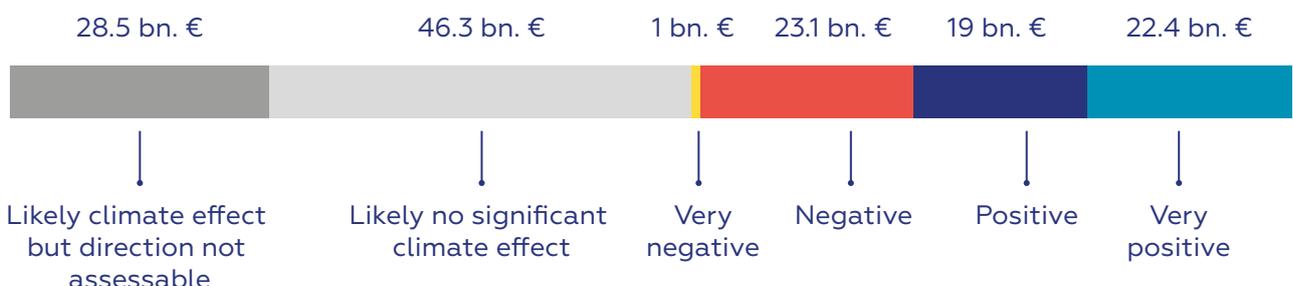
gard to equal rights for women: the greater the inequality between men and women, the lower the country's capacity for climate adaptation. The new federal government should base its strategy on an interministerial approach that fosters the necessary intensification of adaptation financing, but at the same time supports initiatives created by the countries affected.

Standards for the disclosure of climate and transformation risks must be introduced for the work of KfW and other development banks. The same also applies to government climate finance; this is another area where the lack of standards makes it difficult to judge the sustainability of various projects. The federal government should task KfW with developing criteria that encourage real sustainable development and adaptation, and that result in projects being turned down if they do not comply with all Sustainable Development Goals. These criteria can then be adopted by private-sector donors. This will enable KfW to contribute to developing the metrics set out above, but it will also make it easier to get private donors involved in meeting the considerable funding requirement for transformation. It is crucial to involve state-of-the-art science – as, for example, provided via the IPCC – and scientists to ensure trans-

Climate Effects of the German Recovery and Resilience Plan (DARP)

Explanation of the diagram:
Amounts committed by assessment category (all recovery measures)

Germany's Recovery and Resilience Plan aims to address the economic and social challenges posed by COVID-19 to emerge stronger from the crisis. Germany will receive funds amounting to 25 billion euro from the EU's Reconstruction and Resilience Facility. In total, Germany's reconstruction funds amount to 140.3 billion euro.



Source: Green Recovery Tracker (2021), <https://t1p.de/7dks>

parency and inclusivity as well as hedge against vested interests from industry (including the consulting industry). Open data, scripts, and methodologies should be mandatory.

In the long term, there should be easily comparable ESG criteria that apply worldwide. The earlier this is achieved and the more influence Germany can exert on their design, the more Germany itself can benefit in political and economic terms.

4. Shaping a Green Recovery

Germany and Europe should ensure that all measures funded by the EU's coronavirus recovery fund are required to be linked to Sustainable Development Goals in order to avoid being locked into the fossil fuel economy in the long term. Emissions need to be prevented and adaptations encouraged at both the national and international level. The aim must be a green recovery.

Germany should also abolish all fossil fuel subsidies as quickly as possible. In 2016, the G7 countries had already made a commitment to "the elimination of inefficient fossil fuel subsidies" by 2025, and they reiterated this pledge in Cornwall in 2021. Although Germany has made considerable progress on this – it ranks in first place among the G20 countries, according to the rankings published by ODI and the International Institute for Sustainable Development (IISD) – German subsidies are still above five billion euro annually and include subsidies for coal mining and processing. Germany should also seek to persuade its G20 partners to eliminate these subsidies, in part to avoid a situation in which German businesses are at a competitive disadvantage.

5. Standing Up for EU Climate Policy

Climate policy, as a collective good, requires joint action at the EU level. Germany's foreign policy representatives should support the EU's climate regulations and initiatives – or at the very least refrain from undermining them. There are elements of German and European climate policy with which not all EU countries are satisfied. One example is the controversial EU proposal to establish a new emissions trading scheme for transport and buildings, the impetus for which came mainly from Germany. The Nord Stream 2 pipeline has also caused a great deal of irritation on the part of Germany's EU partners.

Conversely, Germany has to put up with the energy policy of other EU member states, including Polish and Czech interest in building new nuclear power plants. Germany must also be prepared for compromise when it comes to the revision of EU regulations on climate action. This includes highly sensitive topics such as the TEN-E Regulation, which determines which infrastructure projects can be classified as "projects of common interest," or the Sustainable Finance Taxonomy, which defines which types of investment can be considered sustainable. The new federal government should be ambitious and play a leading role, but it should also be open to other approaches in the field of energy policy. Negotiations in Brussels or at the national level, for example between Germany and Poland or between Germany and France, are just as much a part of climate diplomacy as an EU-US summit.

In the "Fit for 55" package published on July 14, 2021, the European Commission has made numerous climate proposals that have implications for foreign policy. The most important of these is the carbon border adjustment mechanism, under which imports of carbon-intensive products (such as steel or cement) will be made more expensive via carbon pricing. This is intended to prevent energy-intensive sectors from moving their production abroad when carbon costs rise within the EU. The representatives of Germany's federal government should strongly support this proposal, for example in the context of the World Trade Organization or the G20. They should make it clear to partners that Germany and the EU would ideally like to see the mechanism generate no revenues whatsoever, due to other countries increasing the cost of their domestic industries' carbon dioxide emissions. The proposal amounts to a "climate club," in which all countries price their carbon dioxide emissions with the aim of jointly achieving drastic reductions in carbon emissions globally.

6. Establishing a Task Force on Adaptation Metrics

Alongside emission reductions, another key aim of climate policy is adaptation to unavoidable effects of climate change. However, while there are already relatively good metrics for greenhouse gas emissions, it remains difficult to assess the benefit of adaptation initiatives and to compare different adaptation measures internationally. Yet this is important so that criteria can be developed to measure whether GCF funds or development financing actually enhance adaptive capacity and do not have adverse long-term impacts (maladaptation).

Thanks to its world-leading research landscape, Germany has the chance to play a much bigger role internationally in the development of such standards. This could take place, for example, via international partnerships and initiatives that aim to integrate the different approaches to adaptation metrics that currently exist and to establish standards on the basis of the relevant scientific and social science findings.

Although the absence of clear global standards and evidence-based targets is undoubtedly not the only reason for a lack of ambition, it is nonetheless an obstacle to progress on damage limitation and adaptation. It is impossible to provide convincing evidence of where and how resources should best be used.

A first step toward rectifying this would be a broader initiative spearheaded by Germany. Germany's leading role in scientific bodies such as the IPCC and the country's importance in international climate negotiations could be leveraged to develop adaptation metrics in a process modelled on the emissions task force. This would be an important first step, one which would not require the investment of much political or economic capital. This task force could be announced and set up in the current electoral term.

7. Improving Science Funding

The new federal government should rethink the current German practice of highly introspective national projects and press for cross-border science funding. Building on the experience of Horizon 2020 and other EU programs, this could result in more flexible alternatives to European science funding. Unlike the EU programs, which specify the subject of the research in great detail, they should facilitate open calls for proposals on important overarching topics. With far less bureaucratic red tape, researchers from Germany and around the world could then, depending on their field of expertise, work with various ministries on specific practical problems, such as metrics to assess climate damage. This kind of collaboration would also strengthen Germany's global role and enhance domestic scientific expertise. Finally, it would strengthen scientific capacities in the Global South too. The IPCC report published in August 2021 demonstrated once again that there are still serious gaps in the world's knowledge about the effects of climate change in the Global South.

8. Disclosing Climate Data

An important prerequisite for evidence-based standards and regulation is up-to-date data on building stocks, vulnerability in the broadest sense, and climate and weather data at the local level. Open data is also a requirement for the development of comprehensive metrics for adaptation strategies and for climate change loss and damage. Germany, which discloses all weather data, could play a pivotal role in supporting initiatives for the publication of such information, especially data about weather and about the damage caused by extreme weather and climate changes. For financial reasons, not all European countries share their weather data with the public and the scientific community. This makes it more difficult to assess climate risks, not just for these countries but for Europe as a whole. The situation is even more difficult outside Europe. In much of the world, no data is kept on heat-related deaths, for example, even though achieving genuine resilience is extremely difficult without this data. Tying project financing to the disclosure of data is a first step in accelerating the trend toward open and transparent data in the medium and long term.

DGAP REPORT



Action Plan for Climate and Security

How Climate Change Fuels Conflict and What Germany Can Do About It



Dr. Kira Vinke
Head of the Center for Climate and Foreign Policy, German Council on Foreign Relations (DGAP)

Storms, floods, heatwaves, and forest fires are putting government crisis management to the test. Global warming is resulting in extreme weather events becoming both more frequent and more intense. The past decade has already seen a sharp increase in weather extremes. There is no doubt that this trend is putting human lives at risk. The scientific debate continues about the circumstances under which climate change not only results in direct physical damage but also leads to social crises and even violent conflicts.

What is indisputable is that unabated climate change would have a devastating impact on human security and would ultimately pose a threat to civilization, as the Sixth Assessment Report recently published by the Intergovernmental Panel on Climate Change (IPCC) clearly showed. Against this background, Germany, as the country with the highest emissions in Europe, has a duty to take action. In any case, it is in the self-interests of Germany's federal government to mitigate the causes and effects of climate impacts in order to avert complex future crises at home and abroad.

As the COVID-19 pandemic shows, even industrialized countries with significant crisis response capacities can be overwhelmed by nonlinear damage curves. Reactive

adaptation measures will not be able to stop this kind of crisis dynamic; preventive solutions are needed that can quickly halt rapidly growing risks before they become directly visible. The same is true of the climate crisis, which is highly nonlinear.

CLIMATE DAMAGE AND GLOBAL SHOCKS

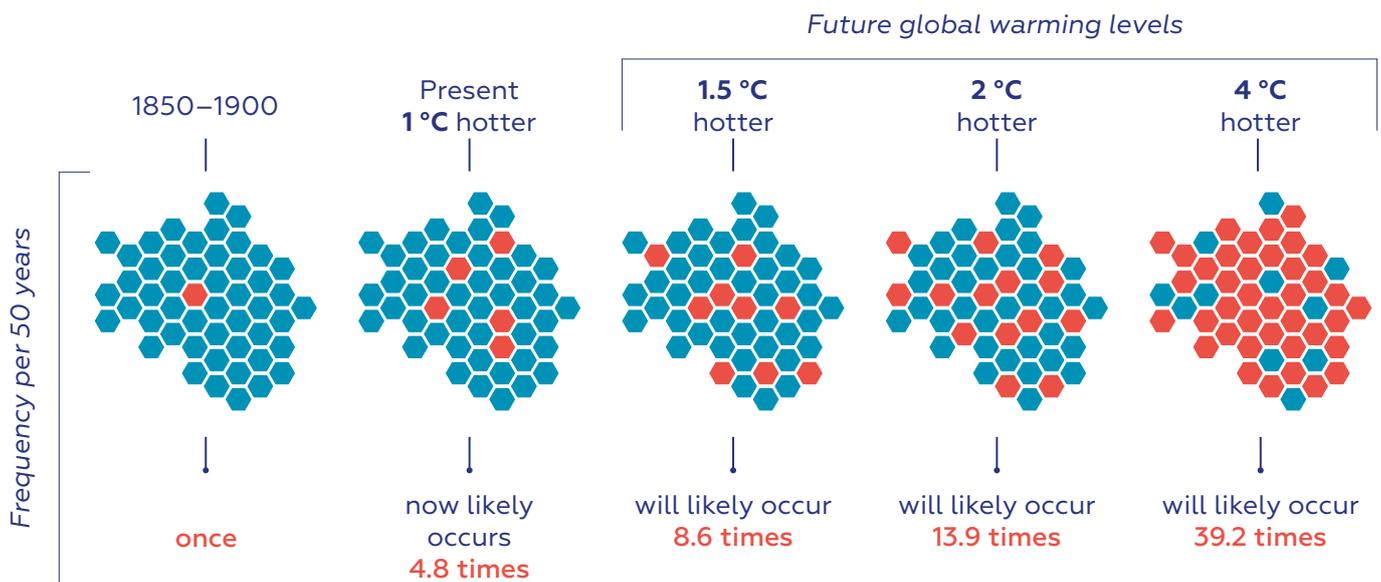
Not only do rising average temperatures mean an increase in extreme events such as floods and droughts; but they can also result in parts of the Earth System reaching a tipping point, causing irreversible changes. These risks affect subsystems of the Earth System, such as the Antarctic ice sheet, the Amazon rainforest, or thermohaline circulation, of which the Gulf Stream is also a part. Changes to these systems do not take place in isolation; they also affect other parts of the Earth System. For example, the melting permafrost can release vast quantities of greenhouse gases, which can lead to further global warming and thus changes to other parts of the Earth System.

Germany, like other countries, is inevitably affected by progressive damage from climate change, even if civilization-threatening risks such as tipping points can still be

Increase in Hot Temperature Extremes

50-Year Extreme Temperature Event over Land: The frequency of such an event that occurred once in 50 years on average in a climate without human influence is increasing.

Projected changes in extremes are larger in frequency and intensity with every additional increment of global warming.



Source: Intergovernmental Panel on Climate Change (2021), t1p.de/imked

averted by emission reductions. On the one hand, there are direct impacts on Germany's national territory, shown by the floods in the Eifel region in 2021 or the extremely dry summers that preceded them. On the other hand, cross-border impacts can also be expected. When different extreme events take place simultaneously, which is becoming more and more common, this can disrupt trade chains, unleash simmering conflicts, and limit transnational assistance.

As an export-driven economy, Germany has an intrinsic interest in stability abroad. If the effects of climate change foster or exacerbate conflicts, this not only affects the countries directly concerned, but can also result in regional and international rifts. In particular, climate impacts in Europe's neighborhood, in countries that are important trading partners, and in countries that are political allies can indirectly affect Germany. In a globally interconnected world, no one is immune to global shocks, as the COVID-19 pandemic is painfully demonstrating.

REMAINING KNOWLEDGE GAPS

While climate change has become an increasingly urgent problem, our capacity to act has also risen. Scientific forecasts and projections, including from German institutes with a global reputation, now allow climate risks to be recognized decades in advance, options for action to be identified, and dangers to be averted at an early stage, for example via emission reductions and adaptation measures. At the same time, constantly improving seasonal and short-term forecasts are available for phenomena such as the weather, crop failures, or monsoon rains. Accurate forecasts allow interventions to be organized at short notice to protect the population. The chain of action stretching from forecasts to political and local implementation should be improved.

Despite decades of warnings about the growing likelihood of extreme precipitation events, Germany failed to take adequate adaptation measures. It has also neglected to raise awareness and educate the population on what to do in the event of a disaster. Likewise, other European countries do not yet have sufficient capacities to cope with the effects of climate change that were knowingly and willingly accepted when countries failed to adopt measures to reduce emissions. These effects also include extreme forest fires, such as those experienced by Greece in 2021.

While Germany and Europe are, however, generally in a position to adapt to a moderate rise in temperatures, the situation on other continents is much more precarious. The necessary knowledge and technology (such as weather

stations) is distributed very unevenly across the world. Areas that are especially affected by climate impacts and that are home to large vulnerable population groups often have no functioning knowledge infrastructure in the field of climate research or meteorology. Even if knowledge about certain changes is theoretically available, the people who are most affected often have no access to it.

In recent years, there has been growing scientific evidence of the link between climate impacts and conflicts, but there is still a lack of in-depth, context-specific analyses and foresight capacities. So far, countries that are ethnically fragmented or dependent on agriculture are particularly known to face a heightened risk of conflict after an extreme weather event such as a drought. Political marginalization of individual groups is also a crucial factor in the genesis of climate conflicts. While there is a consensus that climate impacts can affect conflicts, little is known about the concrete mechanisms involved and thus the options for intervention.

These uncertainties are primarily due to the complexity of research into the causes of conflict. Many different factors are involved in their emergence. Contextual factors, such as political institutions or conflict management in the culture in question, can play a key role in determining whether an environmental crisis develops into a social crisis and whether this tips over into violent conflict. This is one reason why a region-specific view of the interplay of climate impacts and the genesis of conflict is relevant for Germany's and Europe's ability to identify potential conflicts at an early stage and work together with partners to develop potential solutions.

THE SAHEL: A CRUCIBLE OF RISK FACTORS

The Sahel region in Africa offers an example of why security risks resulting from climate change matter, including to Germany and Europe. This region is of geopolitical interest to Germany, as is shown by the Partnership for Security and Stability in the Sahel initiated by Federal Chancellor Angela Merkel and French President Emmanuel Macron, which is part of the "Coalition for the Sahel," consisting of France and five Sahel countries. Alongside development cooperation, the focus is on tackling transnational crime and terrorism, which also have to be seen in the context of climate change.

Several risk factors converge in the Sahel. Changing rainfall patterns and increasingly frequent weather extremes threaten the livelihood of small farmers whose knowledge of traditional agriculture is often no longer enough

to enable them to adapt to a dynamically changing climate system. This results in crop loss and food insecurity.

Against the backdrop of the changes taking place in the natural world, social tensions are developing as a result of ethnic polarization, social and economic inequality, precarious statehood, development deficits, and the spread of extremist groups. Ethnic and religious tensions are already leading to armed conflicts in the Sahel today. As a result of the deteriorating security situation and the increase in natural catastrophes, the number of internally displaced persons in the Sahel has risen to over 2.2 million. Almost 900,000 refugees also live in the Sahel.

The deprivation of livelihoods is sparking violent clashes between farmers and nomadic herders in many parts of the Sahel region. The nomadic herders face ethnic discrimination and a lack of political participation, and this also provides fertile ground for their recruitment by extremist groups such as Ansarul Islam in Burkina Faso and Ansar Dine in Mali. The loss of agricultural livelihoods is not only causing economic crises for those affected but is also leading to the loss of traditional identities.

The region is thus exposed to the factors that result in heightened risks of conflict in the event of climate change: heavy dependence on agriculture, ethnic fragmentation, and the political exclusion of certain groups. On top of this, the number of people who are facing the prospect that resources will become even more scarce as climate change progresses is growing. The region's population has risen sharply. Add climate change to an already strained resource situation, and distribution conflicts will result.

With regard to the Sahel region, the new federal government should examine to what extent the climate security risks can be countered by the Bundeswehr's Capacity Building in Support of Security and Development initiative and by development policy measures, or whether additional capacities in the civilian and military field are needed. Another question is which reliable partners exist in the region, as some state actors do discriminate against and persecute members of ethnic minorities or even arrange or tolerate extrajudicial killings. Such actors are not suitable partners when it comes to peacekeeping in the region.

GERMANY'S UN INITIATIVE

But even beyond the Sahel region, the effects of climate change have considerable implications for human security. Environmental risks are rising rapidly as a result of the changing climate – a challenge that the new federal government should address as quickly as possible. Against the

background of this dynamic development, Germany should boost its ability to detect crises early on and make a greater contribution to peacefully managing socio-ecological crises abroad.

In 2018, Germany, together with the small island state of Nauru, established the Group of Friends, a group of countries that aims to more strongly embed the cross-cutting issue of climate change and security in the framework of the United Nations. Germany placed this issue on the security policy agenda when it had a seat on the UN Security Council as a non-permanent member in 2019/20. However, this did not result in a binding resolution, in part because the administration of US President Donald Trump was engaging in climate change denial, and because Russia and China were opposed to any extension of the traditional concept of security by the UN Security Council.

Since 2020, the Federal Foreign Office has at least been funding a climate security expert for the UN peace mission in Somalia (UNSOM), in addition to several research and cooperation projects looking at the impacts of climate change on stability and peace. The federal government's implementation report on its crisis prevention guidelines focused on climate change and security. Although there have been significant efforts in recent years to move toward preventive approaches to avert climate-driven crises, the complexity and urgency of this issue requires further action.

RECOMMENDATIONS

Without rapid emission reductions, it will no longer be possible to curb the security risks resulting from climate change by taking reactive political measures (see also the Action Plan for Climate and Foreign Policy). Compliance with the Paris Agreement is thus the most important prerequisite for adapting to the worldwide effects of climate change in an effective manner that promotes peace. The transition to carbon neutrality must be a priority for all sectors, including the security sector and Germany's engagement abroad.

In addition to working toward the comprehensive decarbonization of the global economic system, German foreign and security policy can potentially take action in a number of other fields. The different approaches followed by various ministries in relation to climate and security should be brought together and developed into a coherent strategy. To this end, regular communication should take place among the ministries.

The new coalition government should treat the fight against the causes and consequences of climate change as a cross-cutting issue. In the field of foreign and security policy engagement, the coalition partners should formulate objectives for internal capacity building and the further embedding of the topic of climate and security at the UN level. In the short term, Germany can harness domestic and European synergies to this end. In the long term, it should strengthen its capacity to act by developing better risk assessment and crisis management capabilities that reflect the scale of the challenges. The new federal government could also strengthen Germany's credibility and promote innovation by establishing concrete emission reduction targets for the security sector and German development cooperation in all operational areas.

Promoting Political Coherence and Harnessing Synergies

- An interministerial steering group should be set up on the subject of climate change and security that involves the Federal Chancellery, the Federal Foreign Office, and the federal ministries responsible for defense, economic cooperation, the environment, and the interior. The interministerial steering group should hold a regular dialogue, at the level of the heads of directorate-general, on ongoing projects and security-relevant environmental changes.
- Climate security should be raised more in the Bundestag's committees and discussed with input from external experts.
- As part of the further development and implementation of its guidelines on crisis and conflict prevention, the federal government should make new voluntary commitments. These should include concrete funding and staffing increases in the ministries and support for scientific institutions and non-governmental organizations so that climate security risks can be better identified and addressed.
- At the European level, the Federal Foreign Office should push for the development of crisis prevention guidelines, with a particular focus on non-traditional security risks such as the effects of climate change, global health risks, cybercrime, and non-state armed groups.
- In programs such as the Federal Environment Ministry's International Climate Initiative, funding regulations should be established that create incentives for collaboration with the peace and climate community.
- New partnerships and alliances should be developed through the Group of Friends established in 2018. Regional stakeholders in areas affected by climate change should be brought together for a dialogue in order to develop potential solutions and share knowledge

Knowledge and Capacity Building

- New climate-sensitive mediation methods should be developed to help parties engaged in conflict with the process of seeking long-term solutions that allow sustainable cooperation. The Federal Foreign Office, in particular, should create new forms of support that are accessible to a broad spectrum of civil-society and scientific stakeholders.
- A new professorship on the subject of climate impacts and human security should be established in Berlin.
- Training capacities should be developed, for example at the Center for International Peace Operations (Zentrum für internationale Friedenseinsätze), with the aim of ensuring that military and civilian peacekeepers have a basic knowledge of regional climate impacts and stabilization measures.

- Climate security experts should be involved in the German COP delegation.
- A pool of experts should be established to advise German embassies and consulates general located in areas particularly affected by climate change. This would embed the issue in the day-to-day business of foreign policy and help to develop context-specific regional analyses.
- The Federal Ministry of Education and Research and other institutions should provide targeted support for collaboration between climate impact research and peace and conflict research.
- The rise in defense spending to meet the NATO countries' two percent target should also be used to strengthen strategic foresight and defense against non-traditional threats (climate impacts, cyber warfare, etc.).
- Dialogue about progress in the field of early crisis detection should be encouraged within NATO.
- A Franco-German research group on climate impacts and conflicts should be established together with partners in the Sahel; it could develop politically relevant research questions in partnership with stakeholders.

Embedding the Issue of Climate Security at the UN Level

- The issue should continue to be pursued at the UN level in the General Assembly and the Security Council via the Group of Friends and individual partners such as France, the United States, or Niger.
- The federal government, and in particular the Federal Foreign Office, should advocate for the appointment of a special envoy for climate and security and nominate a European expert for the post.
- Building on the evaluation of the ongoing pilot project at the United Nations Assistance Mission in Somalia (UNSOM), another objective should be to better integrate climate crisis experts into UN peace missions.

Strengthening Credibility and Promoting Innovation

- The security sector should be decarbonized, and environmental standards should be incorporated into procurement guidelines for German missions abroad and development cooperation projects (electric mobility, energy supplies, catering, etc.).
- Climate adaptation and emissions prevention should be pursued in the context of German reconstruction projects, for example in the MENA region, in order to avoid path dependencies.
- Technology transfer should be supported, for example by the government acquiring licenses for key technologies so that they can be made freely available.
- Crisis communication should be strengthened: An evaluation should be carried out of crisis communication in the coronavirus pandemic, and successful and unsuccessful crisis communication methods used by various countries should be assessed.

DGAP REPORT



Action Plan for Migration and Foreign Policy

How Germany Can Limit Irregular Migration and Help Refugees



Gerald Knaus
Chairman, European Stability Initiative (ESI)

In recent years, the German government has failed to achieve its policy goals on refugees and irregular migration. Germany could, however, play a key role in the global debate on refugee protection and the humane treatment of migrants at borders. Doing so would not only be in its interests, but also within its means.

Progress has not been made in the search for a coherent European asylum and border policy. Nor has there been any success in ending the widespread deaths of irregular migrants, especially in the Mediterranean. In 2021, it was still the case that almost one in two migrants who lost their lives at borders worldwide died while attempting to enter Europe. Efforts to eliminate the “root causes of displacement” have not been successful, whether in Syria, Afghanistan, Myanmar, or South Sudan – or indeed any of the other main countries of origin for refugees.

The German government has also been unable to reach functioning agreements with the migrants’ countries of origin that would allow it to actually send back more of those who are required to leave the country. It remains the case that nearly everyone deported from Germany is “returned” not to their countries of origin, but rather to other European countries. There is a sense of helplessness in many European interior ministries about the failure to execute any deportations, especially to those origin countries from which the vast majority of irregular migrants who arrive via the Mediterranean come.

By contrast, the number of people seeking international protection who came to Germany via legal routes has continued to fall – partly because of the pandemic. It is true that the number of people entering the EU and Germany irregularly has also fallen in recent years. In 2018, 2019, and 2020, around 100,000 people came to the EU irregularly each year from Africa and Asia via the Mediterranean. Yet the methods and strategies used at the EU’s borders to bring about this decline were not those that the last federal government agreed upon in its coalition agreement. Finally, the deal between the EU and Turkey, in which Germany had played a key role, also collapsed in March 2020.

EUROPE IN CRISIS

The Geneva Convention Relating to the Status of Refugees was adopted in 1951 to protect Europeans in the face of the catastrophic treatment of refugees before, during, and after the Second World War. Today, it is being flouted to an unprecedented degree worldwide, including at the EU’s external borders.

The EU’s border agency, Frontex, is also in crisis. At the start of 2021, it was even forced to withdraw from Hungary because the government in Budapest has been flouting a ruling on the Hungarian asylum system issued by the Court of Justice of the European Union. The court found that Hungary was deporting people who had entered the country irregularly to Serbia without examining the circumstances of each individual case. Frontex itself stated: “Our common efforts to protect the EU external borders can only be successful if we ensure that our cooperation and activities are fully in line with EU laws.” This is in doubt at a growing number of the EU’s external borders, where EU law is now broken systematically and on a regular basis. For years, there have also been regular reports of unlawful state violence being used as a means of border control at the Croatian-Bosnian and Greek-Turkish borders.

GERMAN RESPONSIBILITY

Germany can play a key role in the global debate about the protection of refugees and the humane treatment of migrants at borders. Doing so is both in Germany’s interests and within its capabilities. No other country in the world has admitted so many people seeking protection in recent years and, at the same time, made such a sizeable contribution to international organizations such as the UN Refugee Agency (UNHCR).

Surveys of the German public show that a majority wants control over the borders but does not want to abandon the principle of protecting refugees. In September 2015, 37 percent agreed with the statement that Germany should admit as many refugees as it currently does. Twenty-two percent were in favor of admitting higher numbers, while 33 percent wanted lower numbers. Four dramatic years later, in January 2020, the Deutschlandtrend survey conducted on behalf of the Tagesschau television news program found that 42 percent of respondents still said that Germany should admit as many refugees as it currently does; 11 percent were in favor of higher numbers, while 40 percent wanted lower numbers. In both 2015 and 2020, a majority was in favor of admitting the same number of refugees or more, and a (large) minority was in favor of admitting fewer refugees. A policy capable of winning majority support would attempt to do both: lowering irregular migration and asylum applications from those who will ultimately not qualify for protection, while keeping constant the number of people in need of protection who are admitted via legal routes.

These remarkably stable preferences also set the direction for the new federal government. Solutions need to be found that are both politically and practically feasible to reduce

irregular migration to Germany while upholding human rights, refugee rights, and the EU's self-imposed standards, all while granting protection to those in need of it. The dangerous populist panic about supposed mass migration from Africa and Asia must be successfully countered by a policy of humane controls.

FACTS AND MYTHS IN THE ASYLUM DEBATE

Between 2014 and 2018, more people crossed the Mediterranean to reach Europe than ever before: 1.9 million in total. However, more than half of them arrived in one country in the space of a single year; one million people reached Greece between April 2015 and March 2016. Except for this short period, there has been no irregular mass migration to the EU, including from the Middle East. In the 12 months following the EU-Turkey Statement, fewer than 27,000 people reached the Greek islands irregularly from Turkey. In the first six months of 2021, just 5,000 people reached Greece irregularly from Turkey – by land and by sea, including only 600 Afghans and fewer than 100 Syrians.

Myths and clichés dominate the public debate. For years, dramatic pictures of hundreds of young men storming the towering fences around the Spanish enclaves in North Africa have created the impression that Europe is under siege. This impression is wrong. The figures show that there has been no large-scale irregular migration from Africa to Spain in recent decades, and this is still the case today. Over the past 20 years, an average of 15,000 people per year crossed the sea irregularly. In 2019, it was around 25,000 people. The picture is similar in the case of the second route for irregular migrants from Africa, which runs through Tunisia, Libya, and Italy. Between 1999 and 2008, the number of people who entered Italy irregularly by sea averaged 25,000 per year. It was only 11,500 in 2019, then just over 30,000 in 2020.

In 2017, a rough estimate put the number of Africans living outside Africa at 17 million. Nine million of them lived in Europe, including three million in France. Almost two million came from three countries in North Africa: the former French colonies of Algeria, Morocco, and Tunisia. In any case, most of the Africans living in Europe come from a small number of countries in North Africa. Most countries in Africa are irrelevant in terms of migration to Europe. One of the most important challenges for a humane policy at Europe's borders is therefore to find the right policy in relation to Morocco and Tunisia.

ALMOST NO REPATRIATIONS FROM THE EU

Unlike in the case of Syrians or Afghans, only a very small proportion of the few Africans who crossed the Mediterranean in recent years and applied for asylum in the EU were granted international protection. Yet very few of the Africans required to leave the country were actually deported.

The example of Spain shows what is not working in the EU. In Spain, the people who entered the country irregularly from Africa in 2018 and 2019 were mainly Moroccans, Algerians, and West Africans. In 2018, 65,000 migrants entered the country irregularly. Only half as many came in 2019. The number rose again in 2020, mainly due to increased arrivals from Morocco.

Hardly any of these migrants apply for asylum. Of the few who do, only a small number are granted a protection status. Yet, apart from a few Moroccans and Algerians, almost all of them remain in Spain. In other words, anyone who makes it from Morocco to Andalusia in a small boat, or who manages to climb over the lethal razor wire that tops Melilla's fences, can count on being able to stay in Spain. Vulnerability plays next to no role as a criterion in this context. This encourages others to also make the attempt to cross the Spanish border.

The failure to deport back to Africa those African migrants who, having arrived irregularly and failed to qualify for protection, are obliged to leave the country is not a Spanish phenomenon. The picture is similar in France and Italy. The figures clearly show that, across Europe, the current migration control and asylum system is failing on citizens of African countries. Germany is no exception; it too carries out next to no deportations to Africa. Eighty percent of all deportations from Germany are to other European countries: in the EU, the Balkans, and Eastern Europe. Eight percent of those deported are returned to North Africa. Twelve percent are deported to other countries around the world.

REFUGEES WORLDWIDE

According to UNHCR, in 2019, there were more than 6.3 million refugees and 18.5 million internally displaced people across Africa. Most of the refugees came from South Sudan, Somalia, Congo, Sudan, and the Central African Republic. There were more than half a million internally displaced people in Burkina Faso, Cameroon, the Central African Republic, Congo, Ethiopia, Nigeria, Somalia, Sudan, and South Sudan. The root causes of displacement are present in all these countries: persecution, wars, and conflict.

Anyone who really wants to help refugees and internally displaced people in Africa must find ways to do so in Africa.

Most of the migrants recorded by UNHCR as having been forced to flee are internally displaced people (IDPs). This shows how difficult it is to leave a country, even when people are forced to flee. The view that the refugee situation has been completely out of control worldwide for years is a misconception. This impression is partly due to how UNHCR counts refugees and displaced people. Not all the roughly 20.7 million refugees worldwide recorded by UNHCR need international support.

Where are the refugees who need to be helped? It is important to look carefully and distinguish between very

different situations. These include the Rohingya people who fled in a panic from Myanmar to poverty-stricken Bangladesh in 2018; families from South Sudan who fled to Sudan; and millions of Syrians who fled to Syria's neighboring countries. But they also include ethnic Chinese Vietnamese citizens who were admitted by China in the 1970s and are still counted as refugees in UNHCR statistics, as well as the nearly eight million Colombians who fled to neighboring countries twenty years ago to escape the fighting in Colombia and their children who were born in these countries. It has been so long since 5.4 million Palestinian refugees originally fled Israel that the statistics now include the third and fourth generations. Today, many of these people are not "fleeing" and only appear in the statistics for political, rather than humanitarian, reasons.

Number of Refugees Admitted 2013–2020

Country	2013	2020	Difference
Turkey	609,938	3,652,362	3,042,424
Uganda	220,555	1,421,133	1,200,578
Germany	187,567	1,210,636	1,023,069
Sudan	124,328	1,040,308	915,980
Bangladesh	31,145	866,534	835,389
Dem. Rep. of the Congo	113,362	490,243	376,881
Ethiopia	433,936	800,464	366,528
Cameroon	107,346	436,406	329,060
France	232,487	436,100	203,613
United Rep. of Tanzania	102,099	234,655	132,556
Sweden	114,175	248,425	134,250
Italy	78,061	128,033	49,972
Niger	57,661	233,308	175,647
USA	263,662	340,881	77,219
South Sudan	229,587	314,453	84,866
Austria	55,598	141,866	86,268
Rwanda	73,349	139,501	66,152
Jordan	641,915	702,506	60,591
Chad	434,479	478,664	44,185
Worldwide	11,003,862	20,362,288	9,358,426

Source: Annex tables from UNHCR Global Trends 2013 and 2020, <https://t1p.de/3y14u>

Germany should help to strengthen overtaxed capacities in countries of first admission and give them a boost via a multilateral initiative. After all, while a recognized refugee in Sweden, an asylum seeker in Hamburg, a Syrian

refugee in Lebanon, and a South Sudanese refugee in Uganda may all appear on the list of refugees, each has very different needs.

RECOMMENDATIONS

Supporting Sea Rescue

The number of people who drown while trying to reach Europe remains very high. Stopping this cannot be achieved solely by rescuing people in distress at sea, but it cannot be achieved without doing so either. The aim is two-fold: first, that fewer people board boats to try to cross the sea and, second, that those who still do so are rescued in time. We must rescue people in distress at sea, and at the same time we need to work to end a situation in which thousands of people cram onto overcrowded, unseaworthy dinghies.

The idea that there is nothing that can be done is clearly untrue. In the first two months of 2016 alone, 331 people drowned in the eastern Mediterranean. In the entire year of 2017, 62 did so. The reason for this decline was the EU-Turkey Statement.

What should be done? Maritime rescue centers in Rome and Malta should return to coordinating sea rescue operations in the entire central Mediterranean to spot shipwrecked people in time, as was the case until 2018. Also, private ships should be encouraged and helped to rescue shipwrecked people. A coalition of European countries – with Germany playing a key role – should express their willingness to allow all those who are rescued by private sea rescue ships and merchant ships, and then brought to reception centers in Malta, Italy, Corsica, or Tunisia, to enter the country from there within twelve weeks. This is the approach that was taken in 1980 when the German ship *Cap Anamur* carried out rescue operations in the South China Sea.

The time spent at the reception center should be used for asylum procedures. People who do not need protection in the EU should then be sent back directly from the centers to countries of origin or transit countries, as was agreed with Turkey in 2016. This requires readmission agreements that apply from an agreed date, attractive offers to these countries, and efficient asylum procedures that actually work.

The existing private sea rescue ships, supported by the headquarters of the Italian coast guard, would probably already be capable of rescuing the vast majority of shipwrecked people in the waters between Libya, Malta, and Italy, provided that two conditions are met. First, it would no longer be acceptable for Italy and Malta to tie private ships up in bureaucratic red tape to keep them from putting out to sea again quickly. Second, and crucially, the number of arrivals would have to remain at the low level of the past two years.

Renewing the International Asylum System

In December 2018, the UN General Assembly adopted the Global Compact on Refugees, which underlines the “urgent need for more equitable sharing of the burden and responsibility for hosting and supporting the world’s refugees.” It states that the support base should be widened beyond those countries that have historically hosted refugees, while also outlining the need to strengthen asylum systems and facilitate the exchange of good practices.

As the seat of the Federal Office for Migration and Refugees (Bundesamt für Migration und Flüchtlinge (BAMF)), Nuremberg is the asylum capital of the world. In 2015 and 2016, 37 percent of all positive asylum decisions worldwide on refugee status and subsidiary protection were taken in Germany; the average over the past seven years has been 25 percent. In 2017 alone, the Federal Office for Migration and Refugees took over 700,000 decisions – more than were taken in the rest of the European Union, the United States, Canada, and Australia combined. The experience gained in this process is of European and global importance.

After all, it is not enough to merely have an asylum law. Without resources, investment, and the necessary quality control required to learn from experience and setbacks, it is impossible to maintain adequate standards over the long term and take decisions within an acceptable timeframe.

German foreign policy should therefore also campaign for the renewal and further development of the international asylum system, with the goal of improving the quality of asylum systems worldwide. Germany’s federal government should help well-functioning asylum systems in

other countries around the world to share their experiences of how (even in crises) the right to a fair procedure can be upheld by means of qualified interviewers and interpreters, quality assessments, and substantiated decisions.

Improving Asylum Procedures at the EU's Borders

The most urgent issue is to facilitate efficient and fair asylum procedures at the EU's external borders. Germany, Spain, and others should join forces on a pilot project to promote efficient and fair procedures in Ceuta and Melilla, provide asylum officers and interpreters for this purpose, and take in recognized refugees. This kind of collaboration among the asylum authorities of Germany, Netherlands, Switzerland, France, and their colleagues from Spain would be a model for future asylum cooperation. The aim must be for decisions to be taken on most asylum applications within eight weeks.

The next step should then be for the new federal government and the BAMF to support high-quality asylum procedures throughout the Mediterranean region and form strategic partnerships with partner countries and their authorities for this purpose. Such partnerships should subsequently be extended to include Europe's neighbors— from the Western Balkan countries to North Africa.

Facilitating and Accelerating Returns

The successful deportation of those required to leave the country only works if cooperation is in the interests of partner countries and if the system involves strategic deportations after an agreed date. In this context, the promise of legal mobility is the best means to achieve cooperation. In fact, there is an obvious link between the lack of legal travel options and the failure of deportations. Successful deportations take place to those countries whose citizens can enter the EU without a visa. These governments have an interest in cooperating with the EU. This is true of the Western Balkan countries, but also of Georgia, Moldova, and Ukraine.

Currently, there are only a few options for Africans to travel legally to Europe. It is very difficult for people from Sub-Saharan Africa to obtain an increasingly expensive Schengen visa. In 2018, the Finnish consulate in St. Petersburg, Russia, alone received more than 500,000 visa applications. The vast majority of them were approved. In Nigeria, only 89,000 visa applica-

tions were submitted to all EU consulates combined, and half of them were denied.

Being realistic on deportation therefore means recognizing that a successful deportation policy depends on cooperating with countries of origin and transit countries and considering their interests. The fact that citizens of almost all Central and South American countries can enter the EU without requiring a visa, but not a single African country enjoys visa-free EU travel, is a stark symbol of the deep gulf between the continents. The new federal government should push within the EU for rapid change.

Countries such as Morocco and Tunisia play a particularly key role in this context. Morocco is the most important country of origin for irregular migration to Spain. It is also a major transit country. If Morocco were to take its citizens back quickly, develop a credible asylum system, and cooperate with the return of irregular migrants from third countries, the deaths in the western Mediterranean and the dramatic scenes at the fences in Ceuta and Melilla would soon be consigned to history.

To achieve this, the EU should make Morocco the same offer that it made to Ukraine in 2008: Morocco should undertake to accept the immediate return of its citizens and all migrants who enter the EU irregularly from Morocco – in cases where these people are not in need of protection – after an agreed date. In return, the EU and a group of member states should grant scholarships and visa facilitation for Moroccan citizens. At the same time, they should offer the prospect of lower visa costs and begin to liberalize the issuing of visas. This would immediately reduce irregular border crossings.

A successful mobility partnership would strengthen Europe's security, as Morocco would have an interest in facilitating the rapid deportation of criminals and of Moroccan citizens required to leave the EU. Today, this is shown by the example of the Balkan countries, whose citizens have had the right to enter the EU without a visa since 2009 and 2010. Accepting the return of citizens required to leave the EU was a precondition from the outset.

In addition, this kind of agreement would send two signals. First, it would show that that the Convention Relating to the Status of Refugees and the right to access asylum procedures are taken seriously and subject to credible scrutiny not only in Europe, but also by emerging economies on other continents – and with the same level of seriousness as that with which, say, the UNHCR has carried out its asylum procedures worldwide in re-

cent decades. Second, it would also demonstrate that visa liberalization, the promise of legal travel to the EU based on cooperation, can also be an option for African countries.

Undertaking to Accept a Certain Number of Resettlements Each Year

Germany should make a commitment to accept a certain number of refugees each year. Canada offers a particularly interesting example for the new federal government. In 2019, Canada, with its population of 37 million, received around 60,000 asylum applications, 30,000 of them concerning resettlement, while the rest were submitted at Canada's borders and inside the country. If Germany were to receive asylum applications in the same ratio as Canada, that would be around 135,000 asylum applications per year, of which 67,000 would involve resettlement.

A policy that would lead to 80,000 people applying for asylum in Germany in an average year, half of whom would enter the country in an orderly process through resettlement and relocation, would be an enormous improvement over the chaos of recent years: It would mean greater protection, faster integration, and fewer dangerous journeys across the sea.

The new federal government should create a resettlement coalition together with countries such as Sweden, France, and Canada, with participating countries undertaking to accept the annual resettlement of refugees on a scale equivalent to at least 0.05 percent of the population of the receiving country. In Germany's case, that would be around 40,000 refugees per year. Together with other EU countries, this would represent a commitment to accept 120,000 resettlements per year, or 250,000 together with the United States and Canada. This would be a concrete form of assistance for vulnerable people and countries of first admission, without placing too great a burden on any single country.

A New EU-Turkey Statement and Pilot Projects for More Efficient Procedures at the External Borders

The new federal government should, as part of a new EU-Turkey Statement, make a proposal to Turkey and Greece for Germany to admit up to 20,000 recognized refugees each year. The prerequisite for this would be for more efficient asylum procedures to be achieved on

the Greek islands in cooperation with the BAMF. A new agreement should also be reached with Turkey. This would lead to a sharp fall in the number of irregular arrivals and in the number of deaths.

As a second step, Germany should make an offer to Spain, Malta, and Italy to admit up to 10,000 people per year from joint reception centers in the Mediterranean. Again, the expectation in return would be the introduction of efficient joint asylum procedures and the return of people who do not require protection. Germany should also work toward agreements with African countries of origin and with the EU's North African neighbors of Morocco and Tunisia. This would bring about a sharp fall in irregular migration via the Mediterranean and thus also in the number of asylum applications submitted in Germany, many of which are ultimately unsuccessful.

Supporting Refugees Worldwide with a Multi-Year Support Package

The new German government should set itself a major humanitarian goal for the next five years: In an ever richer world, no refugee should have to live in hardship. This would be achievable if Germany worked together with a coalition of other countries. The countries committed to this goal would give UNHCR, WFP, UNICEF, and other organizations the necessary resources for a multi-year budget. Assistance should especially be provided to acutely affected countries of first admission, such as Uganda or Bangladesh. The organizations should use this funding to ensure that around 15 million refugees living in hardship receive basic services that reflect human dignity in their host countries – cash assistance, access to schools, and health care.

A concrete example exists of this kind of model: the assistance that Turkey has provided to millions of Syrian refugees using EU funds since 2016. This direct assistance avoids unnecessary bureaucracy and strengthens individual autonomy and dignity. Germany's federal government should propose that refugees in Bangladesh and Uganda are offered similar assistance. The host countries would benefit because the money would be spent on site, strengthening the local economies. After ten years at the latest, this basic assistance would be replaced by other forms of assistance, as needed, and UNHCR would withdraw.

Involving More Countries in the Global Asylum System

Both for humanitarian reasons and its own interests, the new federal government should persuade more countries to contribute to the global asylum system. It can cite the Global Compact on Refugees, which was officially adopted on December 17, 2018, with the votes of the 181 countries in the UN General Assembly. Currently, ten countries alone host 80 percent of the world’s refugees. Just 15 countries provide at least \$20 million in funding per year to UNHCR (Germany gave around \$477 million in 2017). The remaining 180 or so countries are currently not involved or participate only on a very small scale. Countries with low levels of engagement to date should take on more responsibility.

The most striking characteristic of international solidarity with the world’s refugees today is the lack of engagement on the part of emerging economies. Although these have long since ceased to be poor countries, they barely participate in the international humanitarian system. This is especially true of those countries which have, today, reached the standard of living that Germany had in the mid-1960s. Almost 170 countries now have an asylum system, but it is still the case that a small number of countries account for most positive asylum decisions. UNHCR’s annual Global Trends reports provide a picture of the global state of the asylum system. Before the outbreak of the pandemic, between 2013 and 2019:

- 14 million asylum applications were submitted worldwide.
- 4.2 million people worldwide were granted international protection after an asylum process.
- Germany, Sweden, and Austria granted 1.4 million people international protection after an asylum process. That is a third of the total number worldwide, even though these countries collectively make up 1.3 percent of the world’s population.
- More than half of all positive asylum decisions worldwide were taken in European democracies: in EU member states, the United Kingdom, Switzerland, and Norway.
- Japan granted 657 people protection. China did not grant protection to anyone. Sweden alone granted more people protection – 223,000 –

than ten other high-income and middle-income countries with a total population of 3.8 billion people.

Germany’s federal government should make diplomatic efforts to ensure that emerging economies also play their part in the global asylum system. At the same time, it should show, by increasing resettlement, that this does not mean that Germany will turn its back on the protection of refugees. Between 2016 and 2019, the number of people who were granted protection after a procedure to assess their refugee status fell from 900,000 to 530,000 worldwide. This reflects a simple and worrying reality: Fewer potential refugees are reaching countries that are willing and able to grant them international protection.

If this does not change, the Convention Relating to the Status of Refugees has no long-term future as a global standard. Preserving it – and pressing for humane borders both in Europe and worldwide – must be a key aim for the new federal government.

Sweden’s Grants of International Protection, Compared to Ten Other Countries, 2013–2019

Country	Persons
Sweden	223,361
Egypt	58,672
South Africa	25,427
Mexico	25,424
India	24,150
Indonesia	14,663
Pakistan	8,256
Thailand	8,117
South-Korea	2,521
Japan	657

Source: Gerald Knaus, *Welche Grenzen Brauchen wir? Zwischen Empathie und Angst – Flucht, Migration und die Zukunft von Asyl* [What Borders Do We Need? Between Empathy and Fear – Displacement, Migration, and the Future of Asylum] (2020)

DGAP REPORT



Action Plan for the Western Balkans and EU Neighborhood

How Germany Can Contribute to Lasting Peace in the Balkans



Gerald Knaus
Chairman, European Stability Initiative (ESI)

For more than two decades, German foreign policy has sought to prevent renewed tensions, internal conflicts, or even war in the Western Balkans. The fact that this has been successful since 1999 is an achievement for German policy. In recent years, however, the risks that this stabilization policy will fail have risen.

In Serbia, the most powerful country in the Western Balkans, leading members of the government are once again talking openly about the possibility of armed conflicts and calling into question the demarcation of the region's borders. The conviction of former General Ratko Mladić in spring 2021 for genocide in connection with the Srebrenica massacre prompted extreme nationalist reactions from members of the Serbian government and media outlets closely associated with it. Military spending has also been rising for years. Against this background, a destabilizing policy by Serbia toward its neighbors such as Kosovo or Bosnia and Herzegovina would be not just possible, but probable, if it were not for the stabilizing counterstrategy pursued by Germany and its partners.

When, in July 1999, German Chancellor Gerhard Schröder, US President Bill Clinton, and the heads of government of all EU member states came to Sarajevo for a major Balkans summit, the Kosovo conflict had only just ended. This conflict, the fourth war in the Balkans in less than a decade, had left almost one million Albanians displaced in neighboring countries. The politicians who met in Sarajevo shared their abhorrence of nationalism, which had cost so many lives in such a short time. They pledged “to cooperate toward preserving the multinational and multiethnic diversity of countries in the region and protecting minorities.” They solemnly declared: “We will work together to promote the integration of southeastern Europe into a continent where borders remain inviolable but no longer denote division and offer the opportunity of contact and cooperation.” They promised peace in Europe – a postmodern “Pax Europæana.” Germany played a leading role in formulating this goal.

TWO DECADES OF PEACE

In the second half of the 1990s, it was still primarily the United States that played a leading role in stabilizing the Balkans after the end of the wars in Bosnia (1995) and Kosovo (1999), including in military terms. This changed as of 2000 when the EU became the leading player in the region; within the EU, Germany came to play an increasingly influential role. The Western Balkans thus became the first test of a common European foreign policy and the most successful such test to date. The EU and its

member states brought about a geopolitical miracle in terms of democratic stabilization.

Montenegro gained independence by peaceful means, supported by a broad multiethnic coalition. Today, more than 220,000 non-Serbs live in the Bosnian “Republika Srpska,” from whose territory they had been driven during the war from 1992 to 1995. In North Macedonia, there are elementary schools that use four languages, and Albanian is an official language throughout the entire country. The majority of the Kosovo Serbs who lived in Kosovo prior to 1999 remained there even after 1999. Serbian is an official language in Kosovo. Peace has reigned across the entire region for two decades.

Recent years have seen wars and eruptions of violence all around the European Union: in Georgia, Iraq, Syria, Ukraine, Libya, and the Caucasus. Political prisoners are once again being detained in many Eastern European member states of the Council of Europe. Yet the Western Balkans has remained peaceful. Today, no country in the region detains political prisoners or systematically violates human rights. Germany withdrew its soldiers from Bosnia and Herzegovina without having to worry that there might be a renewed outbreak of fighting shortly thereafter. Kosovo is the only place where a small contingent of Bundeswehr soldiers, currently around eighty, is still stationed.

AT A STANDSTILL

For more than two decades, Germany's influence on domestic and foreign policy developments – not just in the Western Balkans, but in the European neighborhood as well – has been closely tied to the credibility of the prospect of European integration. Where this prospect exists, Germany has a great deal of influence, both bilaterally and through the European Union, and can assert its interests. The extradition of wanted war criminals, called for by Germany and others; the modalities of Montenegro's independence referendum; first steps in the normalization process between Serbia and Kosovo; the compromise with Greece on the name of the state of North Macedonia; and far-reaching judicial reforms in Albania: These and other difficult decisions were implemented in the region because the political elites believed that doing so was necessary in order to make progress toward European integration, which they both wanted and considered a realistic prospect.

Where this “European perspective” is fading, Germany's influence in the region is rapidly diminishing, too. The trend in relations between Turkey and the EU offers a stark warning of what could also happen in the Western Balkans in the near future. After 2000, there was a period when

Germany and the EU had growing influence in Turkey. Then, for various reasons, the EU's accession talks with Turkey lost all credibility, and were ultimately brought to a standstill. At the same time, tensions grew between Turkey on the one hand and Germany and other EU countries on the other, building to the point that Ankara made military threats against EU members Greece and Cyprus. Germany and the EU have proven to be powerless, even in the face of Turkey's dismantling of the rule of law and its violation of fundamental human rights.

Today, the prospect of EU integration, which held such power just a few years ago, is losing its credibility for the political elites and societies in the Western Balkans. In key EU member states such as France or the Netherlands, there is a great deal of skepticism about any further enlargement. Further EU accessions have thus become unlikely; the enlargement process has been stagnating for years. Currently, only two of the region's six countries are actually involved in accession talks: Serbia and Montenegro. However,

their accession talks and reforms have stalled. Albania and North Macedonia have been waiting for years for talks to begin. Bosnia and Herzegovina is still not even an official accession candidate. Kosovo is not recognized as an independent state by some EU countries and is therefore unable to apply to join the EU.

GERMANY'S ROLE

In December 2003, the EU adopted its first European Security Strategy, which included a warning: "The outbreak of conflict in the Balkans was a reminder that war has not disappeared from our continent." And it linked the future of EU foreign policy to its success in southeastern Europe: "The credibility of our foreign policy depends on the consolidation of our achievements there." That remains true. From Belgrade to Tirana, from Sarajevo to Pristina, Germany is now the most respected and important European partner. In fact, the Western Balkans could become a

EU ACCESSION NEGOTIATIONS WITH THE COUNTRIES OF THE WESTERN BALKANS



Source: European Commission (2020), <https://t1p.de/frli>

foreign policy success story for Germany and the EU in the next five years if the credibility of the prospect of EU integration can be restored. It would then be possible to use shrewd diplomacy to move closer to solutions on unresolved foreign policy issues such as the dialogue between Serbia and Kosovo and the lasting stabilization of multi-ethnic democracies in North Macedonia, Bosnia and Herzegovina, and Montenegro. In a region where all countries look to the EU – not only to its standards and values, but

also its rules and institutions – it would even be possible to resolve status questions.

The new German government will continue to have a major interest in stability in a region that was the world's bloodiest conflict zone in the 1990s, with four wars and genocide, and that experienced huge refugee flows. The risk of a return to instability cannot be ruled out simply by letting the current process continue. German initiative is needed.

RECOMMENDATIONS IN SUPPORT OF A RENEWED GERMAN POLICY TOWARD THE WESTERN BALKANS

In recent years, the governments in Belgrade, Podgorica, Pristina, Sarajevo, Skopje, and Tirana have fulfilled many requests made by Germany and the EU, and they have improved relations between ethnic groups and with their neighbors. Politicians have repeatedly implemented politically demanding reforms when they have a concrete and attractive goal in mind – for example, in Montenegro before and immediately after the opening of accession talks in 2012; in Serbia between 2010 and 2014; in North Macedonia from 2004 to 2005 when the country hoped to gain candidate status and again as of 2017; and in Albania. Today, however, the region lacks goals that are similarly motivating. It is in Germany's interest to change this, yet this goal can only be reached if Berlin takes the concerns of its EU partners seriously.

Germany's initiative should be based on a proposal made by France at the end of 2019 that provides for various stages in the integration of the Balkan countries. This idea can be simplified to be credible in the EU and, at the same time, to define an attractive goal for the region's elites in the coming years. It could be achieved as follows:

- A two-stage accession process should be proposed. Full accession would remain the goal of

negotiations with all six countries in the region, but a concrete new intermediate goal would be offered as well: full access to the European single market.

- In the first stage, each country in the region that meets the necessary conditions would be able to join the single market, as Finland, Sweden, and Austria did in 1994. Achieving this by 2030 would be a realistic goal for all countries in the Western Balkans. This would enable them to enjoy the four freedoms – the free movement of goods, capital, services, and labor – just as Norway and Iceland do today. To this end, the EU should create the framework for a Southeast European Economic Area. Germany's Federal Chancellery, the Federal Foreign Office, and other ministries would draw up a concrete proposal and seek support for it in the EU.
- Strengthening the rule of law in the region would remain a key element of the integration process, as all conditions relating to democracy, the rule of law, and human rights would have to be met in full before a country could join the single market and the Southeast European Economic Area. Germany's new federal government should press for the EU's regular reports on the rule of law to be extended to cover the countries of the Western Balkans.
- At the same time, Germany should press for the Council of Europe to be strengthened – five of the region's six countries are members – and push for Kosovo to be rapidly admitted. The region-wide implementation of judgments of the European Court of Human Rights should be made a key requirement for EU integration.
- In this context, the EU should monitor important court proceedings in all six countries more closely so that it can determine whether the judiciary is acting independently. The European Commission should produce substantiated anti-corruption reports for the Western Balkans, using the same methodology as the anti-corruption reports for EU member states in 2014. A new

report every two years could ensure comparability among the countries.

- In these circumstances, rapprochement and the normalization of relations between Kosovo and Serbia would be a realistic prospect even within the next four years. The adoption of the same EU rules would make national borders less import-

ant. Serbia would also have to accept Kosovo's current borders before joining the common market. The overall aim would be to make the borders among the Balkan countries as invisible as the border between Norway and Sweden is today.

Joining the EU single market by 2030 as part of an EU-Western Balkans Economic Area is an ambitious but achievable goal for all countries in the Western Balkans. A realistic prospect of enjoying the four freedoms – for goods, capital, services, and labor (with transitional periods when the EU believes they are necessary) – within a few years would mobilize all corners of society and usher in a new economic dynamism.

The aim is a region that is as closely connected with the EU in economic terms as Norway and Iceland are today. The prosperity gap between the Western Balkans and the rest of Europe should be rapidly narrowed, as has been achieved so spectacularly in the case of Romania or the Baltic countries since 2000. The rule of law and the protection of minorities should be strengthened. Like the EU's internal borders in the Schengen system, the borders among the Balkan countries should become invisible to defuse the political dispute over them.

This aim is achievable without too much difficulty and without risks for Germany and the EU. It would not only be a success story for German and European foreign policy, but it would also send a signal to other countries in Europe's neighborhood that good relations and a commitment to functional integration with the EU is politically rewarding and realistic.

Germany's multifaceted interests in the region can still best be asserted in the framework of a coherent EU policy toward the Balkans. Over the past two decades, Germany's power in the Western Balkans has been based primarily on a realistic utopia: the credible promise of a better future via integration into a stable and prosperous EU that would facilitate peace in the Western Balkans along similar lines to the peace that has now reigned in the EU for several decades. "Security through transparency, and transparency through interdependence": This "postmodern peace" in the EU, as described by Robert Cooper, made the centuries-long approach involving the balance of powers and alliances obsolete. EU members, in Cooper's words, do not

consider invading each other. The challenge in the Western Balkans consists of achieving a similarly lasting peace in which borders lose their significance, armies are no longer a necessary deterrent, and minorities can safely live anywhere.

Armed conflicts in the Western Balkans would become as inconceivable as they are between the members of the European Union today. If Germany's new federal government can help to establish such a "Pax Europæana" in the Western Balkans, it will be writing the next chapter in a German and European success story in which peace is secured by integration and interconnection. And a trouble spot in the heart of Europe will become a region of stability for generations to come.

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