

## **A Great Power in Denial: Bringing Germany Back to Reality**

Germany fails to recognize its great power status. It believes that its foreign policy has finally succeeded to operate beyond power, interest and force. Yet if Germany occupies a central geopolitical position in Europe with a population of over 80 million people and runs one of the most prosperous economies in the world, then it must be a great power. Promoting the primacy of international law and advocating liberal internationalism as the core of German foreign policy does not eliminate this fact; rather, it raises suspicion among other nations about the 'real interests' behind such lofty ideas. Germany's central task in the coming years will be to bring its foreign policy in accordance with its geopolitical position and economic strength. After decades of amnesia, Germany should revive its great tradition of political realism and use the concept of national interest as a guideline for its foreign policy. In the military sphere, it must stand alongside the US and do everything necessary to promote a unipolar era in which American leadership guarantees and promotes a stable and open international order. However, Germany's greatest national interest is to formulate a grand economic strategy. Its international power and prestige ultimately depend upon regaining economic strength. Germany's should found its future great power policy on the goal of advancing its techno-economic position in the world. Strategists should rescue economic questions from limbo and place them at the top of Germany's future foreign policy agenda. Such an agenda should advance a strategic vision of Germany's role in the world and set forth guiding principles for German foreign policy. Germany should regain its capability to shape international relations favorable to German principles and interests.

### **Germany's Flight from Reality**

Germany needs to rid itself of some deep-seated illusions about international politics. It is necessary to criticize certain deeply ingrained German habits of thought and perceptions as to the nature of foreign policy. In the last fifty years, Germany's foreign policy has followed three imperatives leading to the denial of its great power status: First, there should be no open policy of national interest; second, national sovereignty should be transferred to a European institution; third, international engagement of Germany should only be possible under the supervision of multilateral institutions, above all the United Nations. These three imperatives form a main part of the founding myth of the Federal Republic. According to this myth, foreign policy should no longer be identified with classical power politics in which national in-

terests, military force and strategy occupy the central place in the mindset of statesmen. Germany believes it has found deliverance from the inevitable facts of international politics through fostering European integration, relying on international organizations and trusting in the peaceful forces of international trade. With this attitude, Germany thinks it has purged itself of the moral guilt from two world wars and that it has eliminated the problem of dirty hands in politics. After years of incredible excesses of power, Germany is obsessed by the dream of replacing the world of nation states with a new system of global politics in which law and supranational institutions prevail.

However, such a politically naive attitude was only made possible because the US provided the security shield that enabled Germany to focus on domestic and social policy. Yet, Germany's flight from reality is not so much the consequence of having lived in the shadow of the United States so long and so well. Its incapacity for strategic thinking has nothing to do with the fact that the main initiatives and decisions were taken by American leadership. The central role of the United States for Germany's security cannot be blamed for the lack of political and strategic sense of the German political class. For half a century, Germany's political elite has become accustomed to the delusion that politics is to a large extent social policy and that foreign policy is the continuation of domestic policy by the same means, namely discussion and economic exchange. According to the German mindset, all conflicts can ultimately be solved through discussion since all parties involved share a common ground, i.e. international trade. This would result in a peaceful world in which competitors have replaced the possibility of enmity. Germany's exclusive focus on domestic politics has led it to interpret the international order as being essentially benign and its foreign policy as an expression of goodwill. Although Germany's way to economic strength was only possible through the massive use of military might by the allied forces, military power as a means to achieve political ends has no place in this peaceful cosmos. Germany has consistently ignored the essential fact in politics that there are enemies who are not willing to play according to the rules of democratic capitalism. The fact that defending liberal-democratic values may sometimes require the use of force has been simply evaded.

### **The Corrupting Influence of Welfare**

The longer Germans have become accustomed to the security umbrella and open world markets provided by the US, the more they have been unable to recognize and acknowledge the fact that the US is the real source of their wealth and security. Starting in the 1970s, the first generation appeared that understood the conditions of German prosperity and security to be

self-evident facts without asking for their real, power-political source. To make things even worse, since the 1970s it has become fashionable to blame the US as the greatest reason for 'international insecurity' and 'economic exploitation'. The amenities provided by the US have encouraged governments that have completely lost touch with reality. Germany's ideologies and policies have been directed against the US, undermining the legitimacy of the power that allowed Germans to live in peace, wealth, and freedom. Currently, we are experiencing a period in which these ideologies have become the policy of the day. The most recent example is the fancy idea to counterbalance the US and form a multi-polar world, as if the US were a dangerous power that must be tamed and contained.

In the last fifty years, Germans have been protected from the harsh realities of political life; they have completely forgotten that peace, security, and freedom require overwhelming military power to protect against existing and potential enemies. They have put all their faith in international organizations, the seemingly 'inevitable' spread of democracy and the peaceful consequence of international trade. They have lost all political sense by escaping into a dreamy cosmopolitan utopianism in which the ideas of freedom and peace seem to have a kind of self-enforcing quality. In this vision, power and force only appear as disturbing phenomena that should just be wished away. In the protective welfare-state climate of the 1970s and 1980s, German political sense was lost. It was forgotten that "peace does not keep itself", and that "one or more states in an international system must take the responsibility and bear the burdens needed to keep peace, to be prepared to defend it" (Donald Kagan). Peace is inherently fragile and can only be preserved by decisive vigilance. This truth behind Ronald Reagan's formula of keeping peace through strength has never been understood in Germany. In Germany's political universe, military power as a means of policy does not have any positive role. If Germany is to play a constructive role in stabilizing the world, it has to rid itself of its deeply flawed views on foreign policy. This would require a demoralization of international politics and a resolute streamlining of German foreign policy according to its national interests.

### **Recovering the National Interest**

A clear definition of the national interest needs to be an essential guide to Germany's foreign policy. Such a robust national interest policy would reveal that the European Union does not represent a value in itself. European institutions have always been used as instruments to further the egoistic interests of nations. France, for example, has always pursued its own national interests within European institutions and Germany has naively assisted them. Equally, Ger-

many should stop overestimating the UN. Instead of a sentimental approach to international organizations, Germany should practice an instrumental approach towards them. It should develop a perspective from which it is axiomatic that its foreign policy, like that of any other nation, should be based upon enlightened selfishness. It should be determined from the standpoint of what is most advantageous for the long-term interests of its people. Germany needs to recover its old tradition of political realism as a strategy of survival in a world where states and other actors do not obey our own civilized standards. In foreign policy, Germany should achieve a sober realist thinking, free of any idealistic and humanitarian illusions. In this context, the question of military power should be decided by security necessities and not fiscal considerations. Defense issues must be discussed in terms of what they are needed for instead of in terms of how much they cost.

### **The Atlantic Community: Power and Principle**

A more realistic German foreign policy should go beyond the concept of material national interests, e.g. securing energy supply and prevention of terrorist attacks. It is hard to believe that the German population would accept cuts in welfare programs to finance an increase in defense spending. Equally, Germans would be very reluctant to give up some of their most beloved welfare state amenities to support the United States in its fight against terrorism and “rogue states”. Germany’s future policy of global engagement within the Atlantic community will only be achieved if Germans become committed to values deeper and more compelling than concern over strategic and geopolitical advantage. The exercise of global power is never an aim in itself, but always for the sake of some values. The core of the Atlantic idea is the defense and spread of the rule of law, civil rights and representative democracy. In general, foreign policy cannot be achieved solely by relying upon the pursuit of what policy experts consider practical national interests. Power should always be committed to principles. Power and principle should form a coherent unity in the Atlantic community. Germany must understand that the real choice is not between moral principles and national interests devoid of moral dignity, but between one set of moral principles divorced from political power and another set of moral principles backed and enforced by power. Therefore, Germany should stand ready to employ Western influence to help shape a stable world order and promote fundamental Western principles. Germany has to accept that military power as an instrument of foreign policy can be called upon when necessary to achieve these principles. Margaret Thatcher’s famous speech in Bruges in 1988, where she spoke out against the political blindness of some European nations, still holds true today: “Let us never forget that our way of life, our vision

and all we hope to achieve, is secured not by the rightness of our cause but by the strength of our defense". If necessary, a constitutional democracy must be defended with military power.

However, public discussion in Germany on these issues is still considered a taboo. Instead of initiating public debate on such issues, political leaders sacrifice long-term strategic considerations on the altar of national elections. Cuts in defense spending and inattention to the necessity of constant political leadership are making it increasingly difficult to sustain German influence in the world. As a consequence, we are jeopardizing our ability to meet present threats and to deal with potentially greater challenges that lie ahead.

### **The Need for a Democratic Hegemonic Power**

Germany should take the initiative to revive the Atlantic idea by vigorously defending the integrity of NATO. First of all, Germans must recognize the central role of an American preponderant power for its own national interest. Germany should stop longing for a separate European security and defense policy. A common European foreign and security policy can never be an alternative to NATO, but it can be a means of strengthening Europe's contribution to the common defense of the West. Europe as a military actor does not exist; it is nothing more than a paper tiger. The US represents the world's dominant power on which the maintenance of international peace and the support of democratic principles depend. The only danger we have to fear is a decline of the US in military, economic, and moral terms. A weak US and a multi-polar world would be a threat to our vital economic and security interests. Instead, German strategy should be aimed at preserving American pre-eminence and encouraging its active role in world politics. We should also accept that, if necessary, Western principles must be defended by military power.

In particular, export-oriented nations such as Germany depend on open world markets. Germany's security is inseparable from the way in which global markets work. In theory, an open world economy may arise spontaneously; but in practice, open markets require a hegemonic power that is willing and able to support the free movements of goods and capital. Therefore, we should support the US to maintain a free international trading order and economic relations that have kept us so rich in the last 50 years. Our national economic interest in open markets requires amicable relations with the US because it represents the ultimate guarantee of an open international economic order. The preservation of an orderly international system that promotes the free flow of capital and goods and the guarantee of international financial stability represent a keystone of American foreign policy. Germany's vital national economic

interest is to assist the U.S. in this task. In addition, we should support the US in its efforts to prevent the rise of a regional hegemonic power that could threaten our business interests. The international political considerations of the US are also favorable for our global economic interests. Our economic well being and economic power are tightly connected with the success of U.S. foreign policy. At the same time, the goal of a free global economic order gets us involved in regional conflicts, since our economic interests can only be protected and furthered in relatively stable countries. German goods and capital need a security policy with a global focus. Therefore due to its reliance on a functioning world economy, Germany should define its national interests in global terms.

Global security and an open world economy are only possible since the US stands above international law. Since it is powerful enough to create the conditions under which an international legal system can function, the US should have a veto right in international law that can be enforced. Since the US has global responsibility, it cannot and should not be limited by legal and moral norms or by multilateral organizations. The US, as the only power that has the capacity to guarantee law and order on a global level, has the exclusive right to decide on peace and war.

### **A Grand Economic Strategy for German Foreign Policy**

In the global age, the territorial distribution of industry and technology is a central concern of government policy. Behind problems of trade, foreign investment and monetary affairs, there are conflicting national ambitions and the fundamental question of 'who is to produce what and where'. A central goal of any government is to be the location of the rising and expanding sectors of the international economy. Governments aspire to be the source of technological innovation and to acquire industrial supremacy over other nations, particularly in key industries such as computer and semiconductor, biochemical technologies, aerospace etc. Every state wants to be as close as possible to the innovative end of the product cycle where the highest 'value added' is located. States intervene to enhance the competitiveness of their nations' industries and to negotiate advantages for their nations' exporters. In this geo-economic age, economic policy consists of the development of leading sectors of national production to give them a competitive edge in world markets. "For this reason, interstate competition for growth and high value-added sectors is a major aspect of the dynamics of the international political economy. One of its fundamental issues is the global location of these activities" (Robert Gilpin). Interstate competition becomes more intense and significant due to an increased rate of technological diffusion and resulting changes of comparative advantage. In the

dynamic global market, leading economic sectors are destroyed with increasing rapidity, forcing painful adjustment costs on capital and labor. Consequently, this process of economic change and adjustment leading to declining industries and new growth sectors becomes decisive for the power and wealth of nations.

Thus, the major objective of German foreign policy should be business, i.e. to encourage trade, to promote key industries and to develop national prosperity. It should be seen as a single marketplace, and the purpose of German foreign policy is to enhance Germany's position in world markets. More than ever, business should be the *raison d'être* of German foreign policy. Commerce should be at the heart of German strategic thinking and policymaking. In the geo-economic era, domestic policy becomes the economic adjustment to global shifts in comparative advantage. The welfare state, the labor market, industrial and education policy should be reformed with the view to increase the growth rates and competitiveness of the German economy. In the geo-economic struggle for world market shares and industrial supremacy, German foreign policy should focus on its techno-economic security interests. It should be organized around the goal of advancing its techno-economic position since its great power status does not depend on its military power. These elements of a possible German grand strategy are consistent with its implicit strategy after WWII, when Germany's return to world politics was based on its technological and industrial strength. Despite the need to spend more money on military affairs to support the US, Germany should define its national interests in technological, industrial and economic terms. Increasingly national power is also decided by economic power, and economic power has something to do with the ability to generate technology.

In general, open world markets are consistent with German economic interests. But when it comes to the strategic key technologies that are relevant to creating Germany's future wealth and technological independence, industrial policy and a sound research and development policy cannot be excluded as policy options. A more robust defense of national economic interests, keeping German high-tech firms competitive and creating a favorable environment to raise new ones, is necessary for the nation's long-term economic health and international economic power position. If Germany is interested in keeping and fostering its international prestige and influence, it needs to have a strong economy. The federal government should work with large corporations to advance their interests in global markets. Germany should forge a strong alliance between national government and big business as the key to both domestic stability and a powerful position abroad. Germany is especially unprepared for a twenty-first

century in which the control of markets and technology is a principle battleground. Germany's loss of industrial and technological power in relation to other developed nations is slowly but surely eroding its influence abroad. Only through the cooperative efforts of government and industry effort to restore German economic might can Berlin's influence in the world be guaranteed.

Domestic reforms of Germany's economic system are currently at the top of the agenda because of high unemployment rates, the coming collapse of the health and pension systems and the public budget deficit. Such a purely domestic perspective has to be complemented by an international perspective. The German sclerosis also threatens the international competitiveness of German companies and ultimately Germany's international economic power position. This is why a complete restructuring of the social market economy also represents a foreign policy issue. Its success and failure also determines Germany's prestige and influence in international organizations and vis-à-vis other nations. Domestic, market-oriented reforms are necessary in order that foreign policy may be possible. The true grand national strategy for Germany should be to get its economic policy right. If it has the money, it will be able to support its increased military responsibilities. Thus, German foreign policy should be a mix of both security policy and economic policy – with economic aspects constantly at the forefront. This is Germany's comparative and competitive advantage in international relations. Here lies the true source of its international prestige and power position.

### **First Steps Back to Reality**

Currently, it seems that Germany is unable to do without the consolation of pacifistic illusions. It is far from being prepared to bear the burden and responsibility of a great nation. Consequently, or later Germany will eventually lose its international prestige and influence. To prevent such a situation of political insignificance, Germany has to step into reality by formulating a consistent grand strategy that should unite security and economic aspects:

1. The only guideline of German foreign policy should be its national interest. For this purpose, it needs to revive its classic tradition of realist thinking. The best symbol for this turn in foreign policy thinking would be the institutionalization of a national security advisor.
2. The essence of German foreign policy should be its national economic interests, because Germany's international power and prestige completely depend on its economic and technological strength. German foreign policy is primarily a foreign economic policy that actively

promotes the competitiveness of German companies and the development of key technologies.

3. Germany's national security and economic interests are guaranteed best under the democratic hegemony of the US. It should stop dreaming of a multi-polar world and refrain from weakening the US by denying its legitimacy in international politics. The unrivalled U.S. hegemonic power is friendly to Germany's security, prosperity, and principles.

4. Germany needs to increase its defense spending significantly and modernize its armed forces if it is to be a credible international partner to the US.

5. Germany should help the US to turn the unipolar moment into a unipolar era. It needs stamina, i.e. the ability to sustain a collective effort and commitment. This can only be developed through a strong belief in the moral legitimacy of the Atlantic community and is not hollowed out by moral relativism.