Executive Summary

Thirty years after achieving reunification, Germany faces enormous challenges. Europe’s security is under threat; Europe’s democracies are on the defensive.

Context
We find ourselves in the midst of a Zeitenwende, the turn of an era, in which established foreign policy certainties of the Federal Republic are evaporating. This new situation is characterized by the dissolution of an international order built over decades, the rise of China, and a resurgence of power politics violating international norms. In addition, we are confronted with the dramatic consequences of climate change as well as rapid technological upheaval.

These trends are exacerbated by a gradual reorientation of the United States, the origins of which go farther back than 2016. Washington’s relative power has declined. Today, the US is less able to act as guarantor of the international order and less willing to take on a disproportionate burden. Under President Trump, America no longer sees the maintenance of a rules-based international order and its institutions as a priority.

Many of these challenges are not new. For years, European democracies have been searching for answers. At the Munich Security Conference in 2014, leading representatives of the Federal Republic articulated what was later termed the “Munich consensus”: Germany would be ready to assume “more responsibility” internationally and to act “earlier, more decisively and more substantially.”

Six years later, it is evident that Germany has increased its foreign and security policy commitment in a number of areas. It has taken on a leading role in addressing crises, such as in the Russian–Ukrainian conflict. It has increased its defense spending by about 40 percent since 2014. It has participated in military operations within the framework of the UN, EU, and NATO and has established a military presence on the eastern flank of the Alliance for the first time since the end of the Cold War. In 2020, together with
France, it proposed an unprecedented recovery package and thereby set the course for the EU to emerge stronger from the Covid-19 crisis.

And yet, Germany’s commitment falls short not only of the expectations of its most important partners but also of the requirements arising from the strategic environment. German foreign policy is evolving, but the world around us is evolving even faster.

Since 2014, the erosion of the rules-based order has accelerated further. More than any other country, Germany had benefitted from this order which was to a large extent guaranteed by the United States. Accordingly, Germany is now disproportionately affected by its decline. Germany’s “business model” is obsolete – both in economic and security policy terms. Piecemeal adjustments offer no solution.

Germany now faces a fateful decision: It can throw its weight behind the “European imperative,” i.e. strengthening Europe in order to defend German and European interests. Or Germany can cling to the status quo and prepare itself for EU–Europe to mutate into an “appendage” dominated by other powers.

The dangers described here are understood by many observers. German policy-makers have repeatedly noted that we are experiencing the turn of an era in world politics, and that Europe must take its fate into its own hands. What has been lacking so far is the will within the political class to embark on a new German foreign policy that allows a “sovereign Europe” to emerge. The necessary building blocks for such a policy are not difficult to identify.

Tasks
The first task is to strengthen the EU and improve its ability to act. To do so, Germany must evolve from a status-quo power into an “enabling power.” European sovereignty and the robust defense of European interests will be possible only if Germany takes on the leadership role which comes with being the EU’s largest member state. It is clear that it will only be able to do so in close coordination with EU partners, first and foremost with France.
A German leadership role is a prerequisite for Europe’s ability to act in all areas of foreign and security policy. This applies to dealing with global threats such as global warming, migration, or pandemics. It also applies to competition in the field of artificial intelligence and other strategic technologies.

Maintaining close relations with the EU’s core ally, the United States, and preserving a US security role in Europe will also depend on a stronger and more convincing commitment by the European Union. Berlin should advocate for a European strategy toward the US that emphasizes common interests and communicates them through all available channels, not only to the administration in Washington, but also to the US Congress, the states, the business community, and civil society in the United States.

Strengthening the EU’s capacity for action is also a prerequisite for a credible European policy toward Russia and China. Given China’s rapid rise and policy changes under President Xi as well as the dynamic development of the Asia–Pacific region, there is an urgent need for a common EU policy on Asia.

Russia has challenged the fundamentals of the European security order. All attempts in recent years to enter into a constructive dialogue with Moscow have failed. Channels for dialogue must be kept open, but in the short term what is necessary is strengthening deterrence and defense and building resilience.

With regard to Europe’s neighboring regions, in particular Africa and the Middle East, it will be crucial to establish a minimum of stability and to open up the potential for development.

**Getting Organized**

To enhance Europe’s capacity for action, Germany must first define its strategic interests at the national level and modernize its foreign policy apparatus, including its decision-making processes.
The first step is to foster Germany’s “strategic culture.” A national strategy document submitted regularly by the German government, as is customary among all important allies and partners, is a necessity. Such a document and annual interim reports should be debated in the Bundestag and thereby help to raise public awareness. In any case, the Bundestag should, as many parliamentarians have proposed, debate basic questions of foreign policy more frequently.

Since the 1960s, the Federal Government’s foreign and security policy apparatus has hardly evolved, even though the world around us has become increasingly complex and reaction times ever shorter. An improvement of decision-making structures, whether through a more systematic use of the Federal Security Council (Bundessicherheitsrat) or the creation of new coordination structures, appears necessary. Inevitably, in a coalition, such a restructuring will also be analyzed in terms of power gains and losses. However, on closer inspection, this would not be a zero-sum game for the ministries and coalition partners involved. As the example of our most important partners and allies shows, strong ministries and effective coordination are no contradiction.

Foreign and security policy in times of great upheaval must be backed up by sufficient resources. This applies equally to diplomacy, development cooperation, and defense. In a long-term comparison, spending on “international affairs” in the federal budget has fallen considerably as a proportion of the total budget and is no longer adequate in the current situation. The reduction of the US military presence in Europe – a trend that will continue regardless of the outcome of the US elections – will further increase requirements. Germany must mobilize more resources if Europe is to become a fully capable foreign policy actor.

The ability to act externally requires stability on the inside: The Covid-19 pandemic has dramatically highlighted the importance of resilience. Together with its partners in the EU, the German government must examine whether we are sufficiently prepared when it comes to cyber security and other relevant areas.
Good foreign policy and the mobilization of sufficient resources require acceptance – and ideally active support – from citizens. That the public is aware of the gravity of the international challenges is evident in a new survey specifically conducted for the MSC: 75 percent of those polled expect more crises and conflicts in the coming years.

The survey confirms that Germans are open-minded and favor multilateralism. And Germans can be convinced to do more in foreign policy if politicians make the case. In addressing the Covid-19 crisis, Germany has shown leadership and has helped keep Europe together.

Now it is time to set the course for a German foreign policy that will make the European Union a capable and respected player in the world.