

# German Foreign Policy. Reliable partners and “new players”<sup>\*</sup> / Política exterior alemana, socios confiables y los “nuevos protagonistas”

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ABSTRACT

In the last quarter of a century, German foreign policy has strongly evolved. Germany has strengthened its ties with France and other European countries, by deepening the European integration. Simultaneously, the demand for US security guarantees has fallen, and the US-German relations have lost their old role.

In the 21st century, German foreign policy pays more attention to the countries outside the Euro-Atlantic region, labeling the most important of them as new players. China is the most important among them.

But the close relations with new players have not resulted in any change of the German foreign policy principles. Germany is a status quo power, integrated in the Atlantic-European community. The German government has no intention to challenge the current alliances. Germany is interested in strengthening the cooperation within the European Union, the Eurozone and Euro-Atlantic region.

KEYWORDS

Germany, foreign policy, new players, geo-economy.

RESUMEN

En el último cuarto de siglo la política exterior alemana ha evolucionado fuertemente. Alemania ha fortalecido sus relaciones con Francia y otros países europeos, fortaleciendo la integración europea. Simultáneamente, la demanda de garantías de seguridad de Estados Unidos ha caído, y las relaciones entre Estados Unidos y Alemania han perdido su antigua función.

En el siglo XXI, la política exterior alemana presta más atención a los países afuera de la región euroatlántica, etiquetando a los más importantes como nuevos jugadores, China es el más importante entre ellos. Pero las relaciones cercanas con los nuevos jugadores no han resultado en ningún cambio de principios sobre la política exterior Alemana. Alemania es el poder status quo, integrado en la comunidad atlántica europea. El gobierno alemán no tiene ninguna intención de impugnar las alianzas actuales. Alemania está interesada en fortalecer la cooperación dentro la Unión Europea, la eurozona y la región euroatlántica.

PALABRAS CLAVE

Alemania, la política exterior, los nuevos jugadores, geo-economía.

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1. German Foreign Policy. Reliable Partners and “New Players” / 2. Germany as a Geo-Economic Power / 3. Priorities of the German Foreign Policy / 4. Reliable partners / 5. “New players” / 6. Conclusions

## 1. GERMAN FOREIGN POLICY. RELIABLE PARTNERS AND “NEW PLAYERS”\*

The end of the Soviet sphere of influence in Europe at the turn of the 1980s and 1990s and the unification in 1990 have opened new perspectives for the foreign policy of the Federal Republic of Germany. The united Germany had to decide on the direction and priorities of its foreign policy. An intense discussion within the government and the scientific community started as an element of a much broader debate on the future of Germany and the differences between the old “Bonner Republic” and the new “Berlin Republic”. The discussion focused on the role of Germany in the international system. Plenty of roles were suggested. The most discussed proposals were “civilian power”,<sup>1</sup> “Europe’s central power”<sup>2</sup> and “trading state”.<sup>3</sup> The debate was driven by the question of the German “normality”.<sup>4</sup> Chancellor Helmut Kohl understood the worries of the other countries and tried to convince them that German foreign policy would remain stable and faithful to its old principles.<sup>5</sup>

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<sup>1</sup> MAULL, H. W. Germany and Japan: The New Civilian Powers, *Foreign Affairs*, 1990, 69(5), 91-106.

<sup>2</sup> SCHWARZ, Hans-Peter, *Die Zentralmacht Europas. Deutschland Rückkehr auf die Weltbühne*, Berlin, Siedler Verlag, 1994.

<sup>3</sup> STAACK, Michael, *Handelsstaat Deutschland. Deutsche Außenpolitik in einem neuen internationalen System*, Paderborn, Ferdinand Schöningh Verlag, 2000.

<sup>4</sup> KESSLER, Sebastian, Johann SCHEWE and Christian WEBER, Normalität, in G. HELLMANN, Ch. WEBER, F. SAUER, (eds.), *Die Semantik der neuen deutschen Außenpolitik. Eine Analyse des außenpolitischen Vokabulars seit Mitte der 1980er Jahre*, Wiesbaden, VS Verlag für Sozialwissenschaften, 2008, pp. 126-134.

<sup>5</sup> HAFTENDORN, H. Maximen deutscher Außenpolitik-Von der Regierung Kohl über Schröder zu Merkel. in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hans-Seidel-Stiftung, 2012, pp. 16.

In the early 1990s, the country's EU<sup>6</sup> and NATO partners expected stronger German engagement in global affairs. Especially the absence of military instruments in German foreign policy was expected to be overcome. In 1990, during the liberation of Kuwait, Germany was still able to use its checkbook diplomacy. But the situation changed in the 1990s. The so called "culture of reticence" was questioned. A decision of the Federal Constitutional Court of 1994 opened the way to participation in "out of area" missions and ended the tradition of the "never again" and "never alone" policy.

As a convinced supporter of European integration, the German chancellor Helmut Kohl played a decisive role during the negotiations of the Maastricht Treaty and strongly supported the east enlargement of the EU. He nurtured the image of Germany as a trustworthy partner. Multilateralism remained a key element of the German foreign policy strategy, but its justification changed. During the Cold War, ethical reasons had been the argument in its favor, but after the unification, multilateralism was seen as an effective method of pursuing the national interests.<sup>7</sup>

As Germany started to increase its international activity, many developing countries initiated deep economic reforms. Since 1978, China<sup>8</sup> has been restructuring its economic system and has grown to be the second biggest economy in the world. In 2001, Jim O'Neill from the Goldman Sachs bank coined the abbreviation BRIC, referring to four new economic powers: Brazil, Russia, India and China. Later, the Republic of South Africa joined the group, and the abbreviation changed to BRICS. O'Neill's prediction proved to be right.<sup>9</sup> Apart from the BRICS countries, many other developing countries have been growing fast in the early 21<sup>st</sup> century as well. They have successfully survived the global financial crisis of 2008, which has made the shift of power toward the emerging markets even more visible than before.<sup>10</sup>

In the early 21<sup>st</sup> century, the foreign policy debate in Germany focused on the policy of Chancellor Gerhard Schröder toward the Iraq crisis. He denied support to the USA and declared Germany a "self-confident country".<sup>11</sup> It was the first time that Germany refused to support the United

<sup>6</sup> European Union.

<sup>7</sup> BAUMANN, R., Die Wandlung eines vermeintlichen Kontinuitätselements der deutschen Außenpolitik, in T. JÄGER, A. HÖSE, K. OPPERMANN, (eds.), *Deutsche Außenpolitik. Sicherheit, Wohlfahrt, Institutionen und Normen*. Wiesbaden: VS Verlag für Sozialwissenschaften, 2007, p. 443.

<sup>8</sup> People's Republic of China (PRC)

<sup>9</sup> O'NEILL, John, Building Better Global Economic BRICS, *Goldman Sachs Global Economics Paper* [online]. 2001, 66, Available from: <http://www.goldmansachs.com/our-thinking/archive/archive-pdfs/build-better-brics.pdf> (viewed 29 October 2014).

<sup>10</sup> KOSA, M. Ayhan, PRASAD, Eswar S., Emerging Markets Come of Age, *Finance & Development*, 2010, 47(4), 7-10.

<sup>11</sup> Ger. "ein selbstbewusstes Land"; SCHRÖDER, Gerhard. Rede von Bundeskanzler Gerhard Schröder zum Wahlkampfauftakt am 5.8.2002 in Hannover [online]. Universität Jena [viewed 5 December 2014]. Available from: [http://www.powi.uni-jena.de/wahlkampf2002/dokumente/SPD\\_Schroeder\\_](http://www.powi.uni-jena.de/wahlkampf2002/dokumente/SPD_Schroeder_)

States in a key issue of international security. Instead, it chose the “third way”<sup>12</sup> policy. Plenty of factors had influenced the German decision, but its strategic dimension cannot be neglected. Since the end of the Cold War, Germany has been ready to pursue its own interests, even against those of the USA. Despite the different considerations of the German Iraq policy,<sup>13</sup> a psychological barrier in the German foreign policy has been crossed.<sup>14</sup>

Moreover, the relations between Germany and its second traditional partner, France, have become more complicated as well. Although the foreign policy objectives of the two countries had never perfectly overlapped, today they seem to be more complicated than ever. The main areas of disagreement are economic policy (especially the handling of the Euro crisis) and security policy. In the eyes of the proponents of close French-German relations, “a new historical compromise” seems the only hope.<sup>15</sup> The frequently discussed communication problems<sup>16</sup> between the elites of the two countries seem to be the smallest problem when faced with the whole package of differences between them.<sup>17</sup>

The unification has dramatically changed the international position of Germany as it moved to the center of the “union of stability, security and wealth”,<sup>18</sup> where it is “entrenched”.<sup>19</sup> *But as the German president Joachim Gauck indicated, Germany is upset by the crisis in the EU and in the relations with the USA there are symptoms of uncertainty.*<sup>20</sup>

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<sup>12</sup> SCHRÖDER, G., Eine Außenpolitik des Dritten Weges, *Gewerkschaftliche Monatshefte*, 1999, 50(7-8), 392-396.

<sup>13</sup> SCHÖLLGEN, Gregor, *Der Auftritt. Deutschlands Rückkehr auf die Weltbühne*, Berlin, Ullstein Taschenbuch, 2003; BAHR, Egon, *Der deutsche Weg. Selbstverständlich und normal*, München, Blessing, 2003; MAULL, H. W., Aufleisen Sohlen aus der Außenpolitik?, *Internationale Politik*, 2003, 58(9), 19-30.

<sup>14</sup> LINK, W., Europa ist Unentbehrlich: Plädoyer für ein europäisches Deutschland, in T. JÄGER, A. HÖSE, K. OPPERMANN, (eds.), *Deutsche Außenpolitik. Sicherheit, Wohlfahrt, Institutionen und Normen*, Wiesbaden, VS Verlag für Sozialwissenschaften, 2007, pp. 590.

<sup>15</sup> Ger. “Ein neuer historischer Kompromiss”; ERRERA, Gérard, ISCHINGER, Wolfgang, *Fremde Freunde* [online]. Munich Security Conference, April 2014 [viewed 15 December 2014]. Available from: <https://www.securityconference.de/debatte/monthly-mind/detail/article/monthly-mind-april-2014-fremde-freunde/>.

<sup>16</sup> DEMESMAY, C, Kollektive Obsession. Frankreichs Deutschland-Komplex und die Zukunft der Achse Paris-Berlin. *Internationale Politik*, 2013, 4, 102-105.

<sup>17</sup> DEMESMAY, C. Hat der deutsch-französische Bilateralismus Zukunft? Deutschland und Frankreich. *APuZ*, 2013, 63(1-3), 37-42.

<sup>18</sup> Ger. “Stabilitäts-, Sicherheits- und Wohlstandsunion”; *Die Europäische Union* [online]. Bundesministerium der Verteidigung, 14 August 2012 [viewed 15 October 2014]. Available from: [http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/LYtLCoAwDAXP4gWSvTtvoW4kSqiPalr68\\_oWkbeaYR6v3GfS-4KQgmFw883Jg3B\\_a7-Yo4zgzlnYqSY7hQ4AlWNNmf6xaSE0P-WI20phBFkftvq9YIRz8NL0y-Rekl/](http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/LYtLCoAwDAXP4gWSvTtvoW4kSqiPalr68_oWkbeaYR6v3GfS-4KQgmFw883Jg3B_a7-Yo4zgzlnYqSY7hQ4AlWNNmf6xaSE0P-WI20phBFkftvq9YIRz8NL0y-Rekl/)

<sup>19</sup> Ger. “solide verwurzelt ist”; GAUCK, Joachim. *Deutschlands Rolle in der Welt: Anmerkungen zu Verantwortung, Normen und Bündnissen. Eröffnung der 50. Münchner Sicherheitskonferenz* [online]. [www.bundespraesident.de](http://www.bundespraesident.de), 31.1.2014 [viewed 15 December 2014]. Available from: <http://www.bundespraesident.de/SharedDocs/Reden/DE/Joachim-Gauck/Reden/2014/01/140131-Muenchner-Sicherheitskonferenz.html>

<sup>20</sup> *Ibid.*

After World War II, the FRG walked a long road toward the West.<sup>21</sup> Today, some people argue that Germany should have a more diverse range of partners.<sup>22</sup> It has to be asked whether the German government should construct the third pillar of the German foreign policy, alongside the partnerships with the USA and France/EU.<sup>23</sup> After Germany concluded numerous agreements on strategic partnership with developing countries, the government published strategic documents suggesting stronger involvement in relations with “new players”<sup>24</sup> that do not belong to the Euro-Atlantic community. Chancellor Merkel also declared that Germany was ready to support its allies all over the world with weaponry.<sup>25</sup> What are the priorities of the German foreign policy today? Is there a strategic pivot in the German foreign policy or only an accommodation to the new balance of power? I will argue that Germany is open to new partnerships, but it is not ready to put in question its traditional alliances. It prefers close relations with France and the United States. The growing role of non-European countries in the German foreign policy can be explained by their growing economic attractiveness.

In this paper I look at the German foreign policy from the geo-economic perspective. The rise of geo-economy in the 1990s was a response to the new international circumstances of the post-Cold War era.<sup>26</sup> The discussion of the German foreign policy from the geo-economic perspective was initiated in 2011 by Hans Kundnani.<sup>27</sup>

This paper has the following structure: In the first chapter, I will argue in favor of defining Germany as a geo-economic power. In the second chapter, I will discuss the priorities of the German foreign policy. In the third chapter, I will look at the relations between Germany and the USA and France. Analyzing the French-German relations, I will pay special attention to EU-related issues. European politics and French-German relations are inseparable today. In the fourth chapter, I will look at the relations between Germany and the “new players”. Despite the fact that the German government has not defined

<sup>21</sup> WINKLER, Heinrich August, *Der lange Weg nach Westen. Deutsche Geschichte vom “Dritten Reich“ bis zur Wiedervereinigung*, 5th (ed.), München, C.H. Beck, 2000. Vol. 2.

<sup>22</sup> See: ABELSHAUSER, W. Deutschland, Europa und die Welt. *FAZ*, 9.12.2011, 12.

<sup>23</sup> ROOS, U., Deutsche Außenpolitik nach der Vereinigung. Zwischen ernüchtertem Idealismus und realpolitischem Weltordnungsstreben, *Zeitschrift für Internationale Beziehungen*, 2012, 19(2), 7-40.

<sup>24</sup> See: DIE BUNDESREGIERUNG, *Globalisierung gestalten-Partnerschaften ausbauen-Verantwortung teilen. Konzept der Bundesregierung*, Berlin, 2012.

<sup>25</sup> MERKEL, Angela, *Deutschland weiß um seine Verantwortung in der Welt* [online], bundesregierung.de, 09.09.2011 [viewed 15 December 2014]. Available from: <http://www.bundesregierung.de/Content/DE/Rede/2011/09/2011-09-09-rede-merkel-au%C3%9Fen-u-sicherheitspolitik.html>; ANON. Merkel: Rüstungsexport dient dem Frieden. *Handelsblatt* [online]. 22 October 2012 [viewed 15 December 2014]. Available from: <http://www.handelsblatt.com/politik/deutschland/bundeswehrtagung-merkel-ruestungsexport-dient-dem-frieden/7285108.htm>

<sup>26</sup> LUTTWAK, E. N., From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce, in G. Ó TUATHAIL, S. DALBY, P. ROUTLEDGE, (eds.), *The Geopolitics Reader*, London, Routledge, 1998, pp. 125-130.

<sup>27</sup> KUNDNANI, H., Germany as a Geo-economic Power, *The Washington Quarterly*, 2011, 34(3), 31-45.

this group of countries, some international institutions like the G-8+5 group and the G-20 group, where potential “new players” are heavily represented, have been founded on German initiatives. Two of them will serve as case studies to show the German approach toward this group of countries, namely China and India. Those are the two biggest “new players” (in terms of territory, economy and population). This choice reflects also the growing role of Asia in international relations. The paper ends with conclusions.

## 2. GERMANY AS A GEO-ECONOMIC POWER

Since the end of the bipolar division of the world in the early 1990s, new characteristics of the international system were noticed. In consequence, Edward Luttwak proposed a new theoretical approach: geo-economy.<sup>28</sup> Since then, the study on geo-economy has been further developed.<sup>29</sup> For geo-economists, the dissolution of the USSR was not areas on to believe in the end of history.<sup>30</sup> On the contrary, they argued in favor of international relations being still characterized by conflicts between nations. Only the instruments of these conflicts have changed. As Luttwak indicates, countries use economic rather than military instruments to achieve their goals. He talks about “methods of commerce” as the main instrument of state policy. Geo-economy shows the increasing role of economic power in international affairs. Geo-economists argue that states “produce” the geo-economic space; that is the space where they secure favorable conditions for the economic activity of enterprises.<sup>31</sup>

Geo-economy may be understood in two ways. As Hans Kundnani argues, there are two versions of the term, the “soft” one and the “hard” one. “A ‘soft’ version that is meant to capture the way states increasingly seem to pursue economic *objectives* and a ‘hard’ version that is meant to capture the way that states increasingly seem to use economic *means* to achieve strategic objectives”.<sup>32</sup> In his article from 2011, which started the study of German foreign policy from the geo-economic perspective, he looked at the “hard” version of geo-economy.<sup>33</sup> As is broadly discussed in academic literature, all “new players” owe their new status to the geo-economic strategy.<sup>34</sup>

<sup>28</sup> LUTTWAK, E. N., *op.cit.*, pp. 125-130.

<sup>29</sup> BABIĆ, Blagoje S., Geo-economics-Reality & Science. *Megatrend Review*, 2009, 6(1), 35.

<sup>30</sup> FUKUYAMA, Francis, *The end of history and the last man*, London, Free Press, 1992.

<sup>31</sup> COWEN D., Neil SMITH. After Geopolitics? From the Geopolitical Social to Geoeconomics. *Antipode*, 2009, 41(1), 38.; HALIŹAK, E. Pojęcie i istota przestrzeni geoeconomicznej, in E. HALIŹAK, (ed.), *Geoeconomia*, Warszawa, Scholar, 2012, pp. 39-41.

<sup>32</sup> KUNDNANI, Hans, *Germany and geo-economics* [online], 3 June 2013 [viewed 14 December 2014]. Available from: <http://hanskundnani.com/2013/06/03/germany-and-geo-economics/>

<sup>33</sup> KUNDNANI, H., *Op. cit. The Washington Quarterly*, 2011, 34(3), 31-45.

<sup>34</sup> SANDSCHNEIDER, E., Deutsche Außenpolitik: eine Gestaltungsmacht in der Kontinuitätsfalle, *APuŹ*, 2012, 62(10), 7.

An important element in the discussion about geo-economy is its relation to geopolitics. There are two main views on this issue. One group of scholars argues that geo-economy replaces geopolitics and another that geo-economy and geopolitics coexist with each other. One of the leading geo-strategists, Parag Khanna, indicates that “the geo-economic approach [...] is one of three paradigmatic approaches alongside geo-political and geo-technological methods. Each can make claims to explaining macro shifts in the balance of power.” He adds that “Geopolitics and geo-economics complement each other, but even together they are incomplete. A third approach is necessary to complete the triangle: geo-technology. The geo-technology lens requires that we understand the specific technological innovations that, through rapid commercialization, tilt geo-economic advantage and which through strategic deployment and potential militarization will have important geopolitical impact.”<sup>35</sup>

After World War II, German politicians had to look for a new foreign policy strategy. Nationalistic and authoritarian traditions had to be overcome and the relations with other countries had to be rebuilt from scratch.<sup>36</sup> With the end of the Cold War and with the German unification, the question of “normality” of the German state started to be discussed and the consequences of the German history for its current foreign policy were once again put on the table.<sup>37</sup>

Germany is recognized as one of the first countries that has used the geo-economic strategy, even before unification. This strategy has allowed Germany to take the position of the “leading power within the European Union”.<sup>38</sup> The borders of the European Union seem to be also borders of the application of the German geo-economic strategy. As Kundani argues, within the European Union Germany is using its economic power willingly to achieve its goals. But beyond the EU, the German foreign policy is different. It is based only on soft power and the outside world has been seen merely as a market for German goods and investments.<sup>39</sup> He argues that

<sup>35</sup> KHANNA, Parag, *Introductory Thoughts, speech on the conference: “A New Era of Geo-economics: Assessing the Interplay of Economic and Political Risk”* [online], IISS Seminar, 23-25 March 2012 [viewed 15 December 2014]. Available from: <http://www.iiss.org/en/events/geo-economics%20seminars/geo-economics%20seminars/archive/a-new-era-of-geo-economics-617d>

<sup>36</sup> WELSH, H.A., Germany. Ascent to Middle Power, in R. TIERSKY, J. VAN OUDENAREN, (eds.), *European Foreign Policy. Does Europe still matter?* Plymouth: Rowman&Littlefield, 2010, p. 219.

<sup>37</sup> MAULL, H.A., Abkehr vom Vertrauen Pfaden. Wird die deutsche Außenpolitik “normal“?, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hanns-Seidel-Stiftung, 2012, pp. 133-148.

<sup>38</sup> Ger. “Führungsmacht innerhalb der Europäischen Union”; VON BREDOW, W. Deutschlands außenpolitische Führungskraft. Interne und externe Schwierigkeiten, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hanns-Seidel-Stiftung, 2012, pp. 57.

<sup>39</sup> If we invoke the Kundnani distinction between “soft” and “hard” versions of geo-economy, it may be argued that within the EU, Germany follows the “hard” version of geo-economic strategy, but in the



beyond Europe, Germany “seems to focus almost exclusively on the pursuit of economic objectives”.<sup>40</sup> German foreign policy outside the euro-Atlantic space is seen as “risk-averse” and “passive”. “Berlin’s low-profile foreign and security policy” should also support the international expansion of German enterprises.<sup>41</sup> Ulrike Guerot is even more precise in pointing out “that Germany is replacing foreign policy [...] by trade policy. The export dependency of Germany means that the German heart goes where the export goes.”<sup>42</sup> This may present a major challenge for the German diplomacy in the future.

### 3. PRIORITIES OF THE GERMAN FOREIGN POLICY

Since the unification, the German foreign policy has changed substantially. During the Cold War it focused on the relations with the countries of the Euro-Atlantic area and on the relations with the Soviet Union.<sup>43</sup> A wonderful characteristic of the expectations towards the German foreign policy was offered by Wilfried von Bredow, who indicates such terms as “predictability, reluctance, responsibility, multilateral consensus orientation, no return to German «power politics», no unilateral policy, a European Germany [...]” as its preferred description.<sup>44</sup> But today these principles are questioned as well. As Eberhard Sandschneider suggests, today Germany needs rather “flexibility and adaptability”.<sup>45</sup>

In the early 21<sup>st</sup> century, the shift in the global balance of power started to be clear. In Germany, the first strategic reflection was formulated by the German Development Institute (DIE). It was cautiously formulated, focusing on developing countries and the role of development aid in the German foreign policy.<sup>46</sup> In 2006, the *German Institute of Global and Area Studies (GIGA)*

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rest of the world it follows the geo-economic strategy in the “soft” version.

<sup>40</sup> KUNDNANI, Hans, *op. cit.* 3 June 2013 [viewed 14 December 2014]. Available from: <http://hanskundnani.com/2013/06/03/germany-and-geo-economics/>

<sup>41</sup> SPECK, Ulrich. *Why Germany Is Not Becoming Europe’s Hegemon* [online], Fride, 11 May 2012 [viewed 14 December 2014]. Available from: <http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?lng=en&id=141956>

<sup>42</sup> GUEROT, Ulrike, *Germany goes global: farewell, Europe* [online], OpenDemocracy, 14 September 2010 [viewed 15 December 2014]. Available from: <https://www.opendemocracy.net/ulrike-guerot/germany-goes-global-farewell-europe>

<sup>43</sup> HACKE, CH., Deutschland in der Weltpolitik: Zivilmacht ohne Zivilcourage, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*. München: Hanns-Seidel-Stiftung, 2012, p. 87.

<sup>44</sup> Ger. “Berechenbarkeit, Zurückhaltung, Verantwortlichkeit, multilaterale Konsensorientierung, keine Rückkehr zur deutschen ‘Machtpolitik’, keine Alleingänge, ein europäisiertes Deutschland (...)”; VON BREDOW, W. Mars, Venus-oder doch lieber Pluto? Die deutsche Außenpolitik muss über ihre Prioritäten entscheiden, in T. Jäger, A. Höse, K. Oppermann, (eds.), *Deutsche Außenpolitik: Sicherheit-Wohlfahrt-Institutionen und Normen*, Wiesbaden, Springer VS, 2007, p. 623.

<sup>45</sup> Ger. “Flexibilität und Anpassungsfähigkeit”; SANDSCHNEIDER, E., *op. cit.* *APuZ*, 2012, 62(10), p. 6.

<sup>46</sup> STAMM, A., *Schwellen- und Ankerländer als Akteure einer globalen Partnerschaft*, Deutsches Institut für Ent-

initiated a program focusing on the regional powers (*regionale Führungsmächte*).<sup>47</sup> The next important step in analyzing the consequences of the global shift of power was the book edited by J. Husar, G. Maihold, S. Mair.<sup>48</sup> The authors of the individual chapters looked on the possibilities of cooperation between Germany and the “new players“. They analyzed the difficulties that may appear on the way and tried to formulate recommendations for the German diplomacy.<sup>49</sup> The study was based on the constructivist approach<sup>50</sup> and the authors looked primarily on countries that belong to the “second line” of world politics.<sup>51</sup>

The German diplomacy also noticed the changing balance of power in the world and has offered strategic partnership to many countries, including China, India, Russia, Brazil, and Vietnam.<sup>52</sup> The German foreign office was ready to develop a coherent concept of cooperation with countries outside traditional Euro-Atlantic area. In 2012, the strategic paper “Shaping Globalization – Expanding Partnerships – Sharing Responsibility“ was presented.<sup>53</sup> The German government explained its presentation in the following way: “We expressly encourage the ‘new players’ to adopt such a more proactive role and thus assume international responsibility. We seek to foster constructive cooperation and hinder obstructive behavior.”<sup>54</sup>

The “new players” are defined as countries with which Germany does not cooperate within the European Union, NATO or G-8 “and which

- in regional or international comparison, have significant economic clout or are experiencing strong economic growth,
- have demonstrated a clear determination to shape various policy fields, and
- furthermore, due to their influential role or their domestic circumstances, will in the medium or long term assume a key role in steering regional processes and shaping international and/or global governance.”<sup>55</sup>

wicklungspolitik, 2004, Discussion-Paper 1.

<sup>47</sup> NOLTE, D., *Macht und Machthierarchien in den internationalen Beziehungen: Eine Analysenkonzept für die Forschung über Regionale Führungsmächte*. GIGA Working Paper, 2006, p. 29; FLEMES D., DIRK NABERS and DETLEF NOLTE, (eds.), *Macht, Führung und Regionale Ordnung. Theorien und Forschungsperspektiven*, Baden-Baden, Namos, 2012.

<sup>48</sup> HUSAR, J., GÜNTHER MAIHOLD and STEFAN MAIR, (eds.), *Neue Führungsmächte: Partner deutscher Außenpolitik?* Baden-Baden, Namos, 2009.

<sup>49</sup> HUSAR, J., G. MAIHOLD. Einführung: Neue Führungsmächte-Forschungsansätze und Handlungsfelder, in J. HUSAR, G. MAIHOLD, S. MAIR, (eds.), *Neue Führungsmächte: Partner deutscher Außenpolitik?* Baden-Baden: Namos, 2009, p. 8.

<sup>50</sup> *Ibid.*, pp. 10-11.

<sup>51</sup> Ger. “zur zweiten Reihe”, *ibid.*, p. 14.

<sup>52</sup> Stiftung Wissenschaft Und Politik, The German Marshall Fund Of The United States. *Neue Macht Neue Verantwortung Elemente einer deutschen Außen- und Sicherheitspolitik für eine Welt im Umbruch*, Berlin, 2013, pp. 30-36.

<sup>53</sup> Sec: DIE BUNDESREGIERUNG, *op. cit.*

<sup>54</sup> *Ibidem*, p. 5.

<sup>55</sup> *Ibidem*, p. 5.

This definition does not directly call any state a “new player”, but it provides a precise description indicating which countries are to be perceived as such.

In this document Germany also presents itself as a “reliable partner [...] proud to refer to its own democratic system of governance, its social market economy, its international engagement [...]”. Germany also acknowledges that it is “a driving force behind European integration” and it “plays a key role in shaping the EU.”<sup>56</sup> As it has been already indicated in academic literature, Germany shares many similarities with the “new players”.<sup>57</sup>

Six “broad areas” were pointed out as preferred areas of cooperation. These are: (a) Peace and security, (b) Human rights and the rule of law, (c) Economic and financial policy, (d) Resources, food and energy, (e) Employment, social affairs and health, (f) Development and sustainability.<sup>58</sup>

*This interest of the German foreign policy decision-makers is observed with mixed feelings. A very critical view on the current developments was presented by the former German chancellor Helmut Kohl.*<sup>59</sup> While some scholars advocate in favor of a more assertive German foreign policy,<sup>60</sup> others criticize it and indicate that Germany declared its main trade partners quasi-automatically to be its strategic partners.<sup>61</sup> The search for new power centers discussed in academic literature was criticized as well.<sup>62</sup>

What is interesting is that the “new players” still do not play a significant role in the German foreign trade. The only exception is China. In the period 1990-2008 it substantially gained in importance. In 1990, China was the 27<sup>th</sup> biggest German export market, in 2008 it was already the 11<sup>th</sup> biggest. Even more dynamic was the growth of China’s role as a source of import for Germany. In 1990, China was on the 14<sup>th</sup> place and in 2008 already on the 3<sup>th</sup> one.<sup>63</sup> China has further gained in importance for the German trade during the financial crisis that started in 2008. In 2012, China was the fifth largest export market for Germany, and the 2<sup>nd</sup> source of imports, only behind the Netherlands.<sup>64</sup> An important element of this discussion is its moral dimension. Especially the policy of the 1970s toward the USSR and its allies (“Ostpolitik”) enjoys high recognition. Also,

<sup>56</sup> *Ibidem*, p. 6.

<sup>57</sup> SANDSCHNEIDER, E. *op.cit.*, pp. 3-9.; MAIR, S. Deutschland: Gestaltungsmacht wider Willen, in J. BRAML, S. MAIR, E. SANDSCHNEIDER, (eds.), *Außenpolitik in der Wirtschafts- und Finanzkrise*. München, Oldenbourg Wissenschaftsverlag, 2012, pp. 125-136.

<sup>58</sup> See: DIE BUNDESREGIERUNG, *op.cit.*, p. 8.

<sup>59</sup> KOHL, H., Wir müssen wieder Zuversicht geben, *Internationale Politik*, 2011, 5, 10-17.

<sup>60</sup> GUEROT, U. and M. Leonhard, *The new German question*, London, ECFR, 2011, Policy Brief 30.

<sup>61</sup> KLEINE-BROCKHOFF, T., H. W. MAULL, Der überforderte Hegemon. Über Ziele und Zwecke deutscher Außenpolitik, *Internationale Politik*, 2011, 6, 60.

<sup>62</sup> See: HACKE, CH., *op. cit.*, in R. MEIER-WÄLSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hanns-Seidel-Stiftung, 2012, p. 89.

<sup>63</sup> STATISTISCHES BUNDESAMT, *Export, Import, Globalisierung. Deutscher Außenhandel und Welthandel, 1990 bis 2008*, Wiesbaden 2008, pp. 5-9.

<sup>64</sup> STATISTISCHES BUNDESAMT, *Wirtschaft und Statistik*, Wiesbaden Mai 2013, pp. 348-351.

such aspects of the German foreign policy as arms export and the close relations with authoritarian regimes are lively discussed.<sup>65</sup>

The approach of German politicians toward foreign policy underwent a substantial change between 2011 and 2014. In 2011, Germany rejected the UN Resolution 1793 towards Libya and acted differently than the USA, France and the United Kingdom toward Middle Eastern issues. This situation has sparked an intense discussion. The German president, chancellor, foreign minister and defense minister play a key role in it. There was substantial foreign pressure on Germany from the NATO partners at that time to change its foreign policy. Signals of this change have been noticed since the late 2013 and early 2014 —during the Munich Security Conference in January 2014 the German president Joachim Gauck, the minister of defense Ursula von der Leyen and the foreign minister Frank-Walter Steinmeier declared a more active foreign policy. They indicated that a “new German foreign policy” was starting.<sup>66</sup>

Table 1. Foreign trade of Germany in 2008-2012, in million Euro

|                                      | 2008   |        | 2012    |        |
|--------------------------------------|--------|--------|---------|--------|
|                                      | Export | Import | Export  | Import |
| France                               | 93 718 | 63 369 | 104 476 | 64 760 |
| USA                                  | 71 428 | 46 464 | 86 831  | 50 575 |
| China                                | 34 065 | 60 825 | 66 629  | 77 313 |
| India                                | 8 192  | 5 281  | 10 384  | 6 994  |
| Brazil                               | 8 653  | 9 497  | 11 163  | 10 616 |
| Russia                               | 32 312 | 37 087 | 38 055  | 42 457 |
| South Africa                         | 7 295  | 5 334  | 8 800   | 5 084  |
| Brazil, India, Russia, South Africa* | 56 452 | 57 199 | 68402   | 65151  |

Source: Statistisches Bundesamt, *Statistisches Jahrbuch 2013*, Wiesbaden 2013, pp. 407-408; \*own calculation, based on: Statistisches Bundesamt, *Statistisches Jahrbuch 2013*, Wiesbaden 2013, pp. 407-408.

<sup>65</sup> LAU, Jörg, Das bisschen Unterdrückung. Genscher, *Die Zeit* [online], 2 March 2013, [viewed 15 December 2014], Available from: <http://www.zeit.de/2013/09/Aussenpolitik-Werte-Diktatoren>; SANDSCHNEIDER, Eberhard. Raus aus der Moralecke! Die deutsche Außenpolitik sollte der Welt nicht ihre Werte diktieren. *Die Zeit* [online]. 10 March 2013, [viewed 15 December 2014]. Available from: <http://www.zeit.de/2013/10/Aussenpolitik-Diskussion-Moral>

<sup>66</sup> RINKE, A., Raus ins Rampenlicht. Die Genese der “neuen deutschen Außenpolitik“, *Internationale Politik*, 2014, 4, 8-13.

#### 4. RELIABLE PARTNERS

After World War II, the USA, France, the United Kingdom and the Soviet Union were jointly responsible for Germany.<sup>67</sup> After the establishment of the FRG, the USA and France played the key role there.

Three issues determined the French-German relations today. The first one is the Élysée Treaty from 1963, which is the symbol of the French-German reconciliation after World War II. The second one is the German unification of 1990, which has strengthened Germany's position in Europe. The third issue is the generation change in German politics in the early 21<sup>st</sup> century. The politicians of this new generation represent a new political style and are much more self-confident than their predecessors.<sup>68</sup>

The French-German relations are characterized by a very high level of institutionalization and coordination in politics, administration and the economy. The key elements are regular consultations, held twice a year, between the French president and the German chancellor. The cooperation covers a broad spectrum of issues, ranging from foreign policy and economy to culture and the youth.<sup>69</sup>

A characteristic element of the French-German relations during the Cold War was the special attention paid to the balance of power between these two partners. The French political prestige (France is a permanent member of the UN Security Council) and nuclear power were equaled by the strength of the German economy. Stanley Hoffmann called this situation “symmetry of the asymmetrical”.<sup>70</sup> The German unification upset this equilibrium. Whether it could be restored and whether the cooperation could be strengthened depended on European integration symbolized by the Maastricht Treaty and the introduction of the common currency —the euro.<sup>71</sup>

The key element of the French-German relations is close cooperation in European affairs. France and Germany have played the role of the driving force behind European integration, even though the interests of the two countries were never identical. The strength of this alliance was based on the readiness of both partners to achieve compromise. From the early 1990s, the problems in French-German relations started to pile up. First, there were

<sup>67</sup> HAFTENDORN, H., Im Anfang waren die Alliierten. Die alliierten Vorbehaltsrechte als Rahmenbedingung des außenpolitischen Handelns der Bundesrepublik Deutschland, in H-H HARTWICH, G. WEWER, (eds.), *Regieren in der Bundesrepublik 5. Souveränität, Integration, Interdependenz — Staatliches Handeln in der Außen- und Europapolitik*, Opladen, VS Springer, 1993, p. 41.

<sup>68</sup> SAUZAY, B. Deutschland - Frankreich: Die Herausforderungen für die gemeinsame Zukunft, *APuZ*, 2003, B 3-4, 3.

<sup>69</sup> ZERVAKIS, P.A., Sebastien von GOSSLER, 40 Jahre Elysee-Vertrag, Hat das deutsch-französische Tandem noch eine Zukunft? *APuZ*, 2004, B 3-4, 8.

<sup>70</sup> See: GUEROT, U. and M. Leonhard. *op. cit.* London, ECFR, 2011, Policy Brief 30, p. 4.

<sup>71</sup> ZERVAKIS, P. A., Sebastien von GOSSLER. *op. cit.* *APuZ*, 2004, B 3-4, 10.

the issues of monetary integration and the character of the currency union. When German politicians favored monetary stability, their French partners called for more impulses for economic growth. Second, the character of the European Union was discussed, especially in the context of the enlargement, initially to the north and then to the east. France was against the full membership of the central European countries and proposed them only “special relations” with the EU. On the other hand, Germany strongly supported the east enlargement of the EU. The consequence of the enlargement was Germany’s shift into the center of the EU. At the same time, France lost its central position.<sup>72</sup>

Since the beginning of the European integration in the late 1940s and early 1950s, Germany has seen it as an instrument to realize its national interests. The transfer of sovereignty was accompanied by a growth of influence over the European Communities and then, since 1993, over the EU. As this policy has proved successful, the united Germany also adhered to this strategy, although the increased number of Member States and Germany’s poor economic situation after unification made it more difficult to create compromises.<sup>73</sup>

In the 21<sup>st</sup> century, France and Germany had very different expectations towards the key issues of the European policy. Industry policy, EU budget and the new treaty (Constitution for Europe) were the main issues. The discussion following the French referendum that had rejected the new treaty in 2005 showed a big divergence in the expectations towards the EU between France and Germany.<sup>74</sup> Especially the EU enlargement presented a challenge for the French-German leadership in the EU. The French-German tandem no longer dominated the EU in the political, economic and demographical perspective. The situation has changed with the emergence of the euro crisis. Most of the discussions on how to deal with it were conducted among the eurozone member countries. The eurozone, with only 18 member states (at the end of 2014), offers much better conditions to exercise the French-German leadership.<sup>75</sup>

In 2007, the French-German cooperation took the right path. The close cooperation between Chancellor Angela Merkel and President Nicolas Sarkozy allowed them to reach a compromise concerning the new EU treaty, which was signed in Lisbon. The agreement on the Treaty of Lisbon was

<sup>72</sup> GUEROT, U., Die Bedeutung der deutsch-französischen Kooperation für den europäischen Integrationsprozess, *APuZ*, 2004, B 3-4, 14-16.

<sup>73</sup> MAULL, H. W., *op. cit.*, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*. München, Hanns-Seidel-Stiftung, 2012, p. 139.

<sup>74</sup> SCHWARZER, D., *Deutschland und Frankreich-Duo ohne Führungswillen. Das bilaterale Verhältnis in dem erweiterten Europäischen Union*, Berlin, SWP, 2006, pp. 5-14.

<sup>75</sup> DEMESMAY, C., *op. cit.*, *APuZ*, 2013, 63(1-3), 37-42.

a clear success of the French-German cooperation and, specifically, of the two leaders. But only one year later, the atmosphere in the bilateral relations substantially deteriorated. First, the French proposal of the “Union for the Mediterranean” was not consulted with Germany and then, as the war between Russia and Georgia erupted, President Sarkozy declared himself the crisis manager representing the EU. The lack of coordination between French and German leaders was also very visible during the Arab Spring. The peak of the divergence was the vote in the UN Security Council on Resolution 1793 on March 17, 2011. The resolution was supported by France together with the UK and the USA, while Germany, Russia and China rejected it. These few examples show how unsuccessful France and Germany were in the area of foreign and security policy.<sup>76</sup>

But the central elements of the French-German relations since 2008 have been the global financial crisis and the eurozone crisis. There are, however, substantial differences between the two partners in this area as well. When France advocated a substantial Europe-wide spending program in 2008/2009, Germany was cautious about that idea and the right size of the program. As the Greek debt crisis erupted in early 2010, Germany opposed the French proposal of generous support without substantial conditions. Germany was able to persuade other EU members that strict conditions and participation of the International Monetary Fund are needed. In face of the dramatic economic situation in the eurozone, Chancellor Merkel and President Sarkozy were able to agree on a joint action in October 2010, during their meeting in Deauville.

Although their proposal was criticized by many EU partners as a “Diktat”, it was clear that France and Germany together took the reins of leadership in the EU. As a result, the term “Merkozy” was coined to demonstrate the close cooperation between the two countries and their leaders. The reforms that have been realized in the EU and eurozone since then have been backed by the French-German tandem. But with the change in the Élysée Palace in 2012, the dynamism of the cooperation was lost. There appeared a question about the possibility of establishing an equally close partnership between the new French president François Hollande and the German chancellor and expectations of the formation of “Merkollande”.<sup>77</sup>

The euro crisis highlighted the new distribution of power in the French-German tandem. Germany has emerged as a “European Hegemon”.<sup>78</sup> But

<sup>76</sup> HILZ, W., Getriebewechsel im europäischen Motor: Von “Merkozy“ zu “Merkollande“? *APuZ*, 2013, 63(1-3), 23-25.

<sup>77</sup> *Ibid.*, pp. 25-29. See: UKEN, Marlies, Auf Merkozy folgt kein Merkollande, *Die Zeit* [online], 19 October 2012 [viewed 15 December 2014]. Available from: <http://www.zeit.de/wirtschaft/2012-10/eu-gipfel-merkel-hollande>.

<sup>78</sup> See: HELLMANN, G., Reflexive Sicherheitspolitik als antihegemoniales Rezept: Deutschlands Sicher-

the eurozone crisis has also confirmed that without French-German cooperation, the EU is unable to work properly. At the same time, in the present EU composed of 28 member countries, France and Germany cannot exclude the other Member States from running the EU.<sup>79</sup>

During the Cold War, Germany was conducting a ‘double-track’ foreign policy. On the one hand, it maintained close relations with France, and on the other hand, with the United States. The USA guaranteed the security of the FRG. After the end of Cold War and the dissolution of the Soviet Union, the value of the USA’s security guarantees for Germany decreased. In the 1990s, the US-German cooperation was weakened and something that can be referred to as “the end of the transatlantic era”<sup>80</sup> was observed. In the early 21<sup>st</sup> century, a new balance in favor of the relations with France emerged.<sup>81</sup> This partnership plays the central role and the relations with the USA also depend on it.<sup>82</sup>

The US-German relations in the area of security have gone through three stages. The first one may be called “adjustment and consolidation”. It was initiated during the “2+4” negotiations and was characterized by close coordination of diplomatic efforts with the aim to establish the post-Cold War order in Europe. Germany tried to combine two elements: on the one hand, the close cooperation with the USA and NATO was to remain the pillar of its security policy, and on the other hand, there was strong preference to develop the European Security and Defense Identity as the Balkan wars in the 1990s showed the European dependence on the USA’s military capabilities. This stage came to an end with the peace in the Balkans in 1999. The rise to power of the left-green government in Berlin symbolizes the beginning of the second stage. Initially, the government led by Chancellor Gerhard Schröder and foreign minister Joschka Fischer decided on the use of the German Air Force in the war in 1999. It was also ready to support the USA in the war against terrorism and German troops were sent to Afghanistan. But the refusal to provide support in the Iraq conflict marked a deep change in the German foreign policy. Europe, and especially France, took the central position in the German foreign and security strategy. Even though this stage lasted only around three years, it has shaken the relations. The third stage

heit und seine gewandelte Strategie, *APuZ*, 2013, 69(37), 49.

<sup>79</sup> STÜRMER, M., Berlin-Paris. Zwei Träume in einem Bett, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hanns-Seidel-Stiftung, 2012, pp. 117-118.

<sup>80</sup> SCHÖLLGEN, Gregor, Das Ende der transatlantischen Epoche, *FAZ* [online], 27 August 2003 [viewed 12 October 2014]. Available from: <http://www.faz.net/aktuell/politik/gregor-schoellgen-das-ende-der-transatlantischen-epoche-11241714.html>

<sup>81</sup> SCHÖLLGEN, G., Die Zukunft der deutschen Außenpolitik liegt in Europa. *APuZ*, 2004, B 11, 9-16.

<sup>82</sup> HILZ, W. Vom Ende des “transatlantischen Spagats“ und der Zwangsläufigkeit der “Achse Berlin-Paris“: Ein historischer Ausblick, in V. KRONENBERG, P. KELLER, J. PUGLIERIN, (eds.), *Außenpolitik und Staatsräson. Festschrift für Christian Hacke zum 65. Geburtstag*, Baden-Baden, Nomos, 2008, pp. 141-148.



began as Angela Merkel became chancellor and initiated the repair of the US-German relations.<sup>83</sup> The hopes regarding further improvement of the relations were related to the change in the White House. Barack Obama was enthusiastically welcomed in Berlin in 2008 by 200 000 people.<sup>84</sup>

Also in economic relations both partners failed to find a common language after 1990. The unification of Germany opened high expectations regarding its future role in the world economy. The US President George H. W. Bush offered Germany “partnership in leadership”. However, Germany’s economic difficulties in the 1990s, the focus on the deepening of the European integration and the relations with France made these hopes unrealistic. In the early 1990s, the USA perceived Germany and Japan as their most dangerous competitors in the global market, but simultaneously, it expected that it could manage the transatlantic economic relations together with Germany. These expectations were, however, never realized. At the same time, tensions regarding the access of American enterprises to the German market emerged and environmental standards and agriculture issues led to conflicts. The key problem until the outbreak of the global financial crisis in 2008 was the falling prestige of the German economy in the world. Structural weakness in the labor and capital market led to deep reforms in the early 21<sup>st</sup> century. The traditional model of the German AG was abolished.<sup>85</sup>

Since 2005, the role of security issues has been substantially reduced in the US-German relations. On the other hand, the role of economic issues has grown dramatically in consequence of the global financial crisis. But in this area the two countries are not unanimous either. The first issue is related to crisis management, the second one to the structure of the international economy. Germany has based its crisis management policy on austerity principles and imposed this strategy on the other eurozone countries during the euro crisis. At the same time, the USA implemented a policy of government spending and loosened its monetary policy. The second issue is imbalance in the global economy. On the eve of the crisis, one of the characteristic futures of the global economy were huge imbalances, with deficit countries such as the USA and the UK and surplus countries such as China and Germany. China was especially criticized by the US administration, but it reduced its surplus during the crisis years with the aim to rebalance the

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<sup>83</sup> SZABO, S. F., Vereinigte Staaten von Amerika: politische und Sicherheitsbeziehungen, in S. SCHMIDT, G. HELLMANN, R. WOLF, (eds.), *Handbuch zur deutschen Außenpolitik*, Wiesbaden, VS Verlag für Sozialwissenschaften, 2007, pp. 353-366.

<sup>84</sup> WELSH, H.A. *Op. cit.*, p. 228.

<sup>85</sup> Falke, A., Die deutsch-amerikanischen Wirtschaftsbeziehungen, in S. SCHMIDT, G. HELLMANN, R. WOLF, (eds.), *Handbuch zur deutschen Außenpolitik*, Wiesbaden, VS Verlag für Sozialwissenschaften, 2007, pp. 367-374.

national economy. Germany, on the other hand, kept a surplus of about 7% of the GDP, defining it as a sign of economic health.<sup>86</sup>

Even though the policy of Angela Merkel is much more USA-friendly than that of her predecessor, the US-German relations have not regained the old glamour. On the one hand, the USA's interest has moved toward the Asia-Pacific region, and on the other hand, Germany is less dependent on the USA's security guarantees. Only the proposal of the Transatlantic Trade and Investment Partnership (TTIP) between the USA and the EU<sup>87</sup> provides a chance for improvement and intensification of the German-US relations.<sup>88</sup>

But despite certain tensions in the German-US relations, including the broadly commented spying crisis,<sup>89</sup> they are vital to Germany. And this is how Germany sees the negotiations on the TTIP between the EU and USA from its own perspective. On the one hand, it would be an important economic agreement establishing the biggest free trade agreement in world history, but even more importantly, it would strengthen the alliance between two partners that share not only interests but also values.<sup>90</sup> As shown by the latest survey, 68% of German citizens perceive the USA as Germany's most important partner outside Europe, with China, Russia and India far behind.<sup>91</sup>

## 5. "NEW PLAYERS"

The improvement of the China-US relations in the early 1970s made the development of the relations between the FRG and China possible. In the early 1970s, the FRG abandoned the Hallstein Doctrine and the "Ostpolitik" of Chancellor Willy Brandt made relations with the PRC possible. Furthermore, the conflict between China and the USSR eased the relations between the FRG and China. In 1972, the diplomatic relations between the FRG and China were established and ever since the economic dimension of these relations

<sup>86</sup> JÄGER, T., Die Bedeutung der transatlantischen Beziehungen für die deutsche Außenpolitik, in R. MEIER-WALSER, A. WOLF, (eds.), *Die Außenpolitik der Bundesrepublik Deutschland. Anspruch, Realität, Perspektiven*, München, Hanns-Seidel-Stiftung, 2012, pp. 149-155.

<sup>87</sup> OBAMA, Barack, *State of the Union 2013* [online], White House, 12.2.2013 [viewed 15 December 2014]. Available from: <http://www.whitehouse.gov/state-of-the-union-2013#webform>

<sup>88</sup> ANON, Merkel sagt Unterstützung für Freihandelsabkommen zu, *Wirtschaftswoche* [online], 19 June 2013 [viewed 15 December 2014]. Available from: <http://www.wiwo.de/politik/deutschland/obama-besuch-merkel-sagt-unterstuetzung-fuer-freihandelsabkommen-zu-seite-all/8372600-all.html>

<sup>89</sup> See: SMALE, Alison, Behind German Spy Cases, Twists Worthy of Films, *The New York Times* [online]. 12 July 2014 [viewed 15 December 2014]. [http://www.nytimes.com/2014/07/13/world/europe/behind-german-spy-cases-twists-worthy-of-films.html?partner=rss&emc=rss&\\_r=1](http://www.nytimes.com/2014/07/13/world/europe/behind-german-spy-cases-twists-worthy-of-films.html?partner=rss&emc=rss&_r=1)

<sup>90</sup> BITTNER, Jochen, Time to Recognize the Ties That Bind. Germany and the United States must remain allies – they are practically family", *IP-Journal* [online]. 1 September 2014 [viewed 15 December 2014]. <https://ip-journal.dgap.org/en/ip-journal/topics/time-recognize-ties-bind>

<sup>91</sup> ANON, Deutschlands Partner. Die USA sind alles in allem der zurzeit wichtigste politische Partner Deutschlands außerhalb Europas, *Internationale Politik*, 2014, 5, 4-5.

has played an important role. The FRG supports China’s economic reforms. Despite a positive attitude towards China’s economic policy, the relations were not conflict-free. What especially contributed to the cooling down of the mutual relations was the German criticism of the events in the Tiananmen Square in 1989 and the “Tibet resolution” of the Bundestag in 1996.

Despite these tensions, the development of mutual relations merits a positive evaluation. In 1993, the German government published a new Asian strategy, with special attention paid to relations with China. In the late 1990s, the bilateral dialogue was intensified. In 1999, the Human Rights Dialogue was opened, and in 2000 the Rule of Law Dialogue was initiated. In 2004, the relations were taken to the level of “partnership in a global responsibility” within the strategic partnership between the EU and China. In 2010, Germany and China gave their relations the status of a “strategic partnership” and one year later, they decided to hold annual government consultations. The positive development of political relations has been accompanied by fast-growing economic exchange. It is enough to indicate that China is the most important trade partner for Germany in Asia, and Germany is the most important trade partner for China in Europe. China is also an attractive market for German Foreign Direct Investments (FDI).<sup>92</sup>

The intensification of the economic relations was fueled by several factors. First, the reforms of the Chinese economy and its opening to international trade have improved the quality of China’s export. Second, the German unification has accelerated the process of specialization in the German economy and its integration into the international division of labor. It was also related to the raised importance of the European common market and the political and economic changes in the Central European countries. In the 1980s and 1990s, the economic relations between the FRG and China were on a relatively low level. The trade exchange was developing fast, but FDI, lending and development aid went only one way, from Germany to China. Germany had great hopes regarding China’s accession to the World Trade Organization.<sup>93</sup>

The economic success of China is so impressive that in 2009 the German government decided to stop providing China with development aid in the traditional form. The cooperation is continued in the form of development partnership concentrated on climate, environment, and energy, economic reforms and the legal system. Today, however, it is not the development

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<sup>92</sup> HONG, Meng, 40 Jahre diplomatische Beziehungen zwischen Volksrepublik China und der Bundesrepublik Deutschland: Vom “Rande” zur “Mitte” der Welt, *Beijing Rundschau* [online], 12.10.2012 [viewed 15 December 2014]. [http://german.beijingreview.com.cn/german2010/zhuanli/txt/2012-10/12/content\\_489205.htm](http://german.beijingreview.com.cn/german2010/zhuanli/txt/2012-10/12/content_489205.htm); See: Table 1.

<sup>93</sup> TAUBE, M., *Economic Relations Between Germany and Mainland China 1979-2000*, Duisburg, Universität Duisburg-Essen, 2001, Duisburg Working Papers on East Asian Economic Studies 59.

cooperation that is valued but the Chinese ability to find an independent solution of internal problems and mutually advantageous cooperation.<sup>94</sup>

Despite the intensive development of the bilateral relations, their rationale was long not clear,<sup>95</sup> and only the global financial crisis has changed that. As Hans Kundnani and Jonas Parello-Plesner indicate in their influential paper of May 2012, special relations have emerged between the two countries. They argue that “the increase in trade between China and Germany during the last decade —and, in particular, in German exports to China— has exceeded all expectations. Based on the economic symbiosis between China and Germany, a ‘special relationship’ is now developing.”<sup>96</sup> In their opinion, Germany may replace European institutions in shaping the Euro-China relations. They argue that Germany is still pro-European, but in the German political circles dominates the opinion that Germany can no longer wait for the European institutions that have not developed and practiced a coherent policy towards China. As a particularly important element of these bilateral relations they indicate the government-to-government consultations between Germany and China, something that is typical for German relations with countries that it deems important, but what is very unusual for China.<sup>97</sup>

Hans Kundnani and Jonas Parello-Plesner see the roots of these special relations in the policy of Chancellor Gerhard Schröder, who undertook deep reforms of the German economy, making it even more export-oriented than before. Initially, it were exports to the European periphery, but then, after the eruption of the global financial crisis and the eurozone crisis, German exporters focused on China as the most attractive market. The two scholars argue that the German foreign policy is increasingly driven by economic interests. Already Gerhard Schröder made China one of the prioritized markets, deciding to visit it every year accompanied by business leaders to help them secure contracts and investment opportunities.

Chinese and German economies complete themselves. China needs German technology and Germany needs China’s market. Hans Kundnani and Jonas Parello-Plesner point out that the German approach toward China is reminiscent of the strategy of the FRG in the 1970s toward the USSR. It could be called “change through trade”. Close economic ties should allow Germany to influence China. However, the scholars express the worry

<sup>94</sup> *Die deutsch-chinesische Entwicklungszusammenarbeit* [online], Vertretungen der Bundesrepublik Deutschland in der Volksrepublik China, [viewed 15 October 2014]. Available from: <http://www.china.diplo.de/Vertretung/china/de/03-wi/wz/grundsatz-120103-s.html>

<sup>95</sup> MAULL, Hanns W., German-Chinese Relations: Trade Promotion Plus Something Else? *German Foreign Policy in Dialogue*, 2005, 6(16), 3.

<sup>96</sup> KUNDNANI, H. and J. PARELLO-PLESNER, *China and Germany: Why the emerging special Relationship Matters for Europe*, London, ECFR, 2012. Policy Brief 55, p. 1.

<sup>97</sup> *Ibidem*, p. 2.

that the German strategy is risky and, in consequence, Germany could be manipulated by China.

On the other hand, China has a very positive perception of Germany. Germany is seen as a country without a colonial past and a country with a strong industrial basis that can be helpful to the development of the Chinese economy. Also, the model of the German social market economy enjoys interest in China. But according to Hans Kundnani and Jonas Parello-Plesner, Germany is interesting for China also for another reason: China promotes the multipolar world order. Europe, which has no security interest in Asia, seems to China a valuable ally in competing against the USA. A strong, China-friendly Europe could counter weight the power of the USA. As a dominating power in Europe, with strong economic ties with China, Germany may be its key partner.<sup>98</sup> In response to the current development, the two authors of the paper demand a coherent EU policy toward China that would accommodate German interests and stop inter-European competition for Chinese favor.<sup>99</sup>

As Hans Kundnani noted in his lecture delivered at the Institute of International and European Affairs in March 2014, immediately after the publication of this paper the term “special relations” for describing the German-Chinese relations was refused by German politicians. But already in August 2012, during Chancellor Merkel’s visit in Beijing, the term was adopted to describe the relations between the two countries.<sup>100</sup>

The relations between the FRG and India, the second leading “new player”, had an entirely different trajectory. The diplomatic relations between the two countries were established already in 1951 and in 1956 the prime minister of India Jawaharlal Nehru visited the FRG. At that time, the relations were developing very well. With support of the German development aid, the Rourkela steel mill was constructed and the Indian Institute of Technology Madras (Chennai) was built. Cultural relations were also developing well. But then, since the mid-1960s, the German-Indian relations “were caught in the doldrums of benign neglect”. The federal chancellors did not visit India for 19 years. Only in the second half of the 1980s the relations started to be intensified once again.<sup>101</sup> The turning point in the bilateral relations was the German unification and the economic reforms in India in 1991.

<sup>98</sup> It is characteristic that also the USA prefers bilateral relations with single EU members to relations with the EU institutions. See: BENDIEK, A., Handlungsfähigkeit durch politische Führung in der Gemeinsamen Außen- und Sicherheitspolitik, in A. BENDIEK, B. LIPPERT, D. SCHWARZER, *Entwicklungsperspektiven der EU. Herausforderungen für die deutsche Europapolitik*, Berlin, SWP, 2011, pp. 60-61.

<sup>99</sup> KUNDNANI, H. and J. PARELLO-PLESNER. *Op. cit.*, London, ECFR, 2012, Policy Brief 55.

<sup>100</sup> KUNDNANI, Hans, Germany and China. *IIEA lecture* [online], 5 March 2014 [viewed 15 December 2014]. Available from: <http://www.iiea.com/events/germany-and-china>

<sup>101</sup> ROTHERMUND, D., Indo-German Relations. From Cautious Beginning to Robust Partnership, *India Quarterly: A Journal of International Affairs*, 2010, 1, 1-12.

They allowed intensification of political exchange, strengthening of economic ties and development of a lively cultural and scientific exchange.<sup>102</sup>

The framework for the current Indo-German relations was established by the “Agenda for German-Indian Partnership in the 21<sup>st</sup> Century”, which was adopted by the foreign ministers of the two countries in May 2000 and which focuses on economic, cultural and scientific issues. The Agenda is the basis for further agreements between the two countries. Two of these agreements, adopted in 2006 and 2007, are particularly important. An essential element of the 2007 agreement was a declaration that the bilateral relations are based on shared values, principles, and visions. The dynamic growth in India was followed by the development of economic relations with Germany. The two countries cooperate also in security issues. In 2006, the defense ministers signed a defense and security agreement. Germany is the fifth largest foreign supplier for the Indian army but with a modest share of 3%.<sup>103</sup>

A great opportunity to develop cooperation in security issues presented itself with the procurement to acquire 126 Multi-Role Medium Range Combat Aircrafts (MMRCAs). Germany was a part of the consortium offering the Eurofighter Typhoon, but it lost the contract to the French competitor. The decision in favor of the French Dassault Rafale is still discussed in India<sup>104</sup> and the European consortium does not give up the contract offering better terms.<sup>105</sup>

The economic ties have been strengthening as well. Indo-German trade has developed dynamically and German investments in India have increased. But in comparison to the German-Chinese trade exchange the numbers are small. There is a strong expectation that in the future Indian companies will invest in Germany as well, trade relations will be better balanced and India will diversify its export basket toward high-tech products. It and biotechnology are two sectors with the best prospects for the future.<sup>106</sup>

A further important element of the Indo-German relations is development aid. Despite dynamic economic growth, India is still one of the poorest

<sup>102</sup> ROTHERMUND, Dietmar, *Sixty Years of Indo-German Diplomatic Relations* [online], Max Mueller Bhavan New Delhi, 20 March 2012 [viewed 15 December 2014]. Available from: <http://www.figs-india.org/Lectures/Other%20Lecture/2%20-%20otherlec.pdf>

<sup>103</sup> GALLENKAMP, M., *Indo-German Relations. Achievements & Challenges in the 21st Century*, New Delhi, Institute of Peace and Conflict Studies, 2009, p. 78.

<sup>104</sup> KARNAD, Bharat, Why Rafale is a Big Mistake, *The New India Express* [online], 25 July 2014 [viewed 15 December 2014]. Available from: <http://www.newindianexpress.com/columns/Why-Rafale-is-a-Big-Mistake/2014/07/25/article2346825.ece>

<sup>105</sup> STEINMEIER, Frank-Walter, Germany, India strategic partners with excellent economic relations, *The Hindu* [online], 7 September 2014 [viewed 15 December 2014]. Available from: <http://www.thehindu.com/news/national/germany-india-strategic-partners-with-excellent-economic-relations-says-german-foreign-minister-frankwalter-steinmeier/article6386903.ece>

<sup>106</sup> KHATOON, A., Indo-German Bilateral Trade Relations: Opportunities and Challenges, *Transnational Corporations Review*, 2013, 5(3), 94-102.

countries of the world, with 800 million citizens living on less than 2 USD per day. The German aid focuses on three areas. The first one is the energy sector, especially energy efficiency and renewable energy sources, the second is environment protection, and the third is sustainable development. In 2013, this aid was worth over 1 billion euro and it was the highest in history.<sup>107</sup>

The comparison of the German-Chinese relations and the Indo-German relations shows deep differences. Thanks to China’s economic dynamism, the German-Chinese relations are much more intensive and play a more important role for the German diplomacy. On the other hand, the Indo-German relations are founded on the foundation of common values. They also have a much lower conflict potential, in economic as well in political terms.

## 6. CONCLUSIONS

The German foreign policy has experienced a strong shift in the last two decades. In the early 1990s the issues connected with the German unification and then European integration constituted a priority for the German foreign policy, but then the interest moved toward Asia and the “new players”. The German foreign policy has reacted to global changes and tries to adapt to the new balance of power. Especially the relations with China play a crucial role. It is an interesting market but at the same time a potential economic and political rival.

The close relations with the “new players” have not brought about any change in the principles of the German foreign policy. Germany is a status quo power, well integrated in the Atlantic-European community. The German government has no intention to challenge the current alliances in face of the new powerful competitors. It is interested in strengthening the cooperation within the European Union and the eurozone. The support for TTIP shows the wish to strengthen the relations with the USA as well.

Germany is willing to develop relations with the “new players”. Economic relations are prioritized. They provide an opportunity to sustain prosperity in Germany. But even today, one of these powers, China, is also an economic competitor. Other “new players” will probably follow in the coming decades. This development should strengthen the German dedication to deepening the European integration and building a strong, single European voice in the global arena. Revival of the close German-American partnership should be the second aim of the German diplomacy.

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<sup>107</sup> *Beziehungen zwischen Indien und Deutschland* [online], Auswärtiges Amt, March 2014 [viewed 15 October 2014]. Available from: [http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/Indien/Bilateral\\_node.html](http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/Indien/Bilateral_node.html)