Four months after the formal end of military action in Iraq, Gerhard Schröder and George W. Bush met on September 24, 2003 in Suite 35H at the Waldorf Astoria hotel, while both were attending the United Nations General Assembly meeting. The mini summit was the first since their meeting in Berlin in May 2002 and lasted forty minutes, longer than the half an hour originally planned. Every minute carried symbolic weight. As Der Spiegel commented, »The entire fate of the German-American relationship hung on this half hour«. Television cameras were permitted in to film pictures of handshakes and smiles. The meeting went well and the President referred to the Chancellor by his first name, declaring, »We’ve had our differences and they’re over, and we’re going to work together«. The Chancellor responded, »We very much feel that the differences there have been left behind and put aside by now«.¹

The meeting marked the formal end of the crisis which had begun in the summer of 2002 but it did not imply that things were back to where they were in May 2002. Before he met with the American President, the Chancellor said that he did not want to kindle a »love affair« with the Americans (keine »Liebesbeziehung« zu den Amerikanern entfachen), but rather to continue with »entirely normal conversations«.² These carefully chosen words gave expression to how much had changed in little over a year and made clear there was going to be no return to Eden.

If the Cold War ended with the fall of the Berlin Wall and the unification of Germany, the post Cold War period ended with the war in Iraq. It is now time to assess how much has changed and what remains in terms

of common interests which could form the basis of a new, if different sort of partnership and finally to consider both the new American and German problems.

Looking back at the events from September 11 through the war in Iraq in the spring of 2003, a number of questions arise. How much of this was due to personalities and were there alternative policies which could have been chosen which would have avoided or ameliorated the crisis? Certainly, the personalities involved mattered a great deal. As one advisor in the Chancellor’s office put it, »Don’t underestimate the impact of the personalities of Bush and Schröder. Neither one wanted to take the first step and admit that they had made a mistake«. This is the view of the majority of Germans in public opinion surveys and also the belief of many in Washington. In other words things will get better with regime change either in Washington or in Berlin.

However, one of the most striking and disturbing lessons of the Iraq case was that even a relationship built on fifty years of close cooperation, extensive personal networks and solid economic interests, could deteriorate so quickly and so sharply in a matter of months. While leadership did matter, there are longer term structural or secular changes at work. Bush and Schröder were simply catalysts that set off changes which were coming anyway, but substantially accelerated the changes. This is not the first case of personality conflict in the German-American relationship. Neither side has lacked of strong willed leaders. There were clashes between Konrad Adenauer and John F. Kennedy over Berlin and détente, between Jimmy Carter and Helmut Schmidt and between Ronald Reagan and Schmidt. However what is new in the case of Bush and Schröder is that in this case personal differences had a deeper impact because the deeper structures of the relationship were shifting and no longer cushioned conflicts.

Beyond Leadership: Deeper Currents of Change

The most important secular change has been the radical alteration of the strategic landscape in the wake of the end of the Cold War. The German-American relationship since the fall of the Third Reich has rested on the solid strategic foundation of a commonly perceived threat. In addition, Germany was a divided, semi sovereign country, dependent for its security upon the United States. It was led by generations of leaders who had
been shaped by the tragic history of the Nazi period, World War II and the reconstruction and phoenix-like recovery of the postwar years. These Germans were both grateful to and dependent upon the United States. They did not really trust themselves and were weighed down with guilt and the realization of the fears others had toward Germany.

The end of the Cold War and the end of the division of Germany were in effect the same historical event. One could not have happened without the other. With the Soviet threat gone and with Germany once again unified and sovereign, fundamental changes in the U.S. – German relationship were to be expected. New generations of both leaders and voters, including 18 million from the former East Germany, have brought a new sense of identity with them. The impact of the history of the 1933–1949 period has diminished with generational change. To some extent a certain «guilt fatigue» has set in and has combined with a declining sense of gratitude to the United States for its role during the Cold War. Germans and Americans continue to share many political values, but seem more divided in the social and cultural dimensions.

In addition, the Iraq crisis has done major damage to the American image in Germany. A German Marshall Fund survey conducted in June 2003 found that of all the European publics polled, the changes in Germany were the most dramatic in terms of both a loss of confidence in the United States and the growth in a preference for Europe. Similar results were found by the German polling group, Forschungsgruppe Wahlen. These drops reflect a growing anti-Americanism in a country which has been the most pro American large country in Europe. While the Iraq effect may fade and the intensity of feelings subside, the German view of America will never be what it was before the Bush Presidency.

The economic relationship between the two countries is dense and important and remained stable throughout the crisis. While the Franco-American dispute had serious economic effects on the French in particular, this was not the case in the German-American flare up. There was little evidence of boycotts on either side. The economic interdependence is simply too great to be risked by spillovers from the political sphere. U.S. investment in Germany is over 300 billion US-dollars and American firms employ 500,000 Germans while German companies in the U.S. employ 730,000 Americans. On the other hand the economic relationship did little to prevent the crisis, although key business leaders lobbied their respective governments to damp down the conflict. The economic relationship will not replace the strategic one, however, because the
logic of the private sector is quite different from the logic of strategic interests.

In the eyes of many Germans, the U.S. is now a power like other historical great powers, acting in the ways of power. It has lost much of its authority and its credibility with Germans. Its moral and sentimental reserves in Germany have been drained and are unlikely to be replenished. This is a result of both the actions of the American government as well as the changing sense of German identity.

Calculations of interest will now be the measuring rod for policies. The distance between the two societies has grown. The future of the German-American relationship will not be founded on sentiment, friendship or common values, but rather on the cold calculation of interests. No amount of good feelings and renewed pledges of friendship will overcome the loss of the strategic glue of the Cold War. The German political culture will no longer give any American government the benefit of the doubt. The key question for the future is whether common strategic interests and strategic assessments can be shaped to give the relationship a realistic basis.

We Can’t Bring Back the Wall: New Challenges and New Interests

The future of the relationship after Iraq will depend on the lessons drawn from the experience and the interpretation of interests and challenges in the post 9-11 world. Crises also bring opportunities to reshape and rejuvenate institutions and relationships. The Iraq case not only drove Washington and Berlin apart, but it brought them closer together in some areas as well. The challenge of terrorism is now taken seriously by both nations and the level of police, immigration and intelligence cooperation has been excellent. The U.S. emerged from the Iraq experience understanding that both hard power and unilateralism have real limits and that a war on terrorism has to be multilateral and has to include state and society building as well as the military dimension.

Germans as well have gained a better appreciation for the dangers of the new form of terrorism represented by Al Qaeda and its spin offs. As a leading German peace researcher concluded just before the war in Iraq began: »American capabilities in the fight against transnational megaterrorism remain an asset for European security. The same is true for the U.S.
capacity to serve as a stabilizer for regions in which Europe has a strong interest but is not capable by itself to pacify, such as the Persian Gulf.«³

Germans understand the dangers posed by Weapons of Mass Destruction (WMD) proliferation and the nexus with terrorism. The German government has acknowledged the need for a military element to any non-proliferation strategy, has extended its military role in Afghanistan and has pushed for a broader mandate for the NATO commanded force there, a force co-led by Germans. It has provided more than 7,950 peacekeepers in the Balkans and Afghanistan, the second largest contingent after that of the United States. This includes 1,790 forces on the ground in the International Security Assistance Force (ISAF) in Afghanistan, and another 610 in Enduring Freedom in Afghanistan and the Horn of Africa. After the Iraq war, the German government decided to extend German troop involvement in Afghanistan beyond Kabul to Kundus. The money spent on peacekeeping has jumped from around 131 million Euro in 1995 to over 1.5 billion Euro in 2002.

The future of the German-American relationship will not be founded on sentiment, friendship or common values, but rather on the cold calculation of interests.

A number of analysts on both sides of the Atlantic now see the future of the alliance as lying in creating a new strategic consensus on the issues of WMD proliferation and principles for military intervention, and in two great regional projects, the European agenda and the Greater Middle East.⁴ Others have called for a new strategic dialogue with the aim of creating a new consensus to replace the old one which was shaped during the Cold War period. What are the elements of any new consensus likely to be?

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⁴. See for example, Ronald Asmus, »Rebuilding the Atlantic Alliance«, Foreign Affairs, vol. 82/5 (September/October 2003), pp. 23–31; and Charles Grant, Transatlantic Rift: Bringing the Two Sides Together (London: Center for European Reform, 2003).
The Strategic Agenda

Proliferation of Weapons of Mass Destruction

The German-American divergence over strategy remains a deep one. The German strategic culture will not accept unilateral preventive wars and will always prefer multilateral approaches in which the use of force is a last and distant option. Yet in the wake of the war, Germany as part of the EU’s effort to develop a strategic concept has begun to accept that an arms control and cooperative security regime must be underpinned by the threat of the use of force as a last resort. At the same time the Bush Administration’s approach toward the problem of WMD proliferation in both the case of Iran and North Korea indicates some acceptance of a multilateral approach and the use of the non-proliferation regime of arms control agreements and inspections.

Germany, with its non-nuclear status, has a special stake in bolstering the non-proliferation regime and may come to accept that counter proliferation (the use of military force to stop proliferation) may be necessary to enforce that regime, provided there is a broad international authority for the use of force. After the inability of the United States to find weapons of mass destruction and the revelations about the distortion of intelligence before the war by both the British and American governments, the United States government will face a major problem in the future when it states that Iran or other states have weapons of mass destruction or are close to obtaining them. Thus it will need other more trusted institutions or actors to corroborate that there may be a serious problem justifying the use of sanctions or military force. Given the great damage to American credibility on the uses of intelligence data to justify the charge that Saddam Hussein had extensive WMD stockpiles and ambitions, reliance on an international consensus will strengthen the case to move in the future on WMD threats.

Failed States and Principles of Intervention

Both Germany and the United States agreed in the case of the Balkans that military force should be used to prevent genocide and other massive abuses of human rights. In the case of Afghanistan, the Schröder govern-

5. For more on this topic see Charles Grant, Transatlantic Rift, pp. 84–91.
ment sent German forces in support of Operation Enduring Freedom on the grounds that the Taliban regime allowed a terrorist group to launch an attack on a NATO ally. It opposed the preventive war of choice the U.S. fought in Iraq on both principle and strategic grounds. Yet it has accepted that NATO has a role outside of Europe and has agreed to contribute to the NATO Reaction Force which will intervene in countries which either support terrorism or are unable to prevent it.

There remains a wide gap between a doctrine of preemption and preventive intervention, or what American officials call »anticipatory self defense«, and the German view of when such intervention is justified, but both sides see the need to develop criteria and procedures for dealing with this growing problem.

The Regional Agendas

The Eastern Agenda

Germany and the United States were close partners in the project to enlarge NATO to the east and continue to share an interest in consolidating stability in the region which lies between Germany and Russia. The second wave on NATO enlargement agreed upon in Prague in November 2002 will be followed both by EU enlargement and further extensions of NATO. Major challenges confront both Berlin and Washington in regard to the democratization of Ukraine and Belarus as well as the continuing problem of Russia and the Caucasus. Both countries have a common goal of locking in democratic and market oriented systems and integrating the region into the larger European security system. They both want a Russia which is democratic and open to the outside world and one which is a reliable place for foreign investment through an effective and consistent rule of law. They both have an interest in developing the Russian energy sector and reducing dependence on Middle Eastern oil. Overall the prospects for German-American cooperation on the eastern agenda look promising given the convergence of interests.

The Greater Middle East

One of the enduring facts of the conflict in Iraq is that the status quo in the Middle East is no longer tenable. For better or worse both Germans and Americans are going to have to look for new approaches and strate-
gies. They both have a common stake in a stable and peaceful Middle East. In some important ways the German and European stake is even greater than that of the U.S. given the proximity of the region to Europe and the greater European vulnerability to turmoil there. A strong case can also be made that the Middle East and Central Asia have now replaced Europe as the cockpit of global security. They are the regions where megaterrorism, the proliferation of Weapons of Mass Destruction, the lack of stable and democratic states and a virulent and destructive ideology are all combining. Yet these have always been regions where Europe and the United States have diverged in terms of interests and strategies.

The embrace by the Bush Administration of the Road Map approach was a signal of a willingness in Washington to work with the EU, Russia and the UN toward a common approach to this contentious issue. Neither the approach of the U.S. that the road to a Middle East peace led through Baghdad nor the European approach that the road to Baghdad had to go through Jerusalem has proven correct.6

Whether a consensus can be forged given both the vagaries of the region and the differences in attitudes toward Israel and terrorism remains to be seen, but a strong NATO role in ensuring a peace settlement would be a major step to revitalizing both the Atlantic Alliance and the U.S.-European relationship. The U.S. Administration has a clear interest after Iraq in finding a solution to this issue given its broader agenda in the Middle East. However, Germany and the EU continue to work with Yasser Arafat and the Palestinian Council and remain its major outside funder. Whether Berlin and Washington agree or diverge will be an important factor in shaping their longer term new relationship. Beyond the Palestinian-Israeli issue lie other contentious problems including both Iran, Iraq and the broader Middle East. Both the American and European approaches toward regime change in Iran have proven flawed and ineffective.

Yet there is room for a common approach. The Bush Administration, chastened perhaps by the difficulty of dealing with postwar Iraq, has embraced a more multilateral approach toward dealing with the problem of

a possible nuclear weapons program in Iran, while Europe, including Germany, realizes that the »critical dialogue« approach has its limits. The recent initiative of the Foreign Ministers of Britain, France and Germany is an important sign that a U.S.-European partnership is possible on Iran.

One of the enduring facts of the conflict in Iraq is that the status quo in the Middle East is no longer tenable. For better or worse both Germans and Americans are going to have to look for new approaches and strategies.

Postwar Iraq will continue to be a threat to the U.S.-German relationship. The Schröder government will only offer serious support for the reconstruction effort if there is a realistic prospect of authority being transferred to the UN and Iraqi groups. While it shares a common interest with the United States in avoiding chaos in Iraq, it also knows that there is little public support in Germany for much engagement in the country and also understands that the United States is committed to making Iraq work. A combination of free rider incentives coupled with a transfer of power to non American officials will limit German involvement to low level assistance such as training Iraqi police in Germany. The Germans are also likely to propose a division of labor in which they will play a larger role in the reconstruction of Afghanistan while leaving Iraq to the Americans.

The New »America Problem«

Beyond these extensive strategic and regional challenges lies the broader trade and development area. Germany and the United States remain the two largest trading states in the world and both share a deep commitment to a liberal trade regime. They will need to work closely together to continue the momentum toward further liberalization in trade and investment against strong protectionist pressures in both the United States and Europe. On global issues such as the global environmental regime, development assistance, dealing with international crime, immigration and the broadening of an international legal regime, there is bound to be a combination of conflict and cooperation. It should be remembered that the crisis over the Kyoto Treaty preceded that of Iraq and helped create an en-
vironment of suspicion and recrimination which deepened so dramati-
cally over Iraq.

The key to the future of the relationship is likely to hinge on these
broad global governance questions. A new working relationship will
hinge on both sides coming to a consensus on the shape and role of in-
ternational institutions and global regimes. On the American side, there
must be a return to a coalition approach and to the earlier American tra-
dition of constructing and renewing international institutions as well as
a respect for a system of international law.

However, while an alliance oriented approach will help, it will not alter
the tectonic shifting of geopolitical and political cultural plates which is
already underway and it may be too late to salvage Atlanticism. Germany
changed in a fundamental way in 2002 and 2003. What began as a tem-
porary tactical shift of the German Chancellor toward Paris and away
from Washington has now taken on a more strategic nature. The Euro-
pean priority has taken precedence over the Atlantic imperative. The leg-
acy of Iraq for Germany is that the biggest world order problem of the
early 21st century is the problem of American power.

Return of the »German Problem«?

The German question has been reopened regarding the centrality of the
trans-Atlantic link for the Berlin Republic. The weakening of this pillar
of German foreign policy raises questions concerning a German identity
which has been so largely shaped by the presence of America. It also raises
a danger for Germany that a weakening of its Atlantic ties may raise re-
newed fears about a Germany unbound in Europe. The American con-
nection reassured Germany’s European partners about the restraints on
German power. If this tie is substantially weakened, then these old con-
cerns may return, especially among the newer member states of NATO and
the EU, especially Poland. The result could be a return of the Bismarckian
Dilemma if Europe itself does not prove strong enough to provide a new
framework for Germany.

Perhaps of more concern is the prospect of a weak and drifting Ger-
many preoccupied with economic and demographic stagnation and the
consequential weakening of Europe which would follow. The inability of
Germany to serve as Europe’s paymaster would have serious implications
for the Common Agricultural Policy, enlargement and regional develop-
ment policies. Combined with the parochialism of the current generation of German leaders, the danger signs are abundant that the German question is about to return to center stage in a new form in Europe.

Germany remains big enough to raise concerns within Europe about German hegemony, but too small to provide the leadership Europe needs.

The German historian Michael Stürmer has written that »the German Question, put in its crudest form, has always been twofold: To whom Germany belongs, and to whom the Germans owe their allegiance? In 1990 it was in the fine print of the ›Two Plus Four‹ agreement that united Germany should continue to be firmly rooted in the European Union … and be the most loyal member of the Atlantic Alliance.«

Now that the Atlantic pillar is weakened if not crumbling, what will be the resilience of the European pillar of German policy? David Calleo has posed the German problem in this broader context: »The Atlantic Alliance assumed Europe to be intrinsically unstable and therefore to require an external balancing power. The European Union assumed that Europe was not irremediably unstable: Europeans in general, and French and Germans in particular, were capable of reconciling their national interests and of harmonizing them into a collective interest with a common institution.«

The answer to the new German question rests, therefore, on whether the European pillar of German foreign policy will hold. If the European construction is a function of Pax Americana and of NATO, then the developments of 2002–03 have opened the stark possibility that Germany will become isolated and stagnant and risks being left behind by a dynamic America. However, the answer to the question of whether the German question is back is most probably »no«, because the construction of Europe will continue, not because of historical memories, personal relationships between leaders or emotional commitments to the European Idea,

8. Michael Stürmer, »Welcome to the German Question, once again«, Draft article for publication in Die Welt.
but because of the limits of the European nation state in the Twenty First Century.

Germany remains big enough to raise concerns within Europe about German hegemony, but too small to provide the leadership Europe needs. Despite the difficulties of the Schröder government with the European Commission, it remains committed to a more integrated and federalist Europe. As Günter Verheugen, the Commissioner for EU Enlargement, said when asked what the Commission would do if the Irish voted in their referendum against the Nice Treaty, in effect killing enlargement, »There is no Plan B«. There is also no Plan B for Germany or the other states of Europe outside of a strengthened European Union.

The deep Europeanization of Germany which has transpired over the past fifty years is likely to hold and to deepen. The weakening of the Atlantic circle of German policy will have to be compensated for by a deepening of the Franco-German axis as part of the continuing European Project. However, Europe and Germany have entered an especially fluid time in their histories and face pivotal decisions in this decade. How they respond to these watershed challenges will determine whether in fact the German question has been »solved«.

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