The turbulent context of international relations which I have described in the first part of this analysis (IPG 1/2011) will confront all states with new, difficult foreign policy challenges. For Germany, and for Europe as a whole, part of this challenge will be to cope with the implications of a secular shift of weight and power in international relations away from the »West« and towards the newly emerging countries, such as China, India, or Brazil. But as important and perhaps even more difficult will be the implications of power diffusion and turbulence for international order, which call for drastically higher levels, and advanced new forms, of international cooperation and integration.¹

In principle, Germany should be fairly well equipped for this new foreign policy environment. After all, coping with high levels of interdependence has been the hallmark of the European experience, and the politics of European integration have importantly been about redefining national sovereignty in ways which could accommodate and govern elevated levels of interdependence. And as a trading power, Germany also ought to be well placed to take advantage of the shift towards geo-economics in international relations. But Germany alone is neither politically nor even economically influential enough to play a shaping role in international relations. And the EU, while better placed in terms of its overall weight, suffers from two major handicaps. The first is its internal diversity, not least with regard to governance issues: between the rich North-west and the poor South-east; between Anglo-Saxon Britain and continental European countries; between export-oriented (Germany, the Netherlands, Sweden) and domestic-oriented economies (France, Poland); and between the »old« and the »young« member states. This, in turn, contributes to the second handicap: the EU is not really – despite

a widely held belief – an effective supranational actor, not even in its external economic relations: the European Commission does not have a free hand to act in the Union’s best collective interest – as it sees fit – in international trade policy, let alone in international financial and monetary policy negotiations, where the European Central Bank alone cannot fully represent Europe. Although the EU has great economic weight, it is thus rarely able to deploy its weight purposefully and effectively because it lacks the requisite internal unity. And what is true for external economic relations is of course even more so in other realms, notably those guided by the Common Foreign and Security Policy (CFSP). The EU simply is not a prominent enough actor in world politics.

How should German foreign policy, then, position itself? The most recent national security policy review and a new basic foreign policy document, the Quadrennial Diplomacy and Development Review (QDDR), both by the present US government, provide some interesting pointers. The former document reflects the desire of the Obama administration to have American power recover from the foreign policy debacle of its predecessor and correct the damage which resulted from the Bush’s administration’s overestimation and overstretched of US power. Its principal conclusions are:2

- Even America cannot go it alone – it needs partners and allies (»power through effective multilateralism«).
- Even the extraordinary military might of the USA can have a constructive impact only if it is embedded in an effective, sustainable diplomatic and political strategy (»smart power«).
- If the USA is to be able to legitimize its claims to leadership it must set a good example whenever it seeks to make demands on others (»power by example and superior ways of solving problems«).

Policy based on smart power, under conditions of globalization, will usually take a broad-based approach; in other words, it will work towards:

- developing the most effective and sustainable strategies possible for coping with the opportunities and risks that have been identified;
- garnering broad-based support for this purpose and winning over as many relevant actors as possible.

This requires, in turn:

- the ability to take the lead and to acquire broad international legitimacy, by

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combining an ability to compromise with efforts to forge effective coalitions.

The QDDR has been conceived as the State Department’s response to the Quadrennial Defense Review of the Pentagon, which has a long tradition. The first QDDR emphasized the nexus between diplomacy and development («civilian power») and sought new ways to leverage America’s resources in a context of diffused power and deficiencies in global governance. To do so, it proposed a radical reorganization of the institutions of US diplomacy and development assistance. The premise of the report’s recommendations was that an increasingly varied set of actors today influence international developments – this includes numerous states, each with their own diplomatic agendas; a variety of US government agencies operating abroad; transnational networks, corporations, foundations, non-governmental organizations, religious groups, and even individual citizens – and that this offered new opportunities to US diplomacy to align governmental and non-governmental actors more effectively.

Clearly, US foreign policy under President Obama has tried, at least conceptually, to draw conclusions from the new circumstances of world politics. How successful it will be in applying this new approach remains to be seen. Nevertheless, this analysis certainly is pertinent to an inquiry into German foreign policy in an age of turbulent globalization: America’s new strategy to cope with the limits of its power can provide pointers for Germany’s foreign policy, which is even more constrained by its relative dearth of power and influence. Four questions will be used to explore those issues further:

1. What basic orientation and strategic guidelines should German foreign policy pursue in future?
2. How can Germany’s influence be increased?
3. In what way can German foreign policy take advantage of emerging opportunities and, at the same time, prepare effectively to ward off unfavorable developments?
4. What specific policies should it follow to that end?

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Basic Orientation and Strategic Guidelines for German Foreign Policy

Foreign policy is the art of the possible. In the circumstances outlined in the first part of this essay, this means first of all recognizing the limitations on German power and systematically pursuing power- and influence-enhancing strategies. This leads to three key guidelines for future German foreign policy: »husband resources of influence and carefully augment them,« »preserve and enhance foreign policy flexibility and creativity,« and »wherever possible, leverage multilateralism to make it effective.«

Husband Resources of Influence and Carefully Augment Them

Under conditions of globalization and turbulence, power and influence are scarce commodities. Their material and immaterial foundations should therefore be carefully tended, with a view to enhancing their scope and reaching into the future. This concerns the classical resources of foreign policy and refers to the effective preparation of diplomats and the dedication of appropriate financial resources and military means, which need to be built up in line with likely future requirements. But it also concerns the immaterial foundations of influence, such as trust in Germany and reputation, which in the past have been enormously important for German foreign policy. West German foreign policy used to pursue such immaterial foundations of influence very effectively: for example, by cultivating smaller countries as partners to leverage multilateralism, or by leading discreetly from behind, letting others take the credit for what were in fact German initiatives. The ability to be effective in turn rested on Germany’s ability to exercise influence by example: good practices at home provided the basis for influence abroad. In this sense, too, good foreign policy starts at home.

Preserve and Enhance Foreign Policy Flexibility and Creativity

Dealing with complexity requires above all flexibility and creativity. Flexibility is about making additional resources available where and when they are needed quickly and effectively; creativity is about breaking down established barriers and patterns of behavior – in other words, freeing and using those newly available resources in innovative ways. Both flexibility and creativity imply deliberate efforts to bring in outsiders and different perspectives – for example, by working with non-governmental organizations and the private sector, both within Germany and beyond, wherever feasible and appropriate. As US Secretary of State Hilary Clinton observed in her preface to the new QDDR 2010: »New actors, good and bad, have the power to shape international affairs like never before. The challenges we face – nuclear proliferation, global pandemics, climate change, terrorism – are more complex than ever […] It’s not enough simply to keep up with all of this change. We must stay ahead of it. To that end, we will build up our civilian power: the combined force of civilians working together across the US government to practice diplomacy, carry out development projects, and prevent and respond to crises. Many different agencies contribute to these efforts today. But their work can be more unified, more focused, and more efficient. The State Department and USAID will take a lead role in making that happen.«

But flexibility and creativity are also mental attributes of great importance for decision-makers and foreign policy practitioners; these attributes can be developed and tested systematically, for example, through scenario exercises, which represent a valuable tool not only for strategic planning, but also for training and mental formation.

Wherever Possible, Leverage Multilateralism to Make It Effective

In principle, the concept of »effective multilateralism« appears to be the perfect response to the governance challenges inherent in the new world of globalization and turbulence. It is therefore hardly surprising that it not only occupies a central position in the European Security Strategy of

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5. See QDDR, op. cit., passim.
6. Ibid.
but also appears prominently in the US National Security Strategy 2010.8 »Effectiveness« here implies a capacity to exert meaningful and discernible influence on specific developments in a particular issue area in line with one’s own objectives.

In practice, however, effective multilateralism is something of a fata morgana; to make multilateral cooperation really effective represents a major challenge. Political leadership is an indispensible, although not necessarily a sufficient precondition. This includes initiating processes to address existant problems, organizing them (for example, by focusing the agenda and setting timetables and deadlines), leveraging them to make substantial progress by, for example, skillfully forging »coalitions of the willing and able,« as well as by overseeing implementation and evaluating their results. Multilateralism takes many different forms: institutionalized or informal; inclusive or exclusive (»minilateralism«); rules-based or interest-based. From Germany’s perspective, institutionalized and rules-based forms of multilateralism generally must be preferable, given its particularly pronounced dependence on a liberal international order. But the tensions between effectiveness and legitimacy will always be present, and they need to be firmly addressed in future German foreign policy. In the past, it sometimes seemed as if German foreign policy assumed that the creation and institutionalization of multilateral cooperation in and of itself guaranteed effectiveness. The evolution of the European Security and Defence Policy, and Germany’s role in it as a laggard, rather than as a leader, illustrate this problem well.9 The recent crisis of the euro provides an (on balance) positive counter-example: here, after initial hesitation, which proved costly, Germany took the lead both in designing support for Greece and Ireland and in structural reforms to the institutional framework of monetary union.10


8. NSS 2010, op. cit., e.g. pp. 33, 40, 45.


10. For the first, rather problematic phase of this, see: Jones, Erik: »Merkel’s Folly«, in Survival 52:3 (June/July 2010), pp. 21–38; on Germany’s role in the next stage of the crisis, see my: »The Euro: Here to Stay«, in GMF Transatlantic Take; http://blog.gmfus.org/2011/01/12/the-euro-is-here-to-stay/
Investive Foreign Policy: Grasping the Nettle of Power

The consequences of globalization require the systematic monitoring, regular reassessment, and periodic adjustment of German foreign policy to ascertain where and how best to enhance opportunities to exert influence and to recover lost ground. The notion of power-enhancing strategies has a bad reputation: to some, this may smack of Wilhelminian obsessions with a place in the sun for Germany. However, to ignore the power aspects of politics is to ignore its essence. Whatever aspirations we may have for the future international order, they will have to be realized through political efforts, which in turn will require the use of power and state authority. As with arms, the problem is not power per se, but rather the specific forms in which power is mobilized and the ways in which it is used. (And again, as with arms, the profoundly ambivalent nature of power also calls for careful restrictions on power through »power control« and »disempowerment«). But it is also clear that in the context of globalization national power, even that of the superpower America, has become severely circumscribed, and that the utility of military force in projecting power for constructive purposes has certainly become highly contingent on specific conditions on the ground (witness the long and sad tale of humanitarian intervention and state-building since 1990).

For these reasons, Germany cannot escape, but must confront carefully the realities of power in the context of globalization. It has particular advantages, but also elevated responsibilities in the struggle for a peaceful, prosperous, and decent international order. First, while having become a major contributor to international peace-keeping and peace-making efforts, its strategic culture has retained much of its skepticism towards the utility of military force (and the Bundeswehr experience in Afghanistan is likely to revitalize this skepticism). Germany therefore seems unlikely to favor inappropriately militaristic approaches to international problems. This may, in fact, be an advantage, rather than a deficiency. Second, and somewhat surprisingly, given its history, Germany today enjoys an unusual degree of respect and trust among its neighbors and other nations, and it also finds itself in a strong position as a result of its recent economic performance, built on successful adjustments over the past decade.11 All this gives Germany weight and a central position in the European Union and thus predestines it to a leadership role (See, for example, Theil, Stefan: »To Rule the Euro Zone,« in Newsweek, January 23, 2011.)
role. However, this particular advantage needs to be husbanded carefully. It is the result of decades of (West) German efforts to be perceived as a reliable ally and a fair partner, and it rests importantly on »leadership by example« and the strengths of the »German model.« Cultivating successful socio-economic policies therefore represents a necessary investment element in enhancing German influence abroad.

But if German foreign policy is to lead effectively, it must also address the gap between elevated expectations and demands on it and what it can actually do. To do so, it must formulate clear, limited, and realistic objectives and priorities for itself, and for its partners in multilateral efforts. Much of Germany’s foreign policy discourse suffers from excessive promises and unrealistic ambitions (such as the expectation that Berlin could secure a permanent seat in the UN Security Council or that Afghanistan could be turned quickly into a well-governed democracy). German foreign policy rhetoric and practice must therefore be brought in line with what is possible, while attempting, at the same time, to gradually broaden the scope of its capabilities. This could involve three things. First and foremost, foreign policy decision-makers must make every effort to inculcate among the public an understanding of the importance of foreign policy for Germany’s future prospects. Currently, the budgets of the Foreign Office, the Ministry for Economic Cooperation, and the Ministry of Defence together account for only 12.5 per cent of the Federal budget (down from 21.8 per cent in 1989); it seems doubtful that this reflects a realistic distribution of public resources in dealing with the sources of future challenges. This should also help, second, to better legitimate foreign policy sector expenditure in the political process and in public opinion, but also to enhance the direct participation of non-state actors in the realization of foreign policy objectives. Third and finally, it involves fostering awareness about the foreign policy resonance of domestic developments: when Germany manages to deal well with its own problems, this also enhances the country’s influence abroad, and thus expands its foreign policy options. Superior models to solve social issues and problems are likely to be a particularly important form of »soft power« in a world of turbulence. If and when Germany develops such models for its own purposes, it can also gain in authority and enhance its credibility in international negotiations, enter into coalitions, and help shape broader international solutions to existent problems.12

12. Examples of this include the model of an independent central bank devoted solely to combating inflation or the law on renewable energy, which has boosted the
Forging Effective Coalitions in, for, and with Europe

As in the past, the best and most effective approach for German foreign policy will be to rely on pooling resources (and pooling sovereignty) with other states (and also with non-state actors), and Germany’s best chance to »punch above its weight« will continue to lie with Europe. But Europe will not automatically and unconditionally serve as Germany’s diplomatic and security »force multiplier«; the EU has become more unwieldy, more complex, and more diverse, while in many ways it also offers greater potential. Germany’s European policies will thus have to focus first on effectuating the EU by helping to breathe new life into it. This requires a clear sense of direction, a vision of and for Europe in the world. The new raison d’être of European integration will be Europe’s self-assertion in the turbulent world of globalization. For that, Europe must possess the ability to act coherently and consistently when and where its core interests and values are at stake. This needs to be underpinned by a real willingness to deploy national resources in joint, coordinated efforts.

Since the European Union is currently capable of this in its external relations only to a very limited extent and only on rare occasions, German foreign policy will need to strengthen the EU as a foreign policy actor. This will include agreeing to the transfer of German foreign policy competences to the European level, and adjusting to European positions where German views are challenged effectively and reasonably. This will not be easy, and will require a policy agenda which is focused on a clear and limited set of priorities, carefully timed, but also pursued persistently.

The second critical focus of German policy towards the EU’s external relations will have to be on coalition-building within the EU with other members. The leadership position which Germany undoubtedly occupies at this time within Europe cannot be exercised successfully by imposition, but only by persuasion and consent; Berlin would therefore do well to remember, study, and follow the recipes which once made West German foreign policy so successful: persuasion, consensus- and coalition-building, cultivating trust, taking smaller member states and European institutions seriously, leading by example, by down payments to advance common solutions, and sometimes also by stealth.

sustainable development of the relevant industries; such laws have since been »adopted« by many other countries.
A third element of German policy towards Europe needs to be the willingness to compromise – not at any price, but when others have better solutions, powerful arguments or important long-term interests at stake. In the age of globalization under turbulence, the premium for any foreign policy will lie in its ability to learn, not its power to impose and resist change, which is bound to be overwhelmed. German leadership in Europe therefore needs to be a leadership enlightened and inspired by the search for common survival and prosperity. Its first test is presently under way in the crisis of the euro.

But what if, despite its best efforts, German foreign policy does not succeed in effectuating the EU? Even then, a strategic orientation towards the European Union would still make sense. For even assuming that future developments would overwhelm the capacity of Europe to cope, a European orientation would still offer Germany a better chance than going it alone. The right strategy for Germany would then be to persevere with a smaller »Europe of the willing.« If this worked, centripetal forces would probably quickly reassert themselves across Europe, since foreign policy and international economic successes for any European nation-states going it alone seem very unlikely. In any case, Germany would still be better off with partners than on its own.

The European Security Strategy (ESS) made »effective multilateralism« its guiding star. In practice, however, multilateralism will – as we have seen – often tend to be ineffective. European efforts and resources should therefore be concentrated on a few carefully chosen areas which would offer a good chance that joint European action would be successful in producing effective multilateral solutions (or at least progress towards such solutions). One example of this could be climate change: here, Germany has already grasped the need to use the European Union as a multiplier, and thereby secured – for Europe, but also for itself – a leading role in international climate change policy. (This became apparent first at the G8 Heiligendamm summit meeting in Germany in 2007.) In this case, »effective multilateralism« has not yet materialized, however: climate change policy has not progressed much over recent years, and the failure of the summit meeting in Copenhagen in 2009 seriously compromised the European claim of an international leadership role. Therefore, more needs to be done. Here, as in general, »effective multilateralism« will require (a) political initiatives, (b) astute political coalition-building strategies to develop sufficient weight and influence for a group of like-minded countries to assume international leadership, and (c) the initiation
of negotiating processes with the ultimate end of securing binding and effectively implemented and monitored international agreements.

Exploiting Opportunities, Reducing Risks

Where are the most important risks against which German foreign policy has to hedge, and where are the opportunities? In both instances, the answer is: Europe. As things stand now, European monetary union has become – and ought to be – Germany’s first foreign policy priority. Capital, currency, and technology will represent key economic resources in international relations for the foreseeable future. But in these areas Germany and the European Union are fairly well equipped to engage in international negotiations and to contribute effectively to multilateral efforts. There are, to be sure, also important weaknesses in those sectors, which concern deficits in available resources and specific institutional and political arrangements at the European level and in German and European practices with regard to their relevance as models to others. But if these shortcomings were addressed, this would also provide opportunities. Germany has already taken the lead in this, and it really did not have much of a choice: the euro represents Germany’s and Europe’s best hope for international influence in the years to come – if economic and monetary unions are deepened carefully and responsibly.

The enlargement of the European Union has so far proven its most influential foreign policy tool in stabilizing its geopolitical surroundings. But with 27 member states, the EU has become very heterogeneous, and it needs to be deepened before any major further enlargements beyond the Balkans are undertaken. Such deepening can increasingly be achieved only selectively: in other words, by smaller groups of member states moving ahead of the EU as a whole. Constitutionally, this is now possible through »enhanced cooperation« under Art. 20 of the Lisbon Treaty, but it would still require common objectives, shared definitions of interests and strategies, and the political will to subordinate national interests to common policies among a group of like-minded member states. These conditions can by no means be taken for granted at present, even among the founding members. They must first be worked out on a case by case basis. The practical difficulties involved in such efforts are presently demonstrated by efforts to deepen fiscal cooperation in the context of European Economic and Monetary Union to sustain the euro and
deal with the excessive debt levels of some member countries and many European banks.

Enlargement is likely to remain one the most influential tools of European – and therefore also of German – foreign policy. EU enlargement into South-eastern Europe (eventually to include all the successor states of the former Yugoslavia) is already under way; the EU has firmly committed itself to this in the Stability Pact for South-eastern Europe. This seems the logical and most effective way to complete the task of stabilizing the Balkans, which Europe has rightly taken on since the Dayton Agreement (1995) and the settlement of the Kosovo war (1999).

From a long-term perspective, the prospect of extending EU membership into Eastern Europe – Moldavia, Ukraine, Belarus, possibly even Russia – also seems promising. Although it goes without saying that the Copenhagen criteria for membership must be met by any new entrants, this does not seem inconceivable (and certainly ought to be hoped for, and worked towards, by Western policies towards this region!) within the next two decades or so. With time, effort, and patience, the focus of enlargement could thus shift to Ukraine, Moldova, and Belarus.

That, in turn, would require that the EU clarifies its relations with Russia. Inviting Russia to join NATO, as some observers have argued, seems ill-considered. This would jeopardize the democratic value consensus on which NATO is based only to obtain Russian support over the next few years, particularly with regard to South-west Asia (Iran). It would make more sense from a Western – but also, ultimately, from a Russian – standpoint to hold out EU accession as a long-term prospect. As the criterion of democratic transformation is an unambiguous condition of entry, the time horizon would probably be rather longer. But the benefits for both sides are also more evident: Russia would finally find its place in Europe – and where else should it go? – while the European Union would acquire a new internal quality and a substantially enhanced presence in world affairs. To be sure, this would be possible only with a Russia which had transformed itself from what it is now, and it would also dramatically transform the process of European integration itself. But Russia historically has been part of Europe, and its society is not only in many respects complementary to the present European Union but also sufficiently similar.

13. See, for example, Kupchan, Charles A.: »NATO’s Final Frontier«, in Foreign Affairs, May/June 2010.
Similar considerations in principle apply to Turkey’s joining the European Union. It is increasingly difficult, however, to imagine the new, Islamic elite in Turkey sticking with the policies of Kemal Atatürk and thus continuing the project of the old, secular Turkish elite it has successfully pushed aside over the past two decades. But if Turkey perseveres in its aim of EU membership and makes the necessary changes, the commitments that have been made by Europe to Turkey on membership ought to be honored. This would undoubtedly represent an enormous challenge for Europe, but the benefits could also be considerable. Of course, Germany and Europe would receive a boost in terms of demography, the economy and technology from Turkey as a new EU member; and Turkey would clearly also benefit from this. First and foremost, however, it would be the »soft power« resources that a successful integration of Turkey into Europe would yield which would increase European prestige and influence throughout the world; this would no doubt also benefit German and European foreign policy.

A simultaneous prospect of membership through parallel accession negotiations for Israel and a democratic Palestinian state should also not be ruled out, if such a prospect could have a positive effect on the establishment of peace in the Arab-Israeli conflict – something which should have high priority as a German and European foreign policy objective at a time when US involvement in the Middle East may decline and become increasingly problematic. Guaranteeing the existence of Israel is likely to remain a core foreign policy aim of Germany and the European Union; but resolving the conflict with the Palestinians is important also for other reasons, such as security of supply with regard to oil from the Persian Gulf.

While the potential of enlargement thus still seems quite relevant in a long-term perspective, the development of the Common Foreign and Security Policy in the future should otherwise be promoted selectively and with caution. The principal challenge here is the existing gap between the EU’s foreign policy ambitions and its rather modest record of delivery so far. The effectiveness of the CFSP needs to be enhanced first through gradually building up its capabilities and its institutions, decision-making processes and instruments. In parallel, it might also work on setting clear priorities. Down the road, the project of an effective collective defense

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policy on the basis of integrated European military forces, which the Lisbon Treaty offers as a prospect in Art. 24 should be revived; as long as the European Union cannot credibly protect all its member states against external threats, doubts will remain, in the rest of the world but also in Europe itself, concerning whether the EU can really function as a global actor and take on international responsibilities.

These four broad guidelines for German foreign policy are not exhaustive. German foreign policy will obviously also continue outside multilateral frameworks, and outside the European Union. But the emphasis placed here on those contexts has been deliberate. Globalization cannot be halted, but it may be channeled and guided through effective measures of governance such as regulations, which Germany cannot promote on its own. It therefore will have to rely on consolidating, regulating, and institutionalizing international cooperation with a view to strengthening national, regional, and global governance. It seems clear that the requisite international regulations and organizations need more autonomy and authority than has been afforded them so far, as national governments generally have lacked the political will to yield to their sovereignty. In that sense, there will need to be more supranationalist governance – and Germany is perhaps particularly well-placed to promote, propagate, and follow up on this insight.

In the current turbulence of global politics, conducting foreign policy effectively has become an arduous undertaking, as domestic and transnational cross-currents, as well as strong international winds, keep buffeting the ship of state. But it is hard to overestimate the importance of foreign policy, if it is understood (as it should be) as the task of steering the country on a course which would maintain and enhance, in a sustainable way, public welfare (which is what »the national interest« really should mean): for German society and for the rest of the world. At present, the importance of that task still seems, if anything, underrated and underappreciated: in recent years, German foreign policy has not always lived up to its responsibilities, or to its potential. It is time for a new push.