



**Mapping Transatlantic Futures**  
German-American Relations  
in a Global World  
An eVolume to Celebrate  
30 Years of Bosch Fellowship  
(1984 – 2014)

Colette Mazzucelli, New York University and  
Ronald Bee, San Diego State University, eds.



Robert Bosch **Stiftung**

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# Acknowledgments

*By: Colette Mazzucelli and Ronald J. Bee*

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In the Introduction and Conclusion, the editors extrapolated a number of Bosch Fellow ideas into specific policy recommendations. These chapters stand on their own merit. If we, in any way, did not reflect their intentions, this remains solely the editors' responsibility.

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Colette Mazzucelli, Brooklyn, New York  
Ronald J. Bee, San Diego, California 2014

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## Excerpt from the Speech in the Bundestag (German Parliament)

On May 8, 1985

*By: Dr. Richard von Weizsäcker, President, Federal Republic of Germany, 1984-1994*

*“Many nations are today commemorating the date on which World War II ended in Europe. Every nation is doing so with different feelings, depending on its fate. Be it victory or defeat, liberation from injustice and alien rule or transition to new dependence, division, new alliances, vast shifts of power – May 8, 1945 is a date of decisive historical importance for Europe.*

*We Germans are commemorating that date amongst ourselves, as is indeed necessary. We must find our own standards. We are not assisted in this task if we or others spare our feelings. We need and we have the strength to look truth straight in the eye – without embellishment and without distortion.”*

# Foreword

*By: Dr. Ingrid Hamm and Christian Hänel, Robert Bosch Stiftung*

The year 2014 is a very special one for the Robert Bosch Stiftung's activities in general and for the field of transatlantic relations in particular. We celebrate the 50th Anniversary of the Stiftung as well as 30 years of the Robert Bosch Foundation Fellowship Program. In 1984 our program brought the first group of promising young American leaders to Germany. Three decades later we are proud to see the result of our work: a thriving, active alumni community of more than 500 former Bosch Fellows who still keep in touch, professionally and personally, with Germany and Europe today.

The Robert Bosch Stiftung initiated the Robert Bosch Foundation Fellowship Program as a proactive response to the growing concerns about the future of German-American relations in the early 1980s. The controversy regarding the deployment of Pershing II and ground-launched cruise missiles (GLCMs) in Western Europe to counter the Soviet Union's targeting of SS-20 medium-range nuclear arms against NATO created a heated atmosphere in transatlantic relations. This evolution put our fundamental consensus of living in a community of shared values at risk.

Today, more than 20 years after the end of the Cold War and the fall of the Berlin Wall, investing in a strong transatlantic partnership remains as important as 30 years ago when the first Bosch Fellows arrived in Germany. The transatlantic community faces new challenges. These include differing perspectives on military intervention in international conflicts as well as the question of data preservation and individual privacy rights. We also observe fundamental changes and power shifts due to rising powers like China. Moreover, both countries' societies have been experiencing demographic changes over the last decades. Our aging societies require a focus on immigration to respond to increasing domestic labor needs. This transformation in transatlantic relations has a significant influence on the perception and knowledge of each other. At the same time, both countries have to deal with urgent global problems like climate change and the international financial crisis, which we can only solve through broad and long-term international cooperation.

In this context, fostering close cooperation remains crucial for the transatlantic community in a more and more interdependent world. During his visit to Berlin in June 2013, President Obama stressed the importance and responsibility of the transatlantic community for German-American as well as European-American relations.

In his speech at the Brandenburg Gate: *"Our alliance is the foundation of global security. Our trade and our commerce are the engine of our global economy. Our values call upon us to care about the lives of people we will never meet. When Europe and America lead with our hopes instead of our fears, we do things that no other nations can do, no other nations will do."*<sup>1</sup>

Our founder Robert Bosch also believed in the core principles of transatlantic dialogue and cooperation as keys to international stability and peace. In 1884, he travelled to the United States for one year and spent time in Thomas Edison's workshop in New York. This experience influenced his future path as an entrepreneur and his understanding of social responsibility as a businessman. Very early in his career, Robert Bosch became a true philanthropist, whose focus by far exceeded his business ventures. To fulfil the legacy of its founder, the Robert Bosch Stiftung's mission promotes the common good in the fields of International Understanding, Health, and Education.

In the field of German-American relations, we encourage and support people who are willing to assume responsibility. We strengthen understanding by bringing people face-to-face, helping them cooperate, and choosing suitable target groups as ambassadors for transatlantic friendship. The core and flagship of these programs is the Robert Bosch Foundation Fellowship Program. Bosch Fellows live and work in Germany for about a year and go through a demanding program. They receive intensive language training and attend three seminars to discuss German and European issues with decision makers, practitioners, and experts from various fields. During two work phases, each Fellow brings his or her professional expertise to their German host organizations in public administration, media, and business. Thereby, all fellows gain specialized knowledge and professional networks to help maintain German-American relations in their future careers. To maintain and further enhance the Program's success, we have re-evaluated the Fellowship experience during the last few years and discussed options with our alumni and program partners. As a result, we have adjusted some of the program's components to provide more effectiveness and flexibility for emerging transatlantic leaders in their professional development.

This eVolume commemorates the 30th anniversary of the Robert Bosch Foundation Fellowship Program. Chapters authored by former Bosch Fellows represent several generations. The authors are members of the Robert Bosch Foundation Alumni Association, which has become a strong network of professionals with a transatlantic mindset. The variety of topics and perspectives in this eVolume reflects the diversity of the authors' professional backgrounds and expertise. All share the unique Robert Bosch Foundation Fellowship experience and commitment to the transatlantic partnership. Our dearest thanks go to Bosch alumni Colette Mazzucelli and Ronald J. Bee for their continued commitment to German-American friendship and for their great initiative to edit this volume.

#### References

- <sup>1</sup> The White House, Remarks by President Obama at the Brandenburg Gate - Berlin, Germany, at [www.whitehouse.gov](http://www.whitehouse.gov), [18.11.2013].

*By: Peter Ammon, Ambassador of the Federal Republic of Germany to the United States, 2011 - 2014*

Over the last 30 years, the Robert Bosch Stiftung has done outstanding work in helping to foster enduring ties between Europe and the US and encouraging young US leaders to become committed "transatlanticists." In many fields, the community of Bosch Fellows constitutes a sustainable basis for transatlantic relations on which everyone - in the political, societal, academic, and economic fields alike - can build.

The latest, and perhaps the boldest, endeavor we are undertaking today to further strengthen transatlantic ties is the Transatlantic Trade and Investment Partnership (TTIP). Our businesses are the drivers of the transatlantic economic relationship, contributing to growth and jobs on both sides of the Atlantic. It is estimated that a third of transatlantic trade actually consists of intra-company transfers. However, many of our companies are still facing obstacles that constrain their economic activities. This includes obvious barriers such as tariffs but also - and more importantly - non-tariff barriers to trade and investment. Therefore, it is important that we do not allow different regulatory requirements to further impede the transatlantic economy. TTIP will boost economic growth in Europe and the United States and add substantially to the over 13 million American and European jobs already supported by the transatlantic economy.

#### **The main promises of this new initiative are truly strategic:**

- :: Every day, as technology advances, new technical standards are being defined. Europeans and Americans need to make these new regulations compatible through TTIP in an effort to bring our economies closer together. If they do not, advancing technologies will create two separate regulatory universes on diverging paths.
- :: The more our transatlantic economies are intertwined through cross-investment and integrated chains of production, the more common interests we will share. It will become obvious: What is good for Europe is good for America, and vice versa. Such a new transatlantic link may turn out to be more lasting than any political declaration could ever be.
- :: TTIP is part of a greater concept: The United States has already progressed considerably with the negotiation of a Trans-Pacific Partnership (TPP). The EU has free trade agreements in place with Mexico and South Korea; another with Canada is soon to follow. Japan and others are further down the line. In pursuing this course, we are not following a strategy to exclude others. On the contrary, the conclusion of these agreements will lead to a re-invigoration of multilateral efforts to achieve a global system of free and fair trade.

The path to TTIP will not be easy, because a number of vested interests and fears stand in the way of a new rulebook that promotes competition. So it is of the utmost

importance that the issue remain high on the political agenda. The personal support of both our leaders, Chancellor Merkel and President Obama, is historically unique and immensely valuable.

We cannot overestimate the importance of this initiative, for both its economic and its strategic consequences. We now have the chance to write a new, better rulebook for transatlantic trade and investment, which will open the door to a global framework for more growth, mutual trust, and - in the long run - also for more fairness and lasting peace.

TTIP and the Robert Bosch Foundation Fellowship Program are helping to build a prosperous and peaceful future. Both will strengthen the ties that unite us across the Atlantic. My best wishes go out to all those who are working hard for a transatlantic future.

*By: Daniel S. Hamilton, Center for Transatlantic Relations, Paul H. Nitze School of Advanced International Studies (SAIS), Johns Hopkins University*

This book is a celebration and testament to the enduring vitality and relevance of the Robert Bosch Foundation Fellowship Program. Let me offer my congratulations to the Fellows for their continuing engagement for a strong German-American relationship, and to the Robert Bosch Stiftung for its leadership and its unwavering support for this program, which is undeniably the premier initiative of its kind in the world. I have come to know many Fellows and have worked closely with the Stiftung in many different incarnations over thirty years. They are associations of which I am very proud.

When the first Robert Bosch Foundation Fellows came to Germany in 1984, they arrived in the Bonn Republic - a child of the Cold War and a response to two world wars. It was a democratic yet divided, semi-sovereign front-line state, dependent on its allies for its security and its eventual reunification - a prospect that seemed quite distant, if not inconceivable, at the time. Redemption from historical disaster was to be found in "Europe," and the Bonn Republic advanced German interests - the very term a taboo at the time - in the language of economics and multilateralism. Its overriding foreign policy principles were "do not get out in front" and "do not go it alone." It had a habit of thinking like a lightweight long after it had become a heavyweight. A related perception was that military power was a declining asset. The future belonged to civilian powers. It had a correspondingly narrow view of its alliance obligations. Nuclear weapons were renounced. Independent military capabilities were forsworn in exchange for strong security guarantees and deep integration into NATO and European structures. The sole task of German defense was defense of German territory. NATO was there to protect Germany. It was deemed unlikely that Germany would be called on to protect others. Outside the NATO area the Bonn Republic was less a player than a payer. Checkbook diplomacy bailed it out of many a jam.

Only five years later, as a new group of Bosch Fellows arrived, the Iron Curtain parted and the Berlin Wall opened. Suddenly, peacefully, the crisp, clean lines of the Cold War turned into the abstract colors of a Jackson Pollock painting, and a lot of people on both sides of that vanishing divide found themselves superbly trained to deal with a world that no longer existed.

Those Bosch Fellows who followed the Class of 1989 have been first-hand witnesses to the historic change from the Bonn Republic to the Berlin Republic - the first liberal, democratic, market-oriented, united Germany in history, surrounded for the first time by democratic allies. The nation that once embodied Europe's division is once again *das Land in der Mitte* - the crossroads and central power of a continent in tremendous flux.

Of course, deep continuities bind the Berlin Republic to the Bonn Republic. But it finds itself in a profoundly different situation. It no longer has the antagonistic Soviet superpower or the blood feud across the Wall that defined much of the Bonn Republic's foreign and domestic policies. It has abandoned what probably was the very symbol of the Bonn Republic, the *deutsche Mark*, in favor of the euro. A predictable three-party system has given way to a multi-party free-for-all presided over by an East German woman Chancellor and an East German pastor-turned-president. It is an international heavyweight whose absence can be as important as its action. It faces greater pressure to send soldiers, doctors, diplomats, police officers and aid workers, not just checks, to deal with world trouble spots - although a few needy neighbors wouldn't mind more checks from Berlin. It has committed German forces to the Balkans and to Afghanistan, but it is also a Germany that has learned to say *Nein*, even to its closest partners. It is less reticent internationally, more pressured economically, more diverse demographically, and more open yet less settled politically than the Bonn Republic.

Given all these developments, it is perhaps not surprising that Germany's new accents are evolving unevenly.

Making sense of Germany today means getting to know the workaday world of the German people. *Deutschland der Regionen. Hochdeutsch und Dialekt. Proporz. Der Mittelstand. Duale System und Standort Deutschland. Feierabend. König Fußball. Maultaschen und Weisswurst. Döner Kebap und Königsberger Klöpse.* It means joining in the daily definition of what it means to be Deutsch in a larger and looser Europe that doesn't always offer answers to German questions; what it means to be European in a world in a hurry; and how Germans and Americans approach their respective challenges and their own evolving relationship. Thanks to this program, every Bosch Fellow has had the unique opportunity to learn from and participate in this daily definition.

Through it all, the German-American conversation continues. Its ups and downs remind us that the strength of our relationship depends ultimately on the ties between our people. As of this writing the conversation is down, afflicted by economic challenges and disputes, disoriented by unexpected questions of reliability and trust, and plagued by lazy stereotypes.

"The light that enters your eye," Einstein reminded us, "is never the light that enters mine." Over the past 30 years, each of our two societies has experienced major changes - some wondrous, some tragic, most disorienting. We communicate those changes at the touch of a button. How well we do so is another question. We are flooded with information, but more information does not necessarily bring

more understanding. The possibilities can simply mean that misunderstandings travel at the speed of light. We rush to judgment. We become self-righteous. We fill in the blank spaces of our ignorance with cartoon images and caricatures. And we do it not only with those we know the least, but also with those we think we know the best.

In this global sea of information, personal experience and mutual exchange can be a compass, something our relationship could use these days, because it is precisely the closeness of our relationship that often leads to confusion. We think we "know" each other, and so become complacent. We allow superficiality to guide politics and policy. And then we are surprised - on a fairly regular basis - when our partner does not act in ways we had anticipated.

This is what the Robert Bosch Foundation Fellowship Program provides - a compass, a guide, a frame of reference for the German-American conversation. Common strategic interests make our cooperation necessary. Common political values make our cooperation possible. But in the end it is our complementarity, the fact that each of us brings something special to our relationship from which the other can learn and profit, that makes German-American cooperation so potentially rewarding.

During the Cold War, we forged an alliance of necessity. Today, our alliance is one of choice, a *Wahlverwandtschaft* - for those who haven't been reading Goethe lately - an "elective affinity." Whether Germans and Americans retain this affinity, however, depends on individuals who understand how and why we are relevant to each other's lives, and who actively contribute that understanding to the German-American conversation.

This is why the Robert Bosch Foundation Fellowship Program remains so essential. It provides engaged interpreters to the German-American conversation. Thank you for the privilege of being invited to listen.

# 1

## Introduction: Mapping German-American Relations: Past, Present, and Future

*By: Colette Mazzucelli, New York University and Ronald J. Bee, San Diego State University*

*“For us, the 8th of May is above all a date to remember what people had to suffer. It is also a date to reflect on the course taken by our history. The greater honesty we show in commemorating this day, the freer we are to face the consequences with due responsibility. For us Germans, May 8, is not a day of celebration. Those who actually witnessed that day in 1945 think back on highly personal and hence highly different experiences. Some returned home, others lost their homes. Some were liberated, whilst for others it was the start of captivity. Many were simply grateful that the bombing at night and fear had passed and that they had survived. Others felt first and foremost grief at the complete defeat suffered by their country. Some Germans felt bitterness about their shattered illusions, whilst others were grateful for the gift of a new start.*

*It was difficult to find one's bearings straight away. Uncertainty prevailed throughout the country. The military capitulation was unconditional, placing our destiny in the hands of our enemies. The past had been terrible, especially for many of those enemies, too. Would they not make us pay many times over for what we had done to them? Most Germans had believed that they were fighting and suffering for the good of their country. And now it turned out that their efforts were not only in vain and futile, but had served the inhuman goals of a criminal regime. The feelings of most people were those of exhaustion, despair and new anxiety. Had one's next of kin survived? Did a new start from those ruins make sense at all? Looking back, they saw the dark abyss of the past and, looking forward, they saw an uncertain, dark future.*

*Yet with every day something became clearer, and this must be stated on behalf of all of us today: the 8th of May was a day of liberation. It liberated all of us from the inhumanity and tyranny of the National-Socialist regime.*

*Nobody will, because of that liberation, forget the grave suffering that only started for many people on May 8. But we must not regard the end of the war as the cause of flight, expulsion and deprivation of freedom. The cause goes back to the start of the tyranny that brought about war. We must not separate May 8, 1945 from January 30, 1933. There is truly no reason for us today to participate in victory celebrations. But there is every reason for us to perceive May 8, 1945 as the end of an aberration in German history, an end bearing seeds of hope for a better future.”*

President Richard von Weizsäcker,  
Speech to the German Bundestag, May 8, 1985

The transatlantic map of 1945 looked very different than it does today. While the Allies celebrated victory, the Axis powers lay in ruin. It became *Stunde Null* for Germany and Zero Hour for the European continent.

Germans, Europeans, and Americans alike realized that we needed to work together to prevent war from ever happening again. This realization necessitated anchoring Germany and the rest of Europe in the West. The Soviet Union had another vision of the future, which meant keeping Eastern Europe as a satellite buffer zone, and expanding Soviet influence westward wherever and whenever it could. The Iron Curtain split Berlin and Germany between Western and Eastern visions. The United States had a dual vision of rebuilding Europe through the Marshall Plan, Truman Doctrine, and the General Agreement on Tariffs and Trade (GATT) and pursuing “the long-term, patient but firm and vigilant containment of Soviet expansive tendencies.”<sup>1</sup> [Readers may access the *Foreign Affairs* article referenced by using the [access code](#).]

The application of Soviet containment had overlapping economic, political, and military dimensions. The US recognizing its new global political role entered into its first formal military alliance on April 4, 1949. The North Atlantic Treaty Organization (NATO) envisioned protecting European economic redevelopment from Soviet intrusion. This also required incorporating Germany and Italy into the Atlantic Alliance. This linked North America, and in particular the United States and Canada, to the defense of Europe. This also necessarily committed the American nuclear umbrella to this strategic endeavor.

Parallel and integrated under NATO’s protection, today’s European Union (EU) may be traced back to the creation of the European Coal and Steel Community (ECSC) by the [Schuman Declaration of May 9, 1950](#). Subsequently the relaunch of economic integration at the Messina Conference would lead to the signing of the Treaty of Rome in 1957. This institutional framework permitted the [Wirtschaftswunder](#) (economic miracle) under the leadership of Chancellor Konrad Adenauer and Economics Minister [Ludwig Erhard](#).

Germany, on the front line of the Cold War, had a human interest in promoting contact with the East. [Ostpolitik](#) sought to reconcile and reach across the Iron Curtain to keep alive the connection with eastern brethren until a day that Germany might unify. The US kept this idea alive and codified it from the outset in Article 23 of West Germany’s Basic Law (Grundgesetz), which held out the promise of the eventual unification of East and West Germany.



Figure 1: Route of the 'Iron Curtain' Trail<sup>1</sup>

The signing of the Helsinki Final Act in 1975 encouraged cultural *rapprochement* and the “reintegration of families” across the inner German border. As a forerunner to social media and the Internet, an estimated 97% of East Germans began watching West German television and saw what they were missing in their daily lives.

The Soviets had crushed any movement toward improving human rights in 1953 in East Germany, in 1956 in Hungary, and in 1968 in Czechoslovakia. Nothing moved on this front until the arrival of Mikhail Gorbachev in 1985 at age 54, a refreshing member of the Soviet *Nachwuchsgeneration* (postwar generation) replacing a series of Soviet octogenarians. Those older Soviet leaders always had painted their future maps by the Communist numbers, and always in red ink. Neither communism nor democracy could function on empty stomachs; the Soviet Union sacrificed feeding its own and providing basic human rights to its citizens as the means to become a military superpower. Mr. Gorbachev introduced views of openness (*glasnost*) and economic restructuring (*perestroika*) to the Soviet Union and, by extension, the rest of the Warsaw Pact. Ironically, the Berlin Wall would fall 54 years after World War II, the age Gorbachev assumed power in the Soviet Union.

Just a year before Gorbachev arrived on the scene, the Robert Bosch Stiftung had the foresight to invest in its own *Nachwuchsgeneration* of American leaders to maintain transatlantic ties among those born after World War II. These Americans gained an intimate knowledge of Germany at the corporate, state, and federal levels. They not only closely observed the day-to-day challenges of German society; they participated in actual decision making at all levels. This unique opportunity provided a profound understanding that benefitted each country and transatlantic relations.

Three years into the Fellowship Program, then President Ronald Reagan came to Berlin to ask Mr. Gorbachev to tear down the Berlin Wall. Mr. Reagan's words about freedom ring true today even in the welcome absence of the Iron Curtain.



Figure 2: Speech of President Ronald Reagan in Berlin<sup>2</sup>

“The totalitarian world produces backwardness because it does such violence to the spirit, thwarting the human impulse to create, to enjoy, to worship. The totalitarian world finds even symbols of love and of worship an affront. Years ago, before the East Germans began rebuilding their churches, they erected a secular structure: the television tower at Alexander Platz. Virtually ever since, the authorities have been working to correct what they view as the tower's one major flaw, treating the glass sphere at the top with paints and chemicals of every kind. Yet even today when the sun strikes that sphere - that sphere that towers over all Berlin - the light makes the sign of the cross. There in Berlin, like the city itself, symbols of love, symbols of worship, cannot be suppressed.”

“As I looked out a moment ago from the Reichstag, that embodiment of German unity, I noticed words crudely spray-painted upon the wall, perhaps by a young Berliner, “This wall will fall. Beliefs become reality.” Yes, across Europe, this wall will fall. For it cannot withstand faith; it cannot withstand truth. The wall cannot withstand freedom.”

When the Berlin Wall fell on November 9, 1989, Chancellor Helmut Kohl seized the opportunity to unify Germany with the steadfast American support of President George Herbert Walker Bush. President Richard von Weizsäcker awarded John P. Schmitz, Bosch Fellow and White House Counsel, the Officers Cross of the Order of

Merit of the Federal Republic of Germany (*Deutsches Bundesverdienstkreuz* First Class) in 1990. As this suggests, the Robert Bosch Foundation Fellowship for Future American Leaders represents much more than an exchange program, a *Reise-gesellschaft*, or mere facilitator of the transatlantic pilgrimage to the *Oktoberfest*. The Robert Bosch Foundation Fellowship Program embodies a 30-year investment of 37.6 million Euros (*over* 50 million USD) in young American professionals and their commitment to maintain transatlantic vibrancy. The words “thank you” do not adequately reflect the gratitude of 500 Bosch Fellows who have benefitted from such generosity. The editors of this eVolume intend this *Festschrift* to say thank you by illustrating the depth and breadth of Stuttgart's investment in American leaders who now think, work, and write on the spectrum of transatlantic relations. We also thank each of the contributors to this eVolume for their nod and salute to the Robert Bosch Stiftung.

That salute aims to tackle mapping our common futures in the economic, political, military, environmental, migration, and human security realms of the transatlantic relationship. The US financial crisis of 2008 and subsequent Eurozone crisis demonstrated our mutual economic vulnerabilities. We still have a significant transatlantic challenge of getting our respective economic houses in order.

During the 1990s, President Bill Clinton's refrain, “It's the economy, stupid” led to two terms in the White House and a related vision that extended to our friends and former foes abroad. In 1993, his National Security Adviser Tony Lake, argued that we needed to extend the transatlantic economic project to Central and Eastern Europe. In his speech, “From Containment to Enlargement,” given at the Johns Hopkins University School of Advanced International Studies (SAIS), Lake asserted:

“The successor to the doctrine of containment must be a strategy of enlargement - enlargement of the world's free community of market democracies.”

Lake also emphasized that our economic renewal must start at home:

“Our efforts to empower our people, revive our economy, reduce our deficit, and reinvent our government have profound implications for our global strength and the attractiveness of democracy and markets around the world.”

This assertion sounds strikingly familiar to Richard N. Haass's 2013 book, *Foreign Policy Begins at Home*, in which he argues

“...what makes the situation particularly worrisome are a large number of internal developments including a burgeoning deficit and debt, crumbling infrastructure,

second class schools, an outdated immigration system, and the prospect for a prolonged period of low economic growth.”

Daniel Hamilton’s earlier work, *Conflict and Cooperation in Transatlantic Relations*, focuses on a key question for mapping our transatlantic future: Can we reconcile the grand project of European integration in its newest phase with a strategic orientation of the transatlantic relationship to a global agenda?<sup>2</sup> *Mapping Transatlantic Futures* aims to address this question. We recognize, as does Dr. Hamilton, that culture matters, “as a way of thinking, a way of understanding and given meaning to the world.”<sup>3</sup>

November 9, 1989 closed a singular period of historical discontinuity for Europeans. The Berlin Wall fell thereby ending the constructed postwar division of the Continent. That date stands in contrast to September 11, 2001, which marked a different kind of historical discontinuity for Americans. The attack on the Pentagon and the destruction of the Twin Towers ushered in an era of uncertainty, which, along with the Balkans and Iraq, quelled the euphoria at the end of the Cold War. Each of these singular moments for Europe and America shape decisively their respective narratives and collective experiences in the 21st century. For this reason, this eVolume aims to explain the relationship between America and Germany, which dominated the 1945-1991 era, to map transatlantic futures for a new world less dominated by the West. In this 21st century world, progress in the transatlantic area, as defined by the three tests Hamilton identified, still remains largely uncharted. In his words, “The first test is Europe, the second is beyond Europe and the third is between Europeans and Americans.”<sup>4</sup>

As we reflect on the roles of Germany, Europe, and the US in the world today, Francois Heisbourg’s recognition<sup>5</sup> that a weak Europe is a recipe for a “non-partnership” with America resonates. The challenge and the opportunity for the Federal Republic and the European Union centers on defining integration, in Alain Minc’s analysis,<sup>6</sup> as a duty in a new global context. The challenge and opportunity for the US centers more on how Europe can assert itself alongside America in a global context. Monetary affairs and security/defense issues remain at the heart of our vital transatlantic interests. Other vital issues have emerged and command our attention: energy and environmental issues, global migration, and broader challenges to human security, particularly the consequences of sexual violence in conflict. Since the advent of the global financial crisis, it is critical to contrast the persistent German-French cooperation within Europe in monetary affairs with the absence of a German role in the British-French bilateral cooperation in security matters. The Libya campaign illustrated the limits of Europeanization in defense and security affairs, which left NATO to define transatlantic strategy post-Iraq yet again in the context of a “coalition of the willing.”

Today we observe increasing tensions over the mapping of Europe. A quarter century after unification, how is Germany’s commitment to Europe changing in light of the crises in the Eurozone and Ukraine? The Federal Republic’s more recent historical experience puts into perspective the collective memory of the National Socialist era. That experience shaped a “staccato” master narrative<sup>7</sup> to emphasize a sharp break with the years 1933-45 and a particular German understanding of its national interest in European integration. Theo Sommer has underlined that Germans face the challenge with their neighbors “to continue the European narrative by growing through crisis.”<sup>8</sup> In the United States, the Soviet Communist threat defined a master narrative of containment in the policy establishment after World War II. Almost 15 years after 9/11, what American narrative has emerged to define the United States’ role in relation to Europe and the world?

The preceding questions about the German and American commitments to Europe highlight contrasting approaches to the future of transatlantic relations, in general, and Ukraine, in particular. Moreover, constructivist versus realist orientations in the conduct of international relations speak to the challenges our countries face to define EU and NATO policies to map the future of Europe. Constructivists assert that a country’s security policy is more than “geographical and historically determined imperatives... or the differential in power among states.”<sup>9</sup> Rather security policy is “determined by perceptions, ideas, and identities articulated as “national interests” to be defended and promoted in the international arena.”<sup>10</sup> Realists, in contrast, speak the language of the national interest defined in terms of power and military strength. The question becomes what approaches should transatlantic leaders use to promote and protect their respective interests?

Ambassador Peter Ammon suggests that the Transatlantic Trade and Investment Partnership (TTIP) may become an engine of economic growth, on the one hand, and provide sovereign debt relief, on the other. TTIP holds the potential to serve as a vehicle for over three trillion USD in trade that sustains roughly thirteen million American and European jobs already supported by the transatlantic economy.

In Section I, *Deutsche Welle* Anchor Brent Goff (Bosch XVI) writes from his experience as a member of the Bosch Roundtable USA Program in June 2013, which included interviews and discussions with policy makers in Berlin and Frankfurt. Goff and fellow alumni of the Robert Bosch Foundation Fellowship Program expressed viewpoints and came to „understand the complex constellation of national and supranational issues orbiting the European debt crisis.”

As Goff reports from Berlin, throughout the Eurozone crisis and the “great recession,” Germany has remained remarkably resilient. Unemployment stands at its

lowest level since unification. Inflation remains in check. Tax revenues are growing. In 2013, Washington and the European Commission criticized Berlin as “too good” at weathering the storm. The US and Brussels point to Germany’s current account surplus as a handicap for the rest of Europe. Goff reported about the curse of Germany’s export muscle during 2013.

He notes, “The difficulties of the past decade have put economic ties between Europe and the US to the test. As a result, transatlantic champions such as myself have so eagerly followed the negotiations designed to create the Transatlantic Trade and Investment Partnership (TTIP). This agreement represents more than just common economic interests. TTIP also embodies transatlantic shared values. In the autumn of 2013, this became crystal clear when members of the German *Bundestag* threatened to halt TTIP negotiations in retaliation for National Security Agency spying on German citizens, including Chancellor Angela Merkel.” The stakes are very high for Germany and America as leaders in the transatlantic community.

Adam Posen (Bosch IX), the President of the Peterson Institute for International Economics, assesses what he calls the “Ghosts in the Machine” of German economic policy that hinder economic growth in the Eurozone. Historical fears of inflation, rooted in the hyper-inflation of the Weimar Republic, continue to haunt the German economic mindset. Posen believes this fear is exaggerated. A second ghost involves the misperception that German unification cost too much vis-à-vis the domestic political gains, which in turn affects German willingness always to bear the burdens of southern European bailouts. Posen argues that these two ghosts negatively influence German relations and policy choices within the Eurozone. Instead Germany must consider realities on the ground within a broader European experience and not restrict economic policy based on its historical ghosts.

This eVolume raises the future of NATO as a key transatlantic relationship that has transcended its 20th century roles and missions. In the absence of a Soviet threat, NATO has enlarged its membership and defended its interests outside the traditional NATO map. Twenty-first century globalization brings with it evolving and devolving national interests. New non-state actors have their own maps, some of which take us back to the Seventh Century. Non-state actors such as al-Qaeda experience globalization as a harmful tool of Western colonialism that requires suicidal push-back. Money does not drive a martyr to pull the ripcord on his suicide vest nor push a cell phone button to explode an improvised explosive device. Our transatlantic threat environment has drastically changed.

The end of the Cold War challenged the very nature and *raison d’être* of the Atlantic Alliance,<sup>11</sup> forcing it to reinvent itself in places like Bosnia, Kosovo, and Afghanistan.

While some criticized this as “mission creep” that stretched Article V of the NATO Treaty too far, others held that NATO could legally engage new threats militarily under the self-defense provisions of Article VII, Chapter 51, of the UN Charter. Political will thus far has trumped the debate over legal standing, and nation states participate largely in overseas conflicts as their national interests, domestic sensitivities, and military capabilities allow.

As Julie Smith (Bosch XIII), former Deputy Assistant National Security Advisor to the Vice President, explains in her Preface to Section II, the members of the transatlantic alliance, led by Germany and the United States, now map the future by addressing policy concerns, more outside than inside the traditional NATO geographic space. “Today, when European and American policymakers convene at summits and conferences they discuss how they can do more together to tackle global challenges in faraway places like Syria, Iran, and Mali.”

The Snowden revelations have ushered in a period of difficult relations between Berlin and Washington, as questions of trust between allies arise reminiscent of the rift over the Iraq War a decade ago. The editors believe that the American President should issue an executive order that forbids spying on German leaders. Such an order could serve as a stepping stone to cementing a special relationship with Germany to reflect the current needs of transatlantic leadership.

In her chapter, Professor Colette Mazzucelli (Bosch IX), New York University, references the explanation, articulated by Rainer Baumann, that German motivation to pursue foreign policy through multilateral institutions stems from the desire “to raise and secure its neighbors’ confidence in Germany.”<sup>12</sup> The decisions German policymakers and citizens make in the years ahead regarding European defense can address in a constructive way their neighbors’ concerns about the country’s aspirations as a regional hegemon. The assurance Germany can provide in the defense area matters increasingly given its asymmetrical role in Eurozone decision making. The German presence as a “geo-economic power”<sup>13</sup> in Europe today requires, more than in the late twentieth century, “the deliberate resort to multilateral arrangements” in European defense.

The constructivist approach explains German views on multilateral arrangements “not as useful instruments for achieving...material interests.”<sup>14</sup> Rather the resort to multilateral institutions by Germany in European defense policy must seize the occasion to answer the “German question” that has, in Kundnani’s analysis, “re-emerged in geo-economic form.”<sup>15</sup> Constructivists assert that conducting foreign policy through multilateral institutions has become “an integral part of German identity.”<sup>16</sup> In this context, the “appropriate” response, in constructivist thinking, offers

Merkel's Germany the opportunity to act as "systems integrator" in defense of the post-modern Europe,<sup>17</sup> which Putin's Russia has chosen, most conspicuously, to defy.

The discussion in Germany is critical in order to frame the domestic context for changes in behavior and policy to occur. Under the extreme circumstances that Putin's aggression in Crimea provokes, intense political debate is essential among different internal actors about how to interpret events in Ukraine, weighing different ways to respond, and forging a policy consensus about options to proceed. The outcome of the German debate is likely to be shaped in large part by the cultural, economic, legal, political, and social influences within the country. In other words, policy making that occurs as a consequence of the German debate cannot be predicted by a consideration of external forces alone.<sup>18</sup>

The question analysts pose is whether the German threat assessment and perception of Putin's Russia contribute to NATO's cohesion as a transatlantic alliance. Ukraine has the potential to decouple transatlantic and European allies, if divergent interests lead to different threat assessments. The new NATO Secretary General, Jens Stoltenberg, must take responsibility to define the risks NATO confronts provoking the hard questions that Germans are more likely to debate. Ultimately, debates must lead to decisions underlining the focal point in NATO's post-Ukraine narrative: defense matters.<sup>19</sup>

As Germany, Europe, and the United States look to Asia, "partnership in pivot"<sup>20</sup> remains most unlikely. The urgent necessity to create a "partnership in responsibility" must look to deepen commitments made in Wales starting with the deployment of a 4,000 member rapid-reaction force.<sup>21</sup> Mazzucelli asserts that, in taking the lead to define a post-Ukraine *Ostpolitik*, Merkel can bring together her skills in bilateral diplomacy on the phone with Putin and her resolve to increase sanctions if Russia persists in its aggressive behavior. The unique position Merkel can occupy as a "focal connector" in the EU and NATO stems from her background growing up in a militarized Communist system, experience of economic collapse during unification,<sup>22</sup> and understanding of the threat to postwar democracy that Russia's energy blackmail represents. As the United States focuses its attention on the security challenges arising in Asia, NATO Europe can decisively contribute to secure its own region.<sup>23</sup>

The editors realize that a lack of strategic culture and a historical aversion to the use of force may limit Germany's regional security focus. This provides even more reason to anchor the Federal Republic and the United States in a partnership of responsibility, as Mazzucelli concludes, which addresses the mistrust between Berlin and Washington in the aftermath of the National Security Administration (NSA) affair.

Ronald Bee (Bosch IV), Lecturer in American Foreign Relations and International Security at San Diego State University, reflects on NATO's role from the Cold War to post-9/11 challenges in "National Serenity Instead of National Security?" America's World War III on terrorism will continue with a 21<sup>st</sup> century "New Look" much different than Eisenhower's 20<sup>th</sup> century deployment of tactical nuclear weapons to Western Europe in the 1950s. Eisenhower's plan had a crucial domestic goal beyond the Western deterrence of Soviet tanks invading through the Fulda gap. The military strategy provided nuclear deterrence as a force equalizer with other economic and political benefits: bringing home enough troops to significantly reduce costs; using American industry to rebuild Europe and Asia through trade; and enabling a war weary American public to enthusiastically endorse (and engage in) a baby boom.

President Obama's approach to a new threat employs air power, unmanned aerial vehicles (UAVs) and special operations forces to counter the global threat of terrorism including a new threat called the Islamic State. This strategy aims to reduce the costs of deploying large numbers of conventional forces overseas in states and instead preempt terrorists wherever they operate. The cost-savings allows "nation-building at home," a national health-care system the likes of which Europeans have enjoyed for decades, and a spring-board for expanded free trade with Europe and Asia.

The American "Pivot toward Asia" reflects a global positioning and understanding that demographics, markets, and instability in this region can threaten American national serenity and domestic tranquility at home – including export-oriented job-growth. The Transatlantic Trade and Investment Partnership (TTIP) aims to enhance US and EU trade and economic growth. It serves as a necessary American strategic complement to the Trans-Pacific Partnership in Asia.

European public opinion as a whole, viscerally hyper-sensitive to the disastrous consequences of two World Wars, has usually preferred to embrace national serenity, and avoid costly military build-ups and out-of-area conflicts. After the Cold War, NATO had a choice of "out of area or out of business." With the 2008 economic crisis in the US and subsequent Euro-debt challenges, NATO may face a situation of "out of money and out of business." Europe has turned more introspective and less keen to fund national security. The American public, too, grew weary of two costly wars in Afghanistan and Iraq, where they sense having spent precious blood and treasure for debatable returns. The US has reduced its troops and infrastructure in Europe, yet still pays 73% of all NATO's bills. Some have even questioned why the US, one country of 318 million, should take a transatlantic responsibility for the defense of the EU, a set of 28 countries with 504 million citizens.

Bee argues that NATO, while *de jure* a “collective security” organization, has become a *de facto* “selective security” entity whereby its European members pick and choose their commitments according to their tastes, with the US largely picking up the bill, and fighting and dying on the front lines. This transatlantic mindset, fueled by domestic introspection, provided a perfect storm, or dare we say “correlation of forces,” for Vladimir Putin to take advantage of political chaos in Ukraine and draw a “red line” in the sands of Crimea. The EU and NATO had edged too close to Russia for Putin’s collective memory and domestic political constituency. No one in the US, Europe or Russia wants nor can afford a new Cold War; yet this echo of the old one reverberates with new security fears NATO cannot ignore.

Increased European dependence on Russian energy supplies could threaten any European economic recovery. Europe should therefore consider diversifying its energy portfolio with more North American natural gas, pay its fair share for security, and take an increased leadership role, including making a European the Commander in Chief of European Command. National serenity, Bee concludes, requires national security. Just as Bosnia forced the alliance to readjust and reinvigorate, so too must Putin’s incursions into Ukraine and the emergence of the Islamic State reinvigorate NATO once again into a collective security organization. The sixty-five-year-old bonds, budgets, and battalions of the Atlantic Alliance must also reflect that conclusion or risk obsolescence.

Section III addresses in comparative perspective the question of solar energy security in Germany, drawing implications for Europe, the United States, and China. As Michelle Wyman (Bosch XII) from the US Department of Energy (DOE) underlines, “The last five years have been pivotal for the renewable market most especially for Germany and China.” She explains that their domestic markets have responded to the value solar and other renewable sources represent, as these nations seek to respond to increasing demand while global pollution, most specifically global warming, indicates an imperative for a cleaner energy mix. What Germany and China have in common, Wyman notes, is that they recognize how solar holds its economic value while diversifying the energy mix and responding to escalating demand. The US is not far behind these two, sharing the priority for a cleaner energy mix however the natural gas boom has somewhat curbed US enthusiasm for solar power.

Europe’s regional evolution occurs in a transnational and a global context, which is why the analysis of solar energy security must take into consideration other actors across the Continent as well as around the world. The new world order is mapped increasingly by pluralism within as well as among states. A comparative analysis offers a multicultural perspective on energy security as relations between states and their respective civil societies transform through 21<sup>st</sup> century globalization. The emergence

of “transnational advocacy networks” functioning where domestic channels of participation have stagnated, remain key to understanding this transformation.<sup>24</sup> Advocacy networks in Germany and the US around issues such as the environment, for example, operate in a cultural milieu of internationalism. These differences highlight tensions, which will likely persist within our democracies in the years to come. Will advocacy networks also develop in places like China that until now valued economic growth over environmental protection?

Eckhart Gouras (Bosch IV) asserts that “Germany, the US, and China can and should cooperate to improve all three countries’ energy security. More rather than less cooperation is necessary among these three key countries in the world’s energy markets.” According to Gouras, “Germany’s industrial know-how, its pioneering clean energy track record and ambitions in rolling-out the *Energiewende*, as well as its global compass as an *Exportweltmeister*, can also make critical contributions to the energy agendas drawn up in Beijing and Washington. China’s prowess in churning out state-of-the-art electronics, solar modules, inverters or other “new energy” products, can provide the cost competitive building blocks for Germany’s *Energiewende*. The largely market-based blend of conventional fuels and distributed power generation in the US could serve as a model for Germany to reduce costs and diversify its energy portfolio. Acting together, Germany, the US, and China can provide a triumvirate of “smart grids” for other countries to study as they seek to achieve their own sustainable energy mix. This would require and incorporate renewable technologies like solar power to provide growing populations with their increasing energy requirements.”

Gouras concludes that in a global world, transatlantic relations must encompass the global marketplace. With over sixty percent of the world population in Asia, Germany and the US need to map their interests in this context to incorporate best practices, efficient technologies, and economic interests in their strategic thinking. Solar and renewable energy can provide one of the important enablers to map our world to a better future.

As we think globally about innovation in energy security, we must also incorporate trends in migration to secure economic growth for our respective societies. In her Preface to open Section IV, Assistant Secretary of State Anne Richard (Bosch II) underlines that “Germany has come a long way from the discrimination detailed in *Ganz Unten*. Since then, Germany elected its first *Bundestag* member of Turkish origin, Cem Ozdemir, in 1994, implemented the pro-integration policies of Chancellor Merkel, and appointed an ethnic Turk as State Secretary for Integration in Germany’s new coalition government.” Richard asserts that “Americans should applaud this trend and work alongside Germany to ensure that our countries benefit from

immigration and strengthen global norms to provide safety, security, and opportunity for all migrants.” She argues that “together we can do more to help those pulled to our shores by ambition or pushed by necessity from their homelands. After all, as we Americans continue to demonstrate – and as Germans have come to personify – migration remains one of the most human and natural phenomena on earth. We can and should not seem surprised that others flock to our borders where strong economies depend more than ever on a strong and diversified labor force. We should embrace and fine-tune this evolving map of reality into our increasingly global world.”

In their chapter, former Deputy Chief of Staff Adam Hunter (Bosch XX) and Dr. Amanda von Koppenfels (Bosch XVI) assert that the next decades will bring about further shifts in globalization and migration. How the United States and Europe position themselves in this changing landscape proves unclear, in their view. The United States is now debating reforms that would address limitations to the current immigration system. The resolution of this debate could add fundamental strategic elements to redefine American immigration priorities for the years to come. As of this writing, whether Congress sends comprehensive changes, isolated fixes, or no bill at all to the President’s desk remains an open question. Germany and its European neighbors, by contrast, are presently focused on [controlling](#) borders in the wake of several highly visible [tragedies](#) involving migrants. Asylum seekers and economic migrants have attempted to enter Europe by irregular means across the Mediterranean. As this illustrates, migration policy across a range of European countries, as well as in EU policy-making, remains largely reactive. In their view, both the United States and Europe can benefit immensely by taking a more comprehensive, proactive and strategic approach to migration, rather than avoiding taking needed steps for narrower political aims or just reacting to recent events and developments.

The plight of millions of refugees is a priority of human security in Section V as journalist Mary Wiltenburg (Bosch XXIII) writes in her Preface, “Working with a favorite editor at the Christian Science Monitor, I designed a project called [“Little Bill Clinton”](#) to chronicle a year in the life of an 8-year-old Congolese-Rwandan refugee who was starting over outside Atlanta. An experiment in real-time, multimedia reporting, the project spoke to an urgent global question: how to help the 45 million people worldwide who have been forced from their countries of origin, or displaced within their own nations, by persecution and armed conflict.”

To give the range of experiences that females endure in post-conflict scenarios, the initial section chapter highlights the role of women entrepreneurs in Rwanda and Afghanistan. Gayle Tzemach Lemmon (Bosch XVIII) underlines “questions remain as to the role of the global business community in furthering these networks of women entrepreneurs and sharing expertise: The will exists and the spirit is there.

What aspiring entrepreneurs in these countries now crave are the skills many in the West have. How can this know-how be shared efficiently and effectively? Sharing the knowledge of successful entrepreneurs with people launching new ventures in post-war countries will help contribute to the stability and growth of regions that desperately need them. The new entrepreneurs also have something to teach – the innovation and resourcefulness needed to nourish amid seemingly endless challenge.“

In stark contrast, La Neice Collins (Bosch XXIV) emphasizes that “for too long, rape in war was written off as the inevitable by-product of conflict. Women’s bodies have become part of the spoils of war and fair game for attack. A ‘boys will be boys’ attitude silently condoned sexual violence in conflict. Rape did not count among the war crimes punishable by law despite the destructive nature of the attacks. As the transatlantic community maps the future of its relationship in a global environment, sexual violence in conflict remains the most pressing moral issue of our time in the words of United Nations Under Secretary General Zainab Hawa Bangura. It is in questions of human security that Germany and America must lead in this century as stateless people and economic migrants increasingly determine the prospects for peace in this century.”

As ABC Producer Mary Pflum Petersen (Bosch XV) explains from her own experiences in many countries around the globe, “the challenge of the 21<sup>st</sup> century is one for our collective humanity: how to bring the growing refugee problem under control. It would seem to many—including this reporter – that the genie is out of the bottle; that as long as the world remains unstable, and borders and alliances continue to shift, the refugee situation will continue, and contribute mightily to ever-intensifying global tensions in the process. It’s like a game of international Hot Potato: “I can’t take them. Here – you take them!” The question then becomes not how to put the genie back into the bottle, but how to come to terms with that genie as a global community.”

Petersen’s experience, conveyed in her moving words, serves as a reminder to us all: “More than a decade after that visit to my first refugee camp, the memory lingers – as do physical scars. A day after returning from the camp in the Khyber Pass, I came down with a high fever and a bad cough. The fever climbed to 105 degrees before I sought medical care in Istanbul. “You inhaled something,” the young female doctor at Istanbul’s International Hospital told me, as she started me on an IV drip. My cameraman, who had accompanied me to the hospital, nodded knowingly. “It was those kids.”

Nearly two years – and three bouts of what I thought was pneumonia – later, a medical team of pulmonary specialists back in New York found spots all over both of my lungs following a series of CT scans. I had suffered from a form of TB, I was told. It wasn’t

just any TB, they said - it was a form of TB native to Pakistan and Afghanistan. The leader of the refugee camp had been right to warn me. The children had been sick. Very sick.”

“My medical situation is under control now - but the spots on my lungs remain. They are a constant reminder of my time in that refugee camp and of a situation that our generation and the one to follow will need to come to terms with in our lifetimes as the world grows increasingly polarized and populated by refugees in search of safe and solid ground.”

The mapping challenges Germany, Europe, and America face in a transatlantic and global community must aim to ensure the security of humanity. In that spirit, Section VI ends with the Executive Summary of the National Intelligence Council’s 2030 Report, as introduced by former NIC Chairman Christopher Kojm (Bosch V). As the authors write, “This report is intended to stimulate thinking about the rapid and vast geopolitical changes characterizing the world today and possible global trajectories during the next 15–20 years. As with the NIC’s previous Global Trends reports, we do not seek to predict the future - which would be an impossible feat - but instead provide a framework for thinking about possible futures and their implications.”

In the different sections of the eVolume, we emphasize the Megatrends identified in *Global Trends 2030: Alternative Worlds* as developments that will transform the global environment over the next 15–20 years. Section I with its focus on economic challenges speaks to the prospect of a diffusion of power with the rise of the Asian powers, notably China, and other middle range powers as the West faces a relative decline in global influence. Sections II and III discuss resource dependency given the energy vulnerability of Europe vis-à-vis Russia and the need to locate alternative supplies in the years ahead. In addition to solar, which Eckhart Gouras analyzes in Section III, and renewables, hydraulic “fracking” for natural gas has emerged as yet another option with some concern over its environmental consequences for water and food supplies. Section IV speaks to changing demographic patterns in its analysis of migration in Europe, Germany, and America. Globally speaking, on-going civil wars and economic strife will only intensify immigration waves into the transatlantic space. Individual empowerment, the subject of Section V, shifts our analysis to an ignored human security concern, namely, the global imperative to stop mass rape as an instrument of war. Beyond ending sexual violence, women must determine and empower their own economic futures. Women and children represent the most vulnerable in our societies as witnessed by the refugee demographic in Syria’s civil war and the drug violence of Central America. If we cannot address the most vulnerable among us, can we, no matter where we live, really call ourselves “civilized?”

By referencing key Megatrends, such as individual empowerment, the eVolume’s Conclusion offers policy recommendations to help map the future of our transatlantic relationship in a global world. Both Germany and the United States remain pivotal as cartographers to chart that fate.

This eVolume identifies Bosch Fellows as “connectors,” members of civil society, who have greater personal and professional responsibilities in a transformative era given the advent of [big data](#). Increasingly, the uses of digital data come under scrutiny raising ethical questions regarding its uses - whether for social good or in more egregious ways - that often escape the scrutiny, which transparency in a democracy requires. The on-going revelations in the spy scandals, which have eroded trust in the German-American relationship, are just one example of this emerging phenomenon. The ways in which our respective civil societies pressures governments to address digitization are among the most important developments we identify for relations between the Federal Republic and the United States looking ahead to 2030.

Our intent in the eVolume sets out to capture how a unique group of Americans who live and work in the Federal Republic of Germany and the United States can provide their own distinct narrative as “connectors” on the map that defines a transatlantic “thought community.”<sup>25</sup> After reading their work, we hope you agree to participate in this community.

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## 2 Economic Crisis in the West: Future Lessons

### 2.1 Preface

*By: Brent Goff, News Anchor @ Deutsche Welle TV, Host AGENDA w/Brent Goff*

In the autumn of 1999 the attention of Europe and much of the globe focused on the booming US economy. The headlines read: The New Economy; The Dot Com Economy. The opportunities for growth and creating wealth seemed limitless. In fact, I recall at the start of my Robert Bosch Foundation Fellowship in Berlin in October of that year, many of my colleagues at the German 24-hour news channel N-TV asked repeatedly: "Aren't you on the wrong side of the pond? Europe's economy is not where the action is!"

Once the dot-com bubble imploded, no one asked me anymore about jumping across the pond. The pendulum of economic attention moved to Europe once Euro coins and notes came into circulation on January 1, 2002. The introduction of the single currency proved one of the most important events I have covered in my career as a journalist. It marked the beginning of a new European economic sense of parity with the United States. The Eurozone would constitute a monetary union with a market that could compete eye-to-eye with the US. The Euro emerged as a credible alternative to the US dollar as a global reserve currency. The European Central Bank enjoyed media coverage that previously granted for only one central bank, the US Federal Reserve. In October 2007, EU leaders celebrated reforms to the Union known as the Lisbon Treaty. The Heads of State and Government in the European Council declared the EU ready to take on the challenges of 21st century as an economic superpower.

The 2008 financial crisis, first in the US, and then the 2009 Eurozone debt crisis marked the end of the Eurozone's golden infancy. Greece, Ireland, Portugal, Italy and Spain became known as the Southern tier of economic weakness, which threatened to destroy the Eurozone as it marked its tenth anniversary. Bailouts funded in part by the International Monetary Fund (IMF) confirmed for many that Europe could not fulfill its promise to become a global economic player. Adding insult to injury, US Treasury Secretary Timothy Geithner reprimanded his German counterpart on a visit to Berlin and warned Europe to get its monetary and fiscal houses in order.

The crisis of confidence grew to levels not seen in post-World War II Europe. Unemployment levels in Greece and Spain among young people hovered around fifty percent, and it appeared that an entire generation would have no stake in Europe's future. Even die-hard EU bureaucrats in Brussels began to question the viability of the European project. In June 2011 I reported on this disenchantment in an in-depth segment, "[Does Europe Still Matter?](#)"

This also marked the beginning of Europe's age of austerity, championed by Germany. Berlin's unrelenting commitment to reduce spending drew fire from Keynesians in Europe and the US. Trade unions across the continent supported general strikes to show their disapproval. [A German trade union representative informed me that austerity was creating a larger gap between rich and poor, thus violating the European sense of economic solidarity.](#)

I remain very thankful to the Robert Bosch Stiftung for inviting me to the Round Table USA Program in June 2013. The itinerary included interviews and discussions with policy makers in Berlin and Frankfurt. Fellow Alumni of the Robert Bosch Foundation Fellowship Program came to understand the complex constellation of national and supranational issues orbiting the European debt crisis.

Throughout the Eurozone crisis and the "great recession" Germany has remained remarkably resilient. Unemployment stands at its lowest level since unification. Inflation remains in check. Tax revenues are growing. In 2013, Washington and the European Commission criticized Berlin as "too good" at weathering the storm. The US and Brussels point to Germany's current account surplus as a handicap for the rest of Europe. [The curse of Germany's export muscle was a main topic on my talk show in 2013.](#)

The difficulties of the past decade have put economic ties between Europe and the US to the test. As a result, transatlantic champions such as myself have so eagerly followed the negotiations designed to create the Transatlantic Trade and Investment Partnership (TTIP). This agreement represents more than just common economic interests. TTIP also embodies transatlantic shared values. In the autumn of 2013, this became crystal clear when members of the German Bundestag threatened to halt TTIP negotiations in retaliation for National Security Agency spying on German citizens, including Chancellor Angela Merkel. [A member of parliament explained the stakes to me.](#)

The ebb and flow of US-European relations shows that the transatlantic commitment remains a "house under construction." What a privilege to be able to call that house Home! I, along with hundreds of other alumni, offer thanks to the Robert Bosch Foundation Fellowship Program for allowing us to find our rightful place inside.

## 2.2 Ghosts in the Machine\*

*By: Adam Posen, President, Peterson Institute of International Economics*

I see something of a parallel today between German macroeconomic policymaking and German foreign policymaking in terms of the overhang of historical legacies. There is this sense in German foreign policy that it has taken a while for Germany

to get back to being a "normal" nation, to exhibit the kind of leadership and even self-interest that is concomitant with its role in Europe, with its democratic institutions, with its strengths. This, of course, has to do with its historical legacy. This is understandable, and in some ways, commendable, but it has also been something of a loss for the rest of the world, particularly for its European neighbors. Perhaps as a result of the eurocrisis, German self-constraint has, for some time, been of declining relevance. Yet, even in European discussion, there is something of a parallel set of self-imposed blinders in economic policymaking in Germany.

Not that there were any crimes committed by German economic policy since the war – not by any means. If anything, the success of the Deutsche *Wirtschaftswunder* was the recognized source of Germany's strength and pride during the postwar years. But similarly there were historical images, very searing memories that have shaped the German economic debate today. These have foreclosed the consideration of certain policy options that would behoove the Germany government, the Bundesbank, and the European institutions they play a part in, to consider opening back up. There really is a ghost still haunting German economic policy, but it is nothing real.

I want to emphasize the existence of two historical ghosts, but they come from a common misconception. What [German economic policy](#) fundamentally misses is that reality sticks, that the real side of the economy is much more persistent, much less fragile or susceptible to manipulation by policy than people think. This means that inflation fears are vastly exaggerated, and are just a ghost, for if the real side of the economy is sticky, for most cases, inflation is actually pretty sticky, too.

The second ghost that has been lurking around Germany since I first lived here, in 1992, is this idea that unification – however you want to call it – was this very costly, politically necessary but economically unfortunate situation. This to me is the second ghost, because unification in pure economic terms went much better than some German people often give it credit for. This, again, has to do with how much you think behavior can be altered by policy, how sticky you think reality is.

The policy implication of my argument, and the place where my views may elicit controversy, is that the Euro-area is hurting now more than it has to because these two ghosts are informing and guiding German economic policy. It would be good for everyone to get past this. Let me start with the point that economic reality is sticky. The first thing a macroeconomist is taught is the difference between what we call in economics the "nominal" and the "real." The "real" is what it sounds like: how productive you are, how many workers you have, how many resources you have; management practices are also real. Then there is the nominal, which is the price you put on something. It's exchange rates, the movement of prices, what we call inflation

or deflation. You can have things that move the nominal but that should not affect the real, at least not persistently.

Interestingly, for many years, however, there has been this notion that if you get the nominal stuff right, you will induce certain positive behaviors by private actors and by elected officials on the real side. What does this mean? It means that there were people out there saying, “If we really enforce price stability, and we really make credible a monetary commitment, then those feckless southerners – the Greeks, the southern Italians, the Spanish – they will have no choice but to adapt.” In fact, this is one popular way of looking at German postwar and especially post-reunification experience: Because we kept a hard monetary basis; we forced institutional changes; we forced structural reform so we forced positive development. You can't hide.

This notion played a crucial role in the discussions leading up to the adoption of the euro – not uniquely in Germany, but throughout Europe. In economics-speak this was given the name of “The Endogeneity of the Optimum Currency Area,” by Jeffrey Frankel and Andrew Rose. The basic notion was, whatever the faults of Greece, Italy, Spain, if you got them within striking distance of good behavior – which is what the Maastricht Criteria were about – and you put them in the monetary union, they would, over time, converge. They would, over time, have labor practices and pricing practices and behaviors that would increasingly be like those of Germany, the Netherlands, Austria – the core. This was as legitimate, *ex ante* hypothesis. It is one that a number of us disagreed with at the time, but it was a legitimate hypothesis, as well as an aspiration. It has since proven to be a pure aspiration.

In 1998 and 1999, I was a fellow at the Center for Financial Studies, in Frankfurt. Heading into the launch of the euro, I gave a lecture there that was titled “Why EMU Is Irrelevant for the German Economy.” The main thing I argued in that paper was that nothing you do on the monetary side will turn the Italians into Swedes. Full stop. Or, as I put it slightly more colorfully in a subsequent publication, you're not going to fish for herring in the Adriatic, and you're not going to plant olive trees in Stockholm, whatever the common EU agricultural policy. This isn't just a bit of cultural snootiness. This is the idea that it is extremely difficult for governments with the best of intentions – whether it is through active intervention, or whether it is through setting up this set of very hard criteria in monetary and budget constraints – to get people and institutions to change their behavior.

How do we know this? Let's look at the example of the United States. In the US, we had enormous divergence between the southern states – the states of the old Confederacy – and the northern states and eventually California. The famous economists Robert Barro and Xavier Sala-i-Martin, among others, did some fascinating work on this,

particularly during the run-up to the euro. And what they found was that, plus or minus a decade, it took a hundred years for income levels and commercial behaviors to converge between most of the south and the north in the US. That is a hundred years in a country with no language differences, no borders, high labor mobility, and with the absolute credibility of monetary union, because, frankly, if you try to secede, armies will invade you. (It's not merely an option; the US government is legally compelled to invade a seceding province).

And yet, these state economies didn't converge. Similarly, we look around to Germany's neighbor to the south, Italy. We are all aware how there is this marvelous band of companies and businesses in northern Italy, which looks very much like Bavaria: very efficient, world-leading small firms, very sophisticated financing – and you go south of Rome and you're in a different world. Again, one-hundred-plus years, and very little convergence.

One way of interpreting this is to say, “Well, that is because you were too soft. Italians were too busy giving transfers to their South, or the Americans were too busy giving transfers to their South – buildings dams, or levies in New Orleans, and so on. That removed the pressure.” You can try to argue that, but the scale of this stickiness is so big, and the scale of the transfer not that great by comparison, that it is unpersuasive to do so. After all, these are not institutions that lightly go away. Like James Robinson and Daron Acemoglu argue in *Why Nations Fail*, there are patterns of colonialism that go back to the sixteenth, seventeenth, eighteenth century that are still affecting national economies today. So, again: humility for policymakers. There is only so much you can change, whether you call it “structural reform,” “austerity,” “monetary discipline”; there is only so much you can accomplish.

What does this mean for inflation, ghost number one? The risks of inflation going up quickly, or in the long term, are smaller than are usually recognized in Germany. The issue is not that inflation is harmless; it certainly has its harms. The issue is, realistically, when you are facing choices, how much risk do you think there actually is of inflation occurring. I don't want to pretend that there is some kind of exact, scientific, precise answer, but there is more of a historical record to draw on than most people acknowledge. This historical record is not often taught to German economic elites.

If you look at German monetary history, there is this historical period of mass unemployment, hyperinflation, a host of human misery embodied in these numbers, all the terrible events of early twentieth century German history. It repeats in much smaller form right after the war, in a burst of high inflation. But let's point out two other things: First, there is this long period where inflation doesn't arise or move around. This is a period in which you have strong unions in Germany, you have oil shocks; you

have currency movements, you have risks from the Soviet Union, you have risks from the Soviet Union going away, and you even have unification – something I’ll come back to later.

Inflation is actually quite sticky when you don’t have huge political breakdowns. Focusing on this period of the 1920s in Germany – this horrible, horrible period – is economic solipsism instead of a good basis for current policymakers. To pretend that this source of the German hyperinflation is anything other than the political breakdown at the time is misleading; there is nothing economic that causes this situation on its own. You can say it was because the money supply grew too fast, or you can say it was because the central bank lost independence, but that is just telling you what happened technically. The cause was the breakdown of civil society, or at least of political decision-making, not the effect.

For comparison, too, the US is an inflation sinner, with huge inflation in the 1920s, and then the supposedly horrendous 1970s, which were pretty bad, but realistically not so terrible, and since then we have this long period of not much inflation. And that’s with Jimmy Carter and Arthur Burns, labor unions, the declining dollar throughout almost the entire period. Not much action. Then we have the benighted UK, whose inflation during the 1970s was much more prolonged than in the US and in Germany, but even there it then stays down for thirty years. It is very difficult to argue that inflation is just around the corner, and that the only defense against inflation being just around the corner is to be eternally vigilant.

What about the other ghost, unification? I will not presume to project upon German citizens how they actually feel about unification. There is plenty of public opinion polling data out there. But I do know from my interactions from various German government officials and various German citizens that there is a sense that it was extremely expensive and took longer to converge than it could have.

There seems to be a common story that goes something like the following: Chancellor Helmut Kohl told us there would be beautiful waving amber grain and green fields and rapid convergence of Eastern Germany to Western Germany. And while the Western Germans would have to pay a certain amount up front, it would be paid back a hundredfold. And Hans Tietmeyer at the Bundesbank said, “Look, we’re buying Ostmarks at a very high exchange-rate to real marks, but if we don’t, everyone who can is going to leave Eastern Germany and move west.” And between these two – between the aspirational inspiration of Helmut Kohl and the cold-blooded realism of Hans Tietmeyer, which probably Helmut Kohl shared in private, a deal was made that basically priced Eastern Germany out of employment.

So Eastern Germany comes in to union, and the exchange rate dictates that if you were being paid, say, eight Ostmarks an hour, you were going to get six Marks per hour henceforth. It turns out, however, that given the vast overestimation (by the CIA and others) of the productive capabilities of Eastern Germany, that you can only produce two Ostmarks per hour of value at your East German shampoo plant or Trabi factory, or whatever it may be. So you are, as William Jennings Bryant had it, “nailed to a cross of gold.” There is no way you can get gainful employment unless you cut your wages massively. But it turns out there are labor agreements, and the East Germans are not allowed to cut their wages massively. So you end up with large unemployment in Eastern Germany. As a result, there was the *Solidaritätssteuer*, the solidarity tax, and for twenty years Western Germans have been shipping a big chunk of their income East.

A lot of that is factual. A lot of that makes sense. But what I worry about is the part that has become the ghost haunting current policy. It takes on a particular spin that says, “We, the West German policymakers, didn’t blow it by getting the exchange rate wrong. We blew it by being too generous to the East Germans. If we hadn’t transferred so much money, if we didn’t pay for all these Arbeitsprogramme, they would have had to adapt; and they would have sought employment faster. Therefore, today, when the Greeks, or the Portuguese, or the Spanish come to us and say, ‘Hey, give us a break,’ we are going to err on the side of going easy because we know it didn’t work at home. We have to be tough to induce them to behave better.”

This is an inaccurate view of history, although it does seem to shape today’s German economic policy. The mistake was getting the intra-German exchange rate wrong and forcing the bulk of the adjustment on eastern German workers. That is what is being repeated in the Euro Area today.

Reality is sticky. Germans had as much real convergence as one possibly could have expected in twenty years. Not only was there political success, there was this economic success – and it came from treating all Germans as Germans. This was largely the result of the generosity of the transfers to and the public investment within eastern Germany. It was made harder by the too high exchange rate and the relatively high unemployment in eastern Germany.

**To the euro area:** Economists and economy policy makers remain prisoners of past ideas, all of us. This results in Germany in what I will call the “Haunted View of the Euro Area Crisis.” The Haunted View claims that the absence of European fiscal rules and institutions results in insufficient fiscal and wage discipline. The Irish put up their wages too fast, and they were the most productive. When the Spanish, and the Portuguese, and the Greeks put up their wages too fast, and spent too much, they

were in deeper trouble still. This is the core of the problem on this view. So, you have to play tough. If you engage in brinkmanship from the Merkel government and from the [European Central Bank](#), you will induce structural reforms in the periphery. Always do just enough to avert the crisis but never enough to let off the pressure. Structural reforms will in turn cause convergence and make everything better - and the debts will get repaid.

I believe there is a more realistic and productive view. What really happened is that there were a bunch of bad loans made. Some were made by Spanish and Irish banks; some were made by West LB, for example, and other northern European, including German, banks. These bad loans went bad. And when bad loans go bad, you have to decide who is going to pay for them. Almost all of it is being shifted onto the South (which includes Ireland, for this purpose), who were the borrowers. Almost none of these losses are borne by the lenders, in northern Europe. This means recession until the borrowers can pay off the loans in hard euro currency. A large part of why Europe has taken this course is that German-led discussions believe there is a high inflation risk from looser policy, and a gain to be had inducing structural reform - both of which are ghosts. Therefore the economic problem of the euro area is the [mistaken policy ideas](#).

If you believe that real economic things are not going to be affected very much by being tough, that these so-called structural reforms are not going to have much positive impact in the near term, that it will take years to get convergence, then you have to ask: Why is it worth it to impose things this way? Why can't you undertake a policy approach that does not put as much adjustment on the South? Why not have helpful transfers on the scale that took place within Germany? Why not make up for the too-high exchange rate with other policy measures?

Many colleagues in Europe say to me, "You Americans, you Brits - you massively underestimate how much support there is for this approach. Nobody is rioting in the streets in Ireland. There are a few protests in Spain, yes. But in reality they are voting for center-right governments that are pursuing austerity. They are gritting their teeth that they are going to get through it." I do not deny a word of that. I can give you reasons why that has happened.

But that's not good enough. The fact that people are willing to settle for this, the fact that Europe means enough for them, or that as young unemployed people they don't have enough political clout to mess up the plan, does not mean that the plan is the right plan. Yes, there is political stability and thus majority acceptance of these policies in the south. But that is just too low a bar for success.

Absent the ghosts of inflation and unification past, German economic policy might see that and aim higher for the euro area.

\* This article first appeared in the spring 2013 Berlin Journal as "Ghosts in the Machine."

# 3

## Beyond NATO: Defining Security Interests After 11/9-9/11

### 3.1 Preface

*By: Julianne Smith, Senior Vice President at Beacon Global Strategies LLC*

When I began my Robert Bosch Foundation Fellowship in the German Parliament in the fall of 1996 transatlantic security issues were at the forefront of US foreign policy. European and American policymakers were consumed with conflict and instability in the Balkans. NATO started to toy with the idea of enlargement, Russia had finally decided to send troops to Bosnia to assist with IFOR bringing great hope to the future of NATO-Russia ties. The European Union had begun the process of welcoming new members from Central and Eastern Europe. Everything I did that year – from writing policy memos on the US “Baltic Action Plan” to traveling to Latvia to discuss the promise of NATO enlargement – put me at the heart of the transatlantic agenda and served as a useful introduction to policy.

After a few months in the German Parliament, I moved to the Stiftung Wissenschaft und Politik (SWP), Germany’s preeminent think tank, where I shifted gears from policy to academic analysis. I had the good fortune of joining the SWP just as the institute launched a new project: The Conflict Prevention Network. Having observed its less than satisfactory response to the conflicts in the Balkans, the European Union wanted to understand how such conflicts might be prevented in the future and provided funding to the SWP to examine “conflict prevention” both in theory and practice. During my time at the SWP (which stretched well beyond the length of the Robert Bosch Foundation Fellowship) conflict prevention quickly became one of the hottest new issue sets among think tanks on both sides of the Atlantic. New centers and programs focused keenly on the issue. I am grateful to have participated in the SWP’s program which gave me the opportunity to conduct cutting edge research. I am also thankful that the EU funded the program. Flying regularly to Brussels provided me with valuable insight into the EU’s early attempt to craft a European Security and Defense Policy (ESDP).

Looking back on these two experiences, I’m struck first and foremost by how much the transatlantic relationship has evolved since then. In the mid to late nineties, the relationship between Europe and the United States revolved around resolving conflicts in the Euro-Atlantic area and reforming/redefining transatlantic institutions to adapt to an expanding Europe. In other words, our relationship centered on our evolving economic, security, and political relationships in light of the fall of the Berlin Wall. While we certainly had our fair share of transatlantic disagreements throughout those years, relations were generally quite positive.

Today of course, the transatlantic relationship is still treasured by both sides. Yet the overarching dynamic of the relationship has changed considerably. First, we no longer spend our days focusing primarily on each other or the Euro-Atlantic region. Today, when European and American policymakers convene at summits and conferences they discuss how they can do more together to tackle global challenges in far-away places like Syria, Iran, and Mali. Europe and the United States are also acutely aware of the rising influence of emerging powers like China, India, and Brazil. They worry that the set of norms and values (and accompanying institutions) that they have spent the last 60+ years developing will not meet the challenges presented by these new players on the world stage.

Second, Europe and the United States have weathered some extremely charged disputes in recent years, especially during the first few years after 9/11, leaving both sides of the Atlantic hardened and bruised. Please note the recent vote on Syria in the UK. The Iraq War created some of the most severe divides both inside Europe and between Europe and the US more broadly. We spent years arguing about the most effective way to tackle terrorism, the challenges of protecting civil liberties in an age of terrors, the dangers and merits of the use of force, and unilateralism vs. multilateralism. Just as those debates started to cool off (and we came to realize that both sides of the Atlantic had a point), we found ourselves in the middle of a crushing financial crisis that left us weakened at home and in a tense transatlantic debate over economic growth, national deficits, and unpopular austerity measures.

Third, our joint mission in Afghanistan over the last decade has brought genuine humility to the transatlantic relationship. We have become more clear-eyed about the risks and dangers associated with military intervention as well as the challenges of reconstructing an entire nation. After multiple deployments, our troops are exhausted and our publics are war weary. Even in cases where our joint military operations have succeeded, in Libya for example, we have quickly come to appreciate the lasting impact that years of defense cuts have had on our ability to operate together.

What conclusions should we draw from these changes? Is the transatlantic relationship in decline? Hardly. While the transatlantic relationship looks different than it did just fifteen years ago, we should not conclude the relationship is necessarily weaker. Several examples showcase the strength and power of the transatlantic link. Our work together on Iran, Mali, and Afghanistan demonstrate examples of our resolve, unity and common purpose. Above all, our plans to create a Transatlantic Trade and Investment Partnership (TTIP) show our unique ability constantly to redefine and enhance our relationship at every level. The last fifteen years have been transformative and in some cases quite contentious.

Still Europe and the United States have always adapted to challenges and will continue to seek to exert influence in changing times.

### 3.2 Germany between Russia and Ukraine: Leadership for a New *Ostpolitik*

By: Colette Mazzucelli, New York University\*

*“If Russia continues along its course of the past few weeks, it will not only be a catastrophe for Ukraine. We would not only regard it as a threat as neighboring states of Russia. It would not only change the relationship of the European Union as a whole with Russia. No, it would, I am absolutely convinced, hugely damage Russia not least of all, both economically and politically. Because, and I cannot stress this often or firmly enough, the clock cannot be turned back. Conflicts of interest at the heart of Europe of the 21st century can only be successfully resolved if we do not resort to the solutions of the 19th and 20th centuries.”*

Chancellor Angela Merkel, Policy Statement on the Situation in Ukraine, Bundestag (German Federal Parliament), March 13, 2014

A Germany Made in Europe

*Change and Continuity in Chancellors – Drs. Kohl and Merkel*

The experience of National Socialism during the years 1933–45 continues to be a reference point for postwar German elites and society. Continuity is evident as Germany evolves in distinct ways from its European neighbors. *Stunde Null* (“Zero Hour”) in 1945, *Ostpolitik* in 1970, unification in 1990, Iraq protests in 2003, spy scandals in 2013 and beyond: the victor in the 2014 World Cup is a nation discovering its role navigating the waters of the uncertain and uncharted Continent.

The prospect of further Union enlargements assures that no final external borders yet exist. Europe’s Union is anchored in the rule of law without a constitution. The present reality for a Germany made in Europe is a tumultuous confrontation: the weight of the past collides intrusively with the promise of the future. The German elite insist on multilateral diplomacy in the European Union (EU), consensus among members of the North Atlantic Treaty Organization (NATO), and rule of law at the United Nations (UN). Postwar leaders demonstrate sensitivity to their society’s particular skepticism about the use of military force.

In retrospect, the year 2014 is likely to be a tipping point for Chancellor Merkel’s Germany in ways that are fundamentally different from the nation’s transformation under Chancellor Kohl a quarter century ago. Putin’s annexation of Crimea poses a critical test for German energy and trade relations with Russia. Berlin’s traditional partners, France and the United States, face internal challenges, which impair

decisively their European leadership. The “accidental president” emerges to represent the crisis of democracy in the West.

As for other Bosch Fellows over the past several decades, this chapter relies directly on German experiences. Mine are of life along the Rhine and, much later, of a trip back in time *Am Kleinen Wannsee*. German-American friendships pave the way. Mrs. Sabine Ehmke-Gendron introduces me to the intricacies of Council negotiations and guides my transition from Brussels to Bonn. The Robert Bosch Foundation Fellowship Program subsequently offers an exceptional chance as the Cold War ends to learn about German diplomacy in Europe from Dr. Eckhart Cuntz inside the *Auswärtiges Amt* (AA), the Federal Foreign Office. German trade interests across the Continent occupy my time studying maps of trans-European networks provided by Dr. Gerhard Rambow, who heads the European Division in the *Bundeswirtschaftsministerium* (BMW), the Federal Ministry of Economics. Life with a German family, Ulrich, Caren, Svea, and Ritva Oehlschläger, provides a thorough immersion into history, language, and culture as Ulrich teaches me about the German security context drawing on his career experience in the *Bundesverteidigungsministerium* (BMVg), the Federal Ministry of Defense.

In Wannsee, during 2001, the long shadow of the Final Solution leads to reflections about the Europeanization of the Holocaust. The aftermath of the Kosovo conflict demonstrates German commitment to humanitarian engagement in the face of mass atrocities. The need for the United States to remain in Ambassador Richard Holbrooke’s words “a European power”<sup>1</sup> shapes our experience of the American Academy in Berlin (AAB). At the Hans Arnhold Center, artists and analysts share ideas about the world to come in the 21<sup>st</sup> century. The destruction of 9/11 transforms the US landscape to alter the meaning of the West, a theme that figures prominently in our discussions as AAB alumni/ae. In sum, the Bosch trajectory defines our understanding of Germany before, during, and after the Cold War.

Living the German Experience of Europe

*Journeys to Prepare a Boschie for Encounters in Bonn and Wannsee*

One July morning in Brooklyn, early before the sunrise in the summer of 2014, the film *Kameradschaft*, made in 1931, stirs memories of my first experiences in Europe. This moving story depicts German miners who risk their lives to rescue their French counterparts trapped when a fire breaks out in an underground mine after the First World War. The camaraderie between these French and German workers, united in a solidarity transcending experiences of Europe’s civil wars, recalls my learning in cities where the French and German cultures meet – Fribourg in Switzerland and Strasbourg in France. Each voyage of discovery illustrates to this day the map of

Europe in my mind. A plurality of peoples and states is destined to live in a confined space. Their historical anchor lies where the boundaries of the Holy Roman and the Habsburg Empires meet.

The Robert Bosch Foundation Fellowship provides the experience living history as Germany encounters Europe. For the cohort in Bosch IX, 1992–93, during our meeting with Helmut Kohl on September 16<sup>th</sup>, the Chancellor leaves to take a call from Prime Minister John Major. On that date, known as Black Wednesday, Britain exits the Exchange Rate Mechanism (ERM) linking Europe’s currencies in a community of destiny. The Hungarian George Soros makes his reputation as the investor who, in the words of the international press, “breaks the Bank of England.”

The experience in the AA strikes me as simultaneously authentic and surreal. German citizens visit the Ministry to ask why their country should agree to give up a stable D-Mark for an unknown European currency in an unfamiliar Union. Ambassador Eckhart Cuntz makes time for us to visit tents set up along the Rhine to introduce Germans to next steps on the path to integration. The French just barely approve the Maastricht Treaty in a national referendum.<sup>2</sup>

Time in Bonn prepares me well to continue on to Budapest for two years, 1995–97, in a first assignment teaching at the University of Economic Sciences, the former Karl Marx University, known for its international relations curriculum among countries to the center and east. Tania von Uslar-Gleichen provides helpful assistance from the Embassy of the Federal Republic of Germany in Hungary to strengthen the linkages between experiences in Bonn and Budapest. From the center of Europe, travels over two years take me to all the countries with which Germany develops strong economic ties, notably Poland and Russia in the early years after the demise of the former Soviet Union. Life in the center of the Continent brings minority issues into sharp relief, notably Hungary’s relations with Slovakia, Romania, and the former Yugoslavia. Sharing a university office with Hungary’s foreign minister and later Ambassador to the United States, Dr. Géza Jeszenszky, offers another way of learning about European history. My awareness of conflict in southeast Europe becomes stronger. The genocides in Bosnia and Kosovo mark this period as Germany participates militarily in ways unprecedented during its postwar history. The German engagement is “humanitarian” in the eyes of its leaders, notably Chancellor Gerhard Schroeder and Foreign Minister Joschka Fischer, heading the Red-Green coalition that ushers in German international military commitment on the eve of the 21<sup>st</sup> century.

A period of residence in Wannsee, 2001, brings the journey full circle. Integration is experienced as a response to the Holocaust by more of Germany’s neighbors in the Union, especially as Austria faces European sanctions in response to the rise of

Haider's Freedom Party. The clock is not turned back. Everywhere along the route from Bonn to Wannsee are historical reminders of what Germans choose to leave behind in their experience of Europe.

In a 2014 article, the French author Dominique Moïsi writes,

“In Berlin last week, I heard French and German elites speak with one voice in discussing how to respond to Russia's aggression in Ukraine. Of course, words are not deeds. Yet, thanks to Putin, the European Union may have found the new narrative and momentum that it has sought since the fall of the Berlin Wall.”<sup>3</sup>

What is the 21<sup>st</sup> century narrative in terms of lessons we must draw for Europe's democracy and security? Our colleague Ulrike Guérot asks us to reflect on the preceding query from the vantage point of civil society in a transnational European dialogue organized by the European Democracy Lab she initiates from Berlin. In order to consider this new “German question,” the following pages look initially at the responses Chancellor Merkel and the Berlin Republic provide with a view to map the future of German-American relations projecting towards 2030.

*“Russia's actions in Ukraine undoubtedly represent a violation of fundamental principles of international law. They would not be relativized by other international law violations. They remain a violation of international law in the heart of Europe, and it is vital that we do not simply return to business as usual, and indeed we have not done so. We have to find ways to defuse this tense and dangerous situation. The conflict cannot be resolved by military means. I say this to everyone who is worried and concerned: military action is not an option for us.”*

Chancellor Angela Merkel, Policy Statement on the Situation in Ukraine, Bundestag (German Federal Parliament), March 13, 2014

Putin's Calculation, Merkel's Resolve  
*Leadership to Determine the Continent's Security*

The tragic loss of 298 civilians in the crash of the Malaysian Airlines MH17 passenger flight in eastern Ukraine on July 17, 2014 broadens the European scope of the conflict between Russia and Ukraine. In response, German diplomatic leadership faces the challenge to combine sanctions with enough impact to make Putin change his policy in Ukraine with diplomatic initiatives that bring the Russian leadership to the table when necessary. Putin calculates that the West does not have the resolve to counter Russian aggression in its designated sphere of influence. Merkel is the only Western leader who can speak Putin's language to counter Moscow's aggressiveness with the economic pain that can lead to his eventual downfall, if those forces inside Russia

opposing his autocratic rule gain strength. The loss of civilian life in the flight crash strengthens the Chancellor's leverage in her domestic context. The standoff between Germany and Russia over Ukraine concerns the fate of a Europe whole and free. This is a crisis that exposes the energy fault line of continental security as Europe's members split over NATO's role in those states most vulnerable to Russia. In this scenario, Merkel's Germany stands in the middle between Russian and Ukraine. By ruling out the strictly military option for Germany, the Chancellor sets the parameters of Europe's new geopolitical context. Her leadership sets the tone in that German allies question whether energy and trade relations with Russia take precedence over a united, proactive response to deter Russian aggression in Ukraine. As the conflict in Ukraine intensifies, allies expect Chancellor Merkel to demonstrate an unequivocal commitment to counter Putin's ambition to redraw the map of postwar 20<sup>th</sup> century Europe. The annexation of Crimea is fundamentally transforming German leadership on the geostrategic scene, which raises policy questions in Brussels. The security threat intensifying to the East offers Berlin the chance to forge an enduring internal consensus in support of a robust European defense policy, on the one hand, and a unified energy policy for the Union of 28, on the other. This consensus to address developments on a daily basis in Russia's “near abroad” is essential for Chancellor Merkel to maintain a persuasive hand in European Council negotiations and German-American discussions to strengthen EU-NATO relations.

Chancellor Merkel is emerging as the most skillful politician of her generation who knows the domestic parameters within which she has scope to act effectively. In Europe's Union, she is recognized as a gifted statesperson and a global leader. Hers is the vocation in politics to bridge 20<sup>th</sup> and 21<sup>st</sup> century realities of Berlin's relations with Moscow. In words and deeds, Merkel can respond with a 21<sup>st</sup> century European narrative anchored in democracy as the rule of law, rather than integration as “no more war,” thereby answering Europe's new German question. The initial tests of matching words and deeds are the German defense policy debate and the Union's energy policy conundrum.

*“If we Europeans want to remain a credible actor in security policy, we must plan and act together. European nations ought to be prepared to take over a fair share of the transatlantic burden – in a combined, consensual and efficient manner. With this in mind, my predecessor, Thomas de Maizière, launched a new initiative the so-called Framework Nation Concept. It is a European answer to a European problem. It focuses on groups of nations, bigger and smaller ones, coming together voluntarily to work for the joint development of sets of forces and capabilities as well as for collective training and exercise. Creating such a grouping will be facilitated by a Framework Nation. I believe this approach has the potential to strengthen both NATO and the EU. It also helps to improve the burden sharing imbalance, both with the US and within Europe.*

*Germany is ready to contribute to this endeavor as a Framework Nation or as a contributing nation. And I am determined, together with likeminded Allies and partners, to take the implementation of the concept forward in the coming weeks and months.*"

Minister of Defense, Dr. Ursula von der Leyen, Munich Security Conference, January 31, 2014

The German Defense Policy Debate

*Russia as External Federator, Germany as "Systems Integrator"*

Minister von der Leyen's remarks at the Munich Security Conference and those of Federal President Joachim Gauck underline the need for German debate about European defense policy. Tragically, Putin's intent to redraw the map of twenty-first century Europe provides the *raison d'être* of the September 4–5, 2014 Newport Summit among NATO Heads of State and Government in Wales. Russia's aggressive policy in Ukraine serves as an external federator, which highlights the urgent necessity to sustain a focus during the German debate on a "more expansive, responsible military "aspect" in its security role and international commitments."<sup>4</sup> If Germany is to function as a "systems integrator" in European defense, the debate about its security role must be broad among the public and elites alike as well as transparent in the ultimate aims to achieve in the short-to-medium term.

As NATO deploys forces in eastern Europe for the first time, we must assess the extent to which the August 18 letter addressed to German parliamentarians by Ministers Sigmar Gabriel, Social Democrat leader and minister for economic affairs and energy, Wolfgang Schäuble, federal minister of finance, and Christian Schmidt, food and agriculture minister, represents a genuine change in thinking within Chancellor Merkel's "Grand Coalition" of Conservatives and Social-Democrats regarding *Ostpolitik*.<sup>5</sup> Analysts point to a "destructive ambiguity," which sustains "the schism that exists in European Defence."<sup>6</sup> NATO officials speak to the "divisive" issue of permanent NATO bases in east Europe, as Germany is "wary of provoking Russia."<sup>7</sup>

One benchmark in transatlantic defense cooperation is budgetary allocations. In 2013, four of NATO's twenty-eight members invested the equivalent of two percent of their economic output on defense spending, namely, Estonia, Great Britain, Greece, and the United States.<sup>8</sup> France and Turkey spent just under the two percent goal.<sup>9</sup> The Ukraine crisis prompts a rethink of budgetary spending on defense, especially among the European Union's newer member states, notably Lithuania<sup>10</sup>, Poland, Latvia, Romania, and the Czech Republic.<sup>11</sup> The difference of perception in the view of Russia as a security threat sows divisions among the European Union member states. German leaders split their concerns between those convinced that a permanent NATO troop presence in the region of Central and East Europe (CEE) is more

likely to increase tensions with Russia than safeguard continental security<sup>12</sup> and those who assert that the Bundeswehr (German Federal Armed Forces) must be responsible for the security of the Baltic States and Poland today.<sup>13</sup>

The expected participation of German soldiers during 2015 in a multinational rotation of combat forces to be stationed at various times in the Baltic States, Poland, and Romania<sup>14</sup> speaks to the responsibility of the *Bundeswehr* articulated by former German Defense Minister Volker Rühle. The German commitment in 2014, along with that of Denmark, France, Great Britain, and the United States, of extra fighters to patrol the skies over the Baltic countries<sup>15</sup> demonstrates the sharing of responsibility that must define transatlantic defense cooperation in the years ahead. This responsibility should not be calculated only in reference to a two percent contribution of a country's economic output. As Germany makes decisions on the size of the *Bundeswehr*, military allocations can reflect practically the tactical needs of the Atlantic Alliance, as the Ukraine crisis prompts a rethinking of how collective military relevance may be strengthened.

This chapter references the explanation, articulated by Rainer Baumann, that German motivation to pursue foreign policy through multilateral institutions stems from the desire "to raise and secure its neighbors' confidence in Germany."<sup>16</sup> The decisions German policymakers and citizens make in the years ahead regarding European defense can address in a constructive way its neighbors' concerns about the country's aspirations as a regional hegemon. The assurance Germany can provide in the defense area matters increasingly given its asymmetrical role in Eurozone decision making. The German presence as a "geo-economic power"<sup>17</sup> in Europe today requires, more than in the late twentieth century, "the deliberate resort to multilateral arrangements" in European defense. The constructivist approach explains German views on multilateral arrangements "not as useful instruments for achieving...material interests."<sup>18</sup> Rather the resort to multilateral institutions by Germany in European defense policy must seize the occasion to answer the "German question" that has, in Kundnani's analysis, "re-emerged in geo-economic form."<sup>19</sup> Constructivists assert that conducting foreign policy through multilateral institutions has become "an integral part of German identity."<sup>20</sup> In this context, the "appropriate" response, in constructivist thinking, offers Merkel's Germany the opportunity to act as systems integrator in defense of the post-modern Europe<sup>21</sup>, which Putin's Russia has chosen, most conspicuously, to defy.

The defense and monetary areas are the ones, Mazzucelli asserts, "likely to illustrate if the Union emerges as a 21<sup>st</sup> century strategic and diplomatic actor with its own distinct culture relative to the United States, China, and other actors in the world."<sup>22</sup> The German policy imperative to give "a European answer to a European problem,"

in defense also speaks to Kundnani's depiction of "a kind of blind spot" in Germany's "civilian power" identity as the world's third largest exporter of arms after the United States and Russia.<sup>23</sup> The export of armaments, while commercially lucrative, increases uncertainty on the ground when violence escalates in Ukraine, as in the downing of the MH17 civilian passenger flight, particularly in cases where the origins of the arms used are in question. As the Ukrainian conflict escalates further, pressure is likely to remain strong on Berlin to retain a halt on arms sales to Russia. Nick Witney, former Chief Executive of the European Defense Agency, focuses sharply on the normative concern: "Germany sells arms as though they were just expensive machine tools."<sup>24</sup>

### Naval Power | The Mistral warship is built to launch amphibious attacks

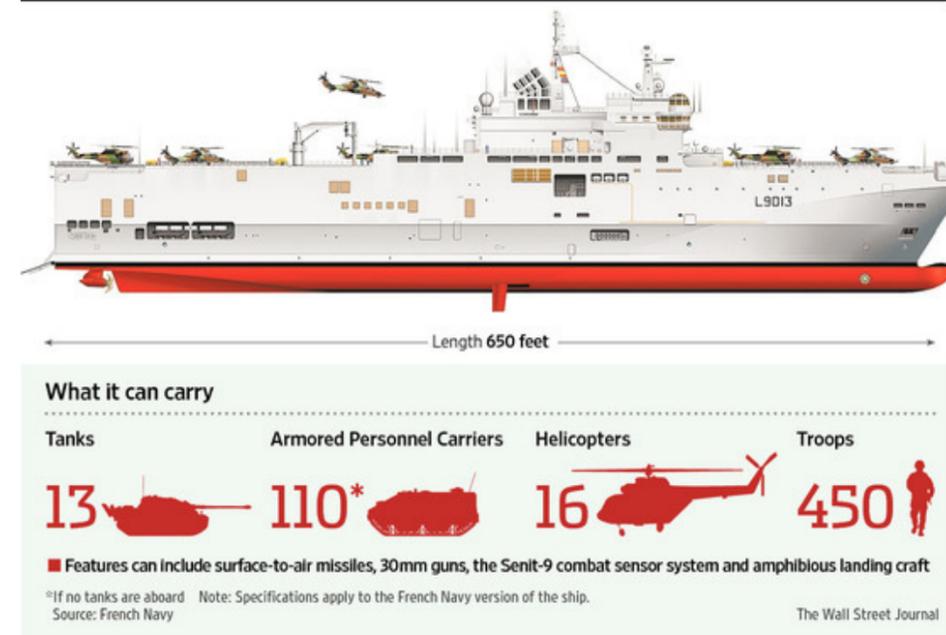


Figure 1: Naval Power: The Mistral warship<sup>1</sup>

Likewise, defense analysts keenly question if the decision of Germany's partner across the Rhine not to deliver the first of two Mistral amphibious assault ships effectively annuls a contract with Moscow worth \$1.58 billion. Or if Paris must ultimately decide to honor its contract with the eventual delivery of the first ship at an unspecified date while continuing to play for time to postpone delivery of the second as "the strategic implications of the Mistral sale" increasingly conflict with "the economic stakes for France."<sup>25</sup> As Witney asserts the need for Europe to "shed its illusions about...the willingness of emerging powers to be house-trained as "responsible stakeholders" in a Western-designed international system," business as usual may well embolden a revisionist Putin further.<sup>26</sup>

Given conflicting accounts of events on the ground in Ukraine, the American Association for the Advancement of Science (AAAS) conducts research on multiple locations using high-resolution satellite imagery. One AAAS investigation focuses "on military installations and activities in Russia and Ukraine, **particularly those sites that have been identified as areas of conflict or of a buildup of offensive forces.**"<sup>27</sup> Remote sensing applications and satellite imagery analyses<sup>28</sup> prove increasingly significant "to characterize accurately the situation on the ground; provide clarification regarding the controversy over the imagery released by NATO; and by so doing, identify features that could serve as warning signs should the crisis escalate into a broader armed conflict."<sup>29</sup> Through its Geospatial Technologies and Human Rights Project, AAAS continues to provide updated satellite-imagery analyses of the situation in Russia and Ukraine. Policymakers and citizens alike rely on these accurate sources of information as a proliferation of news reports, spread instantaneously through social media, offer contradictory statements as to Moscow's direct participation in the conflict in eastern and southern Ukraine.<sup>30</sup>

The 2014 NATO Summit in Wales

*Merkel's Leadership as "Focal Connector" in the EU and NATO: Defense Matters in a New Ostpolitik*

Germany's participation in the 2014 NATO Summit forces difficult choices on its leadership. In a way distinct from the aftermath of war in the Caucasus, the annexation of Crimea requires an *Ostpolitik* for the post-Ukraine era. Chancellor Merkel has a unique opportunity as well as a tremendous challenge. The Merkel Grand Coalition has the singular occasion to align its responsibilities in the EU more closely with those in NATO to define a new policy towards Central and Eastern Europe. The new *Ostpolitik* must accentuate interdependence: "...It will also require Eastern Europe's leaders to reciprocate by introducing reforms and tackling endemic corruption," as Dempsey writes.<sup>31</sup> The challenge requires Germany, in Stelzenmüller's analysis, to "overcome an array of entrenched reflexes"<sup>32</sup> as the country grows into its role, in Techau's estimation, as "the decisive European player for any future development in NATO."<sup>33</sup>

The fundamental elements of a post-Ukraine *Ostpolitik* remain contested on the German political scene to the extent that, in Stelzenmüller's assessment written for *Foreign Affairs* in 2009: "...First, it will have to think of eastern Europe as a zone of first-order strategic interest rather than as a disparate jumble of faraway countries. Second, it will have to conceive of its foreign policy not in terms of constraints but in terms of choices. Third, it must overcome its fear of dependency on Russia, recognizing that Russia needs its Western customers as much as they need Russia. Finally, and perhaps most important, Germany will have to understand that this new approach

is not just about interests and strategy but also about solidarity, namely, defending the rights of countries that seek safety, prosperity, and democratic values and freedoms: the aspirations Obama spoke of in Berlin...and that the United States once protected in West Germany. To the extent that Russia acts to deny these essential rights, Germany and all of Europe must comprehend that they are being confronted with an authoritarian challenge to liberal Western democracy. For reasons of moral self-preservation as much as solidarity, balancing is then no longer an option. That, in the end, is the answer to the new German question.”<sup>34</sup>

Stelzenmüller’s answer to the “new German question” may likely be written into the narrative NATO needs to develop in the early twenty-first century.<sup>35</sup> This narrative prioritizes defense matters within the security community that continues to anchor the United States in its relations with Germany and Europe.<sup>36</sup> The significant opening in the German debate about defense supports the forthright reassurance offered by Merkel in Wales regarding Ukraine. This domestic transformation provides the opportunity for the new NATO Secretary General, Jens Stoltenberg, to support discussion among elites and citizens about Germany’s role as a European defense player.<sup>37</sup>

As constructivists assert, the discussion in Germany is critical in order to frame the domestic context for changes in behavior and policy to occur. Under the extreme circumstances that Putin’s aggression in Crimea provokes, intense political debate is essential among different internal actors about how to interpret events in Ukraine, weighing different ways to respond, and forging a policy consensus about options to proceed. The outcome of the German debate is likely to be shaped in large part by the cultural, economic, legal, political, and social influences within the country. In other words, policy making that occurs as a consequence of the German debate can simply not be predicted by a consideration of external forces alone.<sup>38</sup>

The question analysts pose is whether the German threat assessment and perception of Putin’s Russia contribute to NATO’s cohesion as a transatlantic alliance. Ukraine has the potential to decouple transatlantic and European allies, if divergent interests lead to different threat assessments. The new NATO Secretary General must take responsibility to define the risks NATO confronts by provoking the hard questions that Germans are more likely to debate. Ultimately, debates must lead to decisions underlining the focal point emerging in NATO’s post-Ukraine narrative: defense matters.<sup>39</sup>

As Germany, Europe, and the United States look to Asia, “partnership in pivot”<sup>40</sup> remains most unlikely. The urgent necessity to create a partnership in responsibility must look to deepen commitments made in Wales starting with the modest deployment of a 4,000 member rapid-reaction force.<sup>41</sup> In taking the lead to define a post-Ukraine *Ostpolitik*, Merkel can bring together her skills in bilateral diplomacy on the

phone with Putin and her resolve to increase sanctions if Russia persists in its aggressive behavior. The unique position Merkel can occupy as a “focal connector” in the EU and NATO stems from her background growing up in a militarized Communist system, experience of economic collapse during unification,<sup>42</sup> and understanding of the threat to postwar democracy that Russia’s energy blackmail represents. As the United States focuses its attention on the security challenges arising in Asia, NATO Europe can decisively contribute to secure its own region.<sup>43</sup>

The work to accomplish in Central and Eastern Europe requires a transformation in thinking about *Ostpolitik* for Germany to provide the depth of military assets to reassure its neighbors facing Russian aggression. The German role as a “geo-economic power” in Europe requires nothing less, particularly given persistent doubts about the politics of austerity in the Eurozone. Germany’s asymmetry of power in the Union requires, in fact, considerably more than in the late twentieth century in terms of “the deliberate resort to multilateral arrangements” in European defense.

The analysis of Lindley-French presents measures that bring the EU and NATO into play in complementary ways. He advocates German cooperation with its traditional partner, France, as the European Union commits “to keeping lines of communication open and offering Russia a new political relationship with Europe.”<sup>44</sup> This is particularly important as Russia signals that its “top priority is to protect ethnic Russians all over the world,” a message that resonates strongly in the Baltics.<sup>45</sup> The EU commitment is offset in this scenario by the US and UK as the states responsible to emphasize “the threat Moscow poses to the European order”<sup>46</sup> and the need to strengthen NATO in the medium- to long-term. The most important ways to strengthen NATO are, in Lindley-French’s discussion, its military modernization, particularly as the Baltics and Moldova try “to strengthen and reinforce their ties with the West,”<sup>47</sup> the elaboration of a Forward Deterrence strategy “in support of all the Eastern Allies,”<sup>48</sup> and layered defence<sup>49</sup> for the twenty-first century integrating different forces “established on a modernised NATO Article 5 defence that combines advanced deployable forces, missile defence and cyber-defence into an effective bastion.”<sup>50</sup> The concerns about NATO’s Article 5 expressed by Romania’s presidential national security advisor, Iulian Fota, speak to the complex nature of the protection required for the countries vulnerable to Russia’s influence and manipulation: “Article 5 protects Romania and other Eastern European countries against a military invasion. But it does not protect them against subversion, that is, intelligence activities, the running of criminal networks, the buying-up of banks and other strategic assets, and indirect control of media organs to undermine public opinion. Moreover, Article 5 does not protect Eastern Europe against reliance on Russian energy.”<sup>51</sup>

In the aftermath of the NATO Summit, Merkel's leadership of business and industry as well as party elites across the political spectrum in Germany requires an intricate consensus to counter and cooperate with Putin's authoritarian Russia. Germany has invested heavily to establish a decentralized, federal system as the cornerstone of its social democracy. Merkel's influence as Chancellor of the Berlin Republic may prove as definitive for Germany in hindsight as Adenauer's leadership at the founding of the Bonn Republic. At the end of the Cold War, Kohl seized the occasion to define the context of German unity. In forging relations with Putin and reassuring EU leaders in NATO, Merkel has the opportunity to answer the "German question," which has re-emerged for Europe "in geo-economic form" as the Continent defends its post-modern system. The aspect of security that allows Putin the greatest leverage across the Continent is energy, the sector to which this analysis must now turn.

*"The real driver of events in Russia has been a more fundamental set of issues, which affect oil along with everything else. It is the unresolved conflict among the Russians over the principles by which society and the economy should be run. There is no consensus among Russians about the most basic issues in economic and political life.... There is no unanimity among Russians about their place in the world or their relationship to the global economy and the international players in it. At most there is a vague nostalgia for the Soviet past—not for communism as an ideology but rather for an era in which Russia was powerful and the central state provided."*

Thane Gustafson, *Wheel of Fortune*, 2012

The Emerging Faults on Europe's Front Line

*German Responsibility to Lead Negotiations on an Energy Policy for Europe*

Germany is once more on the front line of European security. In the 1990s, NATO's initial enlargement to the East removes Germany from the front line while demonstrating a multilateral commitment to Alliance expansion. In the 20<sup>th</sup> century, NATO's presence on Russia's border is one way to strengthen countries to the center and east of Europe while acknowledging their support for German unity. In the early 21<sup>st</sup> century, the states most vulnerable to Russia's manipulation of the broader security context, Poland, Romania, and the Baltics, are Union members in need of energy as well as defense partners. The intricate nexus between Moscow's dominance in armaments and resources in Europe is a lesson NATO must draw upon in its contingency planning.

The geostrategic earthquake on the Continent in 2014 gives Putin reason to count on the return of "political divisions and financial fears" to Europe. Merkel counters with the firm hand necessary to broker the political compromises, which are more difficult to achieve inside the Union.<sup>52</sup> This is particularly true with France, a weaker

partner for Germany<sup>53</sup> in light of the 2014 European Parliament (EP) elections.<sup>54</sup>

As time passes, Putin's regime forges closer ties with extreme rightwing parties across Europe,<sup>55</sup> the winners in EP elections. His expectation is that Russia's support of the fringe politicians, like Marine Le Pen, may well destabilize his rivals for influence in Brussels. Russia's aim is a purposeful one: to dismantle the Union at the time states in Russia's designated sphere of influence, Ukraine, Moldova, and Georgia, develop closer ties with Brussels through EU Association and Free Trade Agreements.

Putin is counting on Western allies in France, Hungary, the Netherlands, Greece, and Bulgaria, among other Union member states, including Austria. Energy weighs significantly in the relations Vienna is developing with Moscow. Austria's dependence on foreign energy supplies, including half of its natural gas imports from Russia, is a corollary to its role as a critical natural gas hub for multiple European states in the neighborhood, as the *Stratfor* map illustrates.<sup>56</sup> Baumgarten, located on Austria's northeast border, is a natural gas junction for approximately one-third of all natural gas exports from Russia to Western Europe. Austria's role as a transit country is pivotal. The transit of Russian natural gas coming from Ukraine and Slovakia via Austria to Italy, France, Hungary, Germany, Slovenia, and Croatia explains Vienna's motivation to remain a transit state at the center of Europe's energy security network. Each time Moscow threatens to limit the flow of gas through Ukraine's pipelines heightens the incentive to create an energy solution for Europe. Merkel's Germany is the only alternative leader with the influence to set the agenda for negotiations on an energy policy that counters Putin's influence. Russia and Germany are the powers to decide Ukraine's and the region's fate, in the Orenstein analysis.<sup>57</sup> Putin's geopolitical ambitions define a revisionist agenda to reject the 1991 postwar settlement in Europe. An energy policy for the Union must avoid the flaws inherent in the monetary integration model introduced by Maastricht. A united energy union for the EU28, however, would effectively challenge Putin's objective of a Eurasian Union led by Moscow. As in the Eurozone, German influence is asymmetrical in energy policy making.

*"... 'New Europe' was much more dependent on Russian gas and more concerned about the political use of Russian energy than 'Old Europe,' whose experiences with Russian gas supplies and the politics around them had a more positive history. Gas, not oil, was the problem. The customer at the end of the gas pipeline can import gas from only one provider, in this case Gazprom. It cannot substitute another country's gas in the event of a supply interruption. The main issue for Washington was whether consciousness of dependence on Russian energy would affect political decision making in European capitals—especially Berlin—and possibly prevent European governments from adopting firmer policies toward Russia, should the need arise. ..."*

Angela Stent, *The Limits of Partnership*, 2014

### Achieving Realistic Goals: Joining Climate Action and Energy Policy in European Security

There are three aims to achieve in designing an energy policy for Europe: to ensure consistent supply; to keep prices stable; and to address climate change.<sup>58</sup> Germany has vested state interests, constructed over time in the postwar era, that make the realization of each aim its European responsibility.<sup>59</sup> Among the options that can address climate security in Europe, a focus on bolstering renewable resources and implementing energy efficiency policies stand out among other possibilities, namely, exploring shale gas deposits in Europe, importing liquefied natural gas (LNG) from the United States, and the cheaper solution of burning more coal.<sup>60</sup>

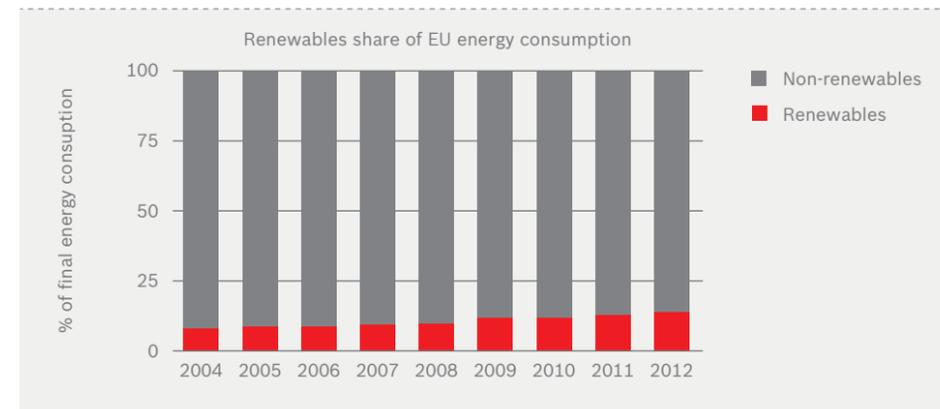


Figure 2: Renewables share of EU energy consumption (data from Eurostats, graph by Carbon Brief)<sup>2</sup>

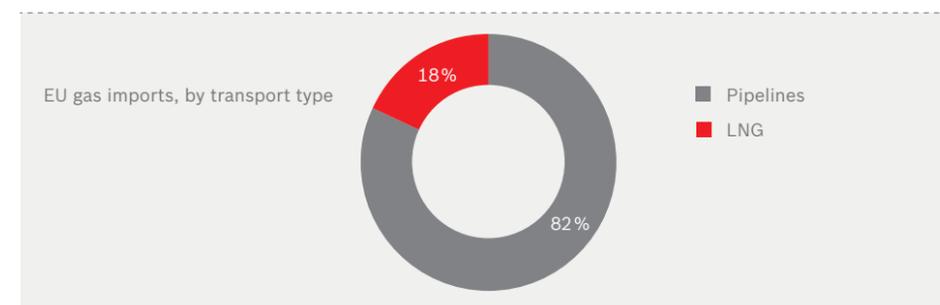


Figure 3: EU gas imports, by transport type, 2012 (data from Eurogas, graph by Carbon Brief)<sup>3</sup>

Russia's political influence in terms of energy security in Europe increases sharply when the focus shifts from oil to natural gas. Moscow's geopolitical power stems from its supply of 1,201 billion cubic feet of gas to Germany during 2012.<sup>61</sup> Belarus, Bulgaria, and the Baltic states depend on Russia to supply "90-100 percent of their natural gas needs."<sup>62</sup> Germany's leadership understands that diversification of imports is essential for these countries in the context of a larger European strategy. Cooperation with NATO partners is once again critical and timely looking decades ahead. As the crisis in Crimea evolves, the United States aims to capitalize on "a new era in American energy diplomacy" to utilize its new resources as "the world's largest natural gas producer" in order "to undercut the influence of the Russian president... over Ukraine and Europe."<sup>63</sup>

The building of liquefied natural gas (LNG) terminals by Poland and Lithuania on the coastline of the Baltic Sea creates the infrastructure for these states to acquire a capacity to convert LNG from various sources, including North America, back to natural gas thereby making transport across oceans possible.<sup>64</sup> Germans acknowledge that the focus on "the rapid development of US shale reserves" must not ignore the role Canada may likewise play as a "reliable long-term, strategic energy partner for Europe" provided "the investments in the necessary LNG terminals and storage facilities" increase over the next ten years on both sides of the Atlantic.<sup>65</sup> Moreover, the building of pipeline interconnectors by the Visegrad countries of Hungary, the Czech Republic, and Slovakia aim to integrate with the Baltic terminals. In the south, Croatia's ambition to start LNG terminal construction on the coastline of the Adriatic Sea also concerns Russia. Moscow's elite realizes that natural gas could eventually be exported to the countries most vulnerable to Russia's influence with the help of these LNG terminals.<sup>66</sup>

As the future of Ukraine hangs in the balance, Bulgaria froze construction in June 2014 on the South Stream pipeline, which the European Commission argues may violate energy and competition rules. South Stream, which includes a nearly 620-mile underwater section to the pipeline, offers Russia options in that the pipeline would alter the natural gas flows that currently transit Ukraine bypassing that country for delivery of gas to the Union in Bulgaria.<sup>67</sup> Roughly 53 percent of Russian gas exports to Europe pass through Ukraine at present.<sup>68</sup>



Figure 4: Russian-European natural gas networks<sup>4</sup>

German influence may be exerted in attempts by the European Union to prevent Russia's energy dominance using legal means, namely, "the Third Energy Package," which aims to break monopolistic supply chains with the intent to foster greater competition in energy markets. The Ukraine crisis hardened the line taken by the former European Commissioner for Energy, Günther Oettinger, who cites the need to ensure that the South Stream pipeline meets "internal EU market rules."<sup>69</sup> The rigorous application of European law in the construction of South Stream did not change the fact that several key Union member states, including Germany, Italy, Bulgaria, Hungary, and Austria, retained strong interests in its completion.

Brussels decision-making regarding projects such as South Stream illustrates the considerable influence of the European Commissioner for Energy as well as the negotiating leverage against traditional suppliers acquired in recent years through much "tighter regulation, expanded internal grid connectivity and supply route diversification," while bearing in mind the limits set by the need to maintain relations with Russia.<sup>70</sup>

The European Commission under the Juncker Presidency, in office since November 2014, may well pursue efforts to unbundle Russia's attempts to have one energy company, like Gazprom, "responsible for production, distribution, and sales"<sup>71</sup> to counter Putin's influence in this vital sector. All things considered, Putin's decision to cancel the construction of the South Stream pipeline in early December 2014 represents a diplomatic reversal of fortune for the Russian President. His aim to assure "a proposed capacity to deliver 32 billion cubic meters of gas"<sup>72</sup> underlines that the South Stream project, from Moscow's perspective, combined the economic goal of "maintaining the revenue from energy exports...crucial for Russia's own budget"<sup>73</sup> with the political objective of "completing Russia's emergence as the world's energy superpower."<sup>74</sup>

Germany can sustain its leverage with Russia economically to lead negotiations on an EU policy in ways that allow member state interests to converge around a focal point: only Europe can decide to assure its energy future. The Union has the choice to cooperate strategically with its North American partners to diversify the Continent's supplies of natural gas within five years. In policy terms, climate action and energy policy reinforce each other as pillars of Europe's security. The imperative to strengthen the share of renewable energies resonates with the need for a responsible climate change policy. If Europe still wants affordable energy in the medium term, the industrial imperative to ramp up renewables remains a vital one. In turn, improving energy efficiency needs to remain a consistent priority for Europe's leaders to help create jobs in key sectors and cut costs for consumers while making Europe's energy policy more sustainable.

Germany's New Ostpolitik Post-Ukraine: Leading in a Partnership of Responsibility

Germany between Russia and Ukraine in 2014 makes us reflect on the nature of European insecurity. Germans and their European neighbors collectively face Russia to experience, in varying degrees, a hybrid "triple threat," which, in turn, defines their continental destiny: energy dependence; military coercion; and economic vulnerability. Scarce resources need to be protected by defense assets modernized by a substantial investment.

Crimea 2014 provides the maxim to observe early in this century: no alliance can force a separate peace<sup>75</sup> in transatlantic security. Merkel's leadership for a new *Ostpolitik* can make the choice to engage the EU and NATO in a partnership of responsibility. The Union cannot rely on its post-modern identity to deter Putin's aggression. The defense of "a Europe whole and free" calls for a substantial democratic commitment to secure the peace, which means more in our 21<sup>st</sup> century than the absence of war.

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### 3.3 National Serenity Instead of National Security?

#### A US Perspective on NATO's Future

By: Ronald J. Bee, San Diego State University

Transatlantic Knots, Their Challenges, and Triumphs

In 1988, as a Robert Bosch Fellow, I jogged to the Berlin Wall every morning from *Ernst Reuterplatz* before reporting for duty at the *Rathaus Schoeneberg*. I would run along the right side of the Street of the 17<sup>th</sup> of July, the western continuation of Unter den Linden, past the *Tiergarten* to the Prussian Victory Column and on to the Brandenburg Gate. After hurdling a barricade to touch the Wall, I would return along the other side of the street, wave at the Soviet honor guards stationed at the Soviet War Memorial, and shout out a “*Dobra Dien*” their way. Especially in winter, running by the World War II era ML-20 howitzer artillery pieces and the two T-32 tanks every day I witnessed a black and white video stream suspended in slow-motion – a Central European version of Bill Murray’s film *Ground Hog Day*, where he relives the same day over and over until gaining some karmic insight. That Cold War daily rewind had frozen Germans in an odd, unnaturally divided, penitential mire. The US, Britain, and France, poised with West Germany, stood at the front lines to deter the Soviets in Berlin and along the entire inner-German border.

Eventually, after about three months, the Soviet sentries waved back at me, and after four months, they periodically even uttered their own “Good Day.” I perceived this as the reflection of Mikhail Gorbachev coming to power, a nod to warming up toward the West and the thawing of the Cold War. Yet during the winter months, I still felt the sting of brown coal soot from the furnaces of East Berlin burning in my lungs after my jog. After all, I had come to experience the “German Question,” the division of Germany and how this standoff mattered in German-American relations. I needed to inhale the filth of the Cold War to understand why we could not allow another dictator destroy the noble and necessary goal of a Europe whole and free.

If I ran along the same route today, would those sentries give me the time of day? I might see another video stream of protestors at the Soviet War Memorial calling for the removal of the T-32s in light of Vladimir Putin’s annexation of Crimea and fighting in Eastern Ukraine.<sup>1</sup> With the marathon of the Cold war behind us, where shall we run together today? Shall we sprint headlong toward another Cold War that we neither want nor can ill afford? Or continue striding toward that “noble and necessary goal” of a Europe whole and free? Perhaps we should stop running altogether and just embrace our perceived peace dividends, sit back, and bask in our hard-earned national serenity?



Figure 1: Photo of Ronald Bee next to the wall, taken with his camera

The Berlin Wall, built at the height of the Cold War on August 13, 1963, embodied the division of Germany and the division of Europe in the shadow of Hitler’s war against civilization. From the observation platform at *Potsdamer Platz*, anyone could see the mound under which Hitler’s suicide bunker lay in the “no-man’s land” found between East and West Berlin. How ironic that this nauseating space with the same name as the killing zone between World War I trenches so publicly displayed its putrid barbed-wire, mine fields, automatic shrapnel machines, killer German Shepherds, and sniper towers – all designed to keep East Germans from *leaving* East Berlin, *Hauptstadt der DDR*. How appropriate that Hitler’s suicide bunker sat squarely in a postwar “noman’s land” as the physical Cold War purgatory for a divided Germany.

As the Wall so saliently signaled, West and East Germany became tactical pawns in a global strategic struggle between American-style liberal democracy and Soviet command-style communism. The Soviet-led Czech coup of 1948 triggered a crucial “red flag” in the West that ultimately led to creation of the North Atlantic Treaty Organization (NATO) in April of 1949. By 1955, West Germany saw three occupying powers – the US, Britain and France – declare themselves protector powers which set the stage for West Germany to join NATO shortly thereafter. In direct response, the Soviet Union, the fourth occupying power, created their own alliance, the Warsaw Pact, with their respective nuclear arsenal to back it. East Germany and the rest of Central and Eastern Europe, remained subject to Soviet occupation until 1989.

West Germany became the trip-wire for nuclear war, with most defense planning scenarios centering on Soviet tanks attacking first through the Fulda gap followed by a Western response with tactical nuclear weapons, leading to “general war” with strategic nuclear forces. Two years before Germany joined NATO in 1955, American President Dwight Eisenhower brought his “New Look” to American national security policy to counter superior numbers of Soviet conventional forces facing Western Europe. Eisenhower’s defense policy got “more bang for the buck” by deploying nuclear weapons and cutting the costlier stationing of large numbers of American troops overseas. Nuclear weapons would deter Communist aggression abroad. On the American domestic front, the New Look proved politically popular because it brought more American forces home to help revitalize the American economy while enabling enthusiastic participation in a post-World War II baby boom.<sup>2</sup>

This strategic posture made West Europeans understandably nervous if not naked since yet another cataclysmic war might start first and plausibly end on their territory. Would America really risk Washington for Berlin, New York for Paris, or Los Angeles for London? The Berlin (1958-61) and the Cuban Missile crises (1962) provided two actual scenarios where global thermonuclear war came very close. The notion of ending communist and capitalist civilizations within 15 minutes ultimately deterred us from committing mutual suicide. While most contend by inspired intent, others by collective diligence, and still others by dumb luck, we survived a nuclear arms race, its costs, these and other Cold War crises without a global nuclear holocaust.

That in itself remains a big win no matter the reasons. NATO surely played a central political-military role in containing the Soviet Union, backed by the economic growth generated by the Marshall Plan in Western Europe, The Truman Doctrine in Turkey and Greece, the General Agreement on Tariffs and Trade (GATT), and the institutions that would evolve into the European Union (EU). Nuclear deterrence provided a security umbrella for Western Europe’s renewal and the military wherewithal for George Kennan’s “long-term patient but firm and vigilant containment of Russian expansive tendencies.”<sup>3</sup> National Security Council Paper NSC-68 further argued that the US should respond in kind to any Soviet military build-up with a massive buildup of its own, including conventional and nuclear arms.<sup>4</sup>

The decades-long deployment of American and allied troops as well as nuclear weapons to Germany and elsewhere, along with the atomic arsenals of Britain and France, collectively contained the USSR. The fall of the Berlin Wall in 1989 led directly to the dissolution of the Soviet Union in 1991. Many saw this as a direct victory for the Atlantic Alliance, and others acknowledged NATO’s role while also tipping their hat to the crucial generational change that emerged with Mikhail

Gorbachev along with Eastern European protests that pushed his hand. Still others credit the dissidents who waited for their opportunity to act, and then moved into the streets in non-violent protest. All three factors played important roles.

One other key factor involved the distinctive relationship between the US and Germany. By the 1980s, even before Gorbachev came to power, US President Ronald Reagan and German Chancellor Helmut Kohl developed a strong friendship that did not go unnoticed by Kohl’s political opponents. Kohl had unconditionally supported the controversial deployment of US land-based cruise and Pershing 2 nuclear missiles on West German territory to deter a Soviet SS-20 missile threat first called out in 1977 by his Social Democratic predecessor, Helmut Schmidt.<sup>5</sup>

A running joke in the hallways of the Bundestag at time: “*Es Gibt Kein Kohl ohne Reagan,*” a clever play on words meant you cannot have cabbage (Kohl) without rain (Regen). Whatever the political climate, both men would play a key role in German unification. President Reagan called on Mikhail Gorbachev to “Tear Down this Wall” at the Brandenburg Gate in a memorable speech on June 12, 1987.<sup>6</sup> Chancellor Kohl, after the Berlin Wall fell on November 9, 1989, seized the political initiative and made German unification a reality with the steadfast support of Reagan’s Vice-President and successor, George H.W. Bush. On November 28, Kohl called for unification with a ten-point plan for achieving it. The day after, President Bush called him personally to express his support.<sup>7</sup>

Whatever the cause and effect, whatever the many moving parts of destiny, the fall of the Berlin Wall and the skillful diplomacy that followed led to German unification without physical bloodshed. In that wake, we *all* benefitted from the end of the threat of global annihilation. For that we should remain thankful and acknowledge that a distinctive relationship between the US and Germany played a quintessential role within NATO to make that achievement possible.

That same link also made the unification of Germany, European integration, and the enlargement of NATO possible. Did these accomplishments occur seamlessly? Hardly. Do they still require more care, attention, and recommitment? Like any marriage vows, yes they do. Will more transatlantic squabbles arise, strain the nuptial budgets, let alone test the mettle of the wedding ring? They always have, and always will. Yet, in the name of future generations, we have asked many times in the past and ask again today, “Are we better off with NATO or without it?” Most then and now for their own reasons still would answer, “Yes.”

Beyond the visceral nod to collective security, Joseph Joffe has reminded us that the alliance has remained “alive for the all the old reasons. You want to be allied to the

United States because the United States is a kind of security lender of last resort. You never know what might happen, especially with Russia coming back, point No. 1. Point No. 2, NATO is the most important thing that stands between us and the renationalization of our defense policies.”<sup>8</sup>

The alliance did not disband after the collapse of the Soviet Union. In the wake of the renationalization of the Balkans, NATO rethought and reinvented its roles and missions at the end of the Cold War, and saw a need to move beyond its European geographic borders to prevent ethnic conflict from spilling into and destabilizing its security.

NATO after 11/9: Out of Area or Out of Business?

Robert Frost, the American poet, once wrote, “Something there is that does not like a wall.” On November 9, 1989, something there was that loved to see it fall. After that day, the Berlin Wall thankfully became the Berlin Mall, and its chiseled remains sold at the Brandenburg Gate, Checkpoint Charlie museum, in curio shops and still today on eBay. Looking for hard currency, Soviet officers and East German *Volkspolizei* sold their hats and gear. After the yard sale for Cold War memorabilia, what would all our troops poised along the perimeters of the Iron Curtain do now? How would the West consolidate its gains without risking conflict?

NATO had served its purpose, and Germany’s unification clause finally left the dusty pages of the *Grundgesetz* to take center stage. America believed West Germany had demonstrated an economic, political, and military commitment to the West, and now deserved to tackle unification with NATO’s blessings. That conclusion did not come with immediate consensus from crucial European partners, one with whom the US enjoyed, in Churchill’s words, “a special relationship,” and the other a historical *amitié* tracing back to the American Revolution. A third emerged, namely a distinctive relationship (*deutliche Beziehung*) between Americans and Germans that helped broker unification.

In the aftermath of World War II, the American insertion of the unification clause (Article 23) in the German Basic Law (*Grundgesetz*) helped assure Bonn’s acceptance of the new constitution on May 8, 1949. The western allies signed off on May 12, a little over a month after the creation of NATO. British and French leaders, however, had then agreed with the full expectation that German unification would never happen. Fifty years later, when German unification became a real possibility, British, French, and Soviets again expressed their skepticism. American Secretary of State James Baker organized the 2+4 talks (the two Germanys plus the World War II allies) to settle the terms.

The George H.W. Bush administration reassured its Western allies in support of German unification, and convinced the Soviets that East Germany must join with West Germany and become part of NATO territory. To their credit, the British and French buried their historical hatchets in favor of building a stepping stone to an integrated European future. To the Soviets’ credit, they chose to bury an even larger historical hatchet of their own—with some 20 million dead, vastly more World War II casualties than all the allies combined. The fact that the Soviets would allow German unification under NATO came as a miracle of deliverance. In a moment of *Carpe Deutschland*, Chancellor Helmut Kohl sprinted through those psychological minefields and seized the opportunity to, as stated in the German Constitution’s preamble, “fulfill the unity and freedom of Germany by virtue of its right to self-determination.”

As Germany began to unify, the empty champagne bottles from the fall of the Berlin Wall found themselves shoved upside down into the rubble of Sarajevo, the sand dunes of Iraq, and then in the mass graves of Kosovo. New “out of NATO area” challenges required new thinking and retooling of the Atlantic Alliance’s roles and missions to remain viable in the absence of the Soviet threat. Some argued NATO had to go “out of area or out of business.” Others more specifically saw the instabilities created by the breakup of the Soviet Union and the ethnic conflicts it unleashed as a contiguous threat and natural arena for NATO. Still others believed the Alliance had served its initial anti-communist purpose and should ride on its weathered Cold War saddle into the sunset of moribund multilateral organizations.

Instead of retiring, NATO opted to grow larger and engage in operations outside its territory. NATO Scholar Laurence Kaplan, in his book *NATO Divided, NATO United*, underscored that Article 13 allows for any member-state to leave NATO yet to date no nation has ever chosen to withdraw from the treaty. “The danger in the future,” Kaplan argued, “lies less in the likelihood of an abrupt dissolution than in the possibility of NATO becoming as irrelevant as the League of Nations was in the 1930s if America and Europe fail to share the responsibilities of crisis management beyond the boundaries of the alliance.”<sup>9</sup>

More to the point, once NATO decided to go global, it cannot now divest itself of that responsibility. As James Goldgeier has warned, “If NATO fails to accept a growing global role, then the United States will lose interest in investing in the Alliance’s future.”<sup>10</sup> National security requires the protection and promotion of vital interests. Once again, with Ukraine, we see yet another key challenge to NATO as the protective security umbrella for promoting the European Union. Moreover, with the post 11/9 enlargement of NATO, its newest members on the Eastern flank now expect the Atlantic Alliance to deliver on its security promise as the Russian bear moves back into their neighborhood.

## NATO Enlargement: Hesitation and Expectation



Figure 2: The "Momo" and "Uzeir" twin towers burn on Sniper Alley in downtown Sarajevo as heavy shelling and fighting raged throughout the Bosnian capital on June 08, 1992. (Towers in Sarajevo Taken by Georges Gobet via AFP and Getty Images)<sup>1</sup>

Geography - acquiring it or defending it - has often determined whether a nation or group of nations organize themselves in the name of perceived vital interests. Geography defined the defensive lines of the Atlantic Alliance and the EU before 1989, and as those lines blurred and then disappeared, NATO had important choices to make. At first, erasing Yalta and redrawing the lines of Europe by adding new members to its ranks hardly appeared anywhere on its agenda. Just unifying West and East Germany within NATO's orbit proved an unexpected gold medal. Why even look for a silver or bronze? With the Soviets withdrawing in a tattered nuclear life-boat, why rock that boat any further? Couldn't we just sit back, reduce our obligations and bask in the serenity of "the end of history," nod to the dangers of "imperial overstretch" and toast to the collapse of the red menace?

As the Soviet Union and the Warsaw Pact disintegrated in 1991, Central and East European states negotiated Soviet troop withdrawals then dismantled the economic remnants of the Soviet imperial system. Polish, Czech and Hungarian leaders looked to joining any and all Western ranks for their own economic development. First and foremost, however, they expected to join NATO as a security hedge against a resurgent Russia. Ron Asmus, an early proponent of enlargement at RAND,<sup>11</sup> in his work *Opening NATO's Door*, noted that "the push for NATO to move further East would come from Central and Eastern European leaders themselves."<sup>12</sup>

In January 1993, when asked during his confirmation hearings about his vision for the future of NATO, future Secretary of Defense Les Aspin replied he had "no immediate answer" to this "very very important and critical question." The answer came via the brutal civil war in the former Yugoslavia. Concentration camps in Bosnia, mass shootings and mass graves appeared on the nightly news and brought back memories of the Nazi Holocaust. During the presidential campaign Clinton openly criticized President Bush for not doing enough for democratic values in Bosnia. After his election, President Clinton now had to act on his rhetoric. Delivering on it, as assessed by his first Secretary of State Warren Christopher, became "the problem from hell."<sup>13</sup>

The Bosnian problem from hell became a doorway to NATO for Eastern Europe. The Serbian use of "ethnic cleansing" in Bosnia mirrored Europe's 20<sup>th</sup> century genocidal history, and also brought questions about NATO's current and future legitimacy into sharp relief. If NATO could not address such brutality in its backyard, what good was it? Thus Bosnia, in the absence of adequate European Community, UN or Russian cooperation, provided NATO with its first out of area action and rationale for NATO enlargement. It also set a precedent for other out of area missions in Iraq, Kosovo, Afghanistan, the Persian Gulf, and the Gulf of Aden.

On March 26, 1993 German Defense Minister Volker Ruehe delivered an important speech in London, "Shaping Euro-Atlantic Policies: A Grand Strategy for a New Era" that supported NATO enlargement. Secretary Ruehe, a young and ambitious CDU leader believed that a unified Germany should start conducting its own foreign policy according to its own national interests. Ruehe had met Ron Asmus at RAND who eventually introduced him to the idea of NATO enlargement. It made sense for a newly unified Germany to support eastward expansion both as a strategic buffer against instability in Central and Eastern Europe, develop near markets for its export-oriented economy, and provide a moral payback to Poland, the Czech Republic, and Hungary for their popular protests that had led directly to German unification. The idea clearly resonated with the East Europeans in the room, yet fell on uncertain ears and at best and hearty skepticism for most European NATO member-state diplomats present at the talk.<sup>14</sup>

In April 1993, President Clinton presided over the opening of the National Holocaust Museum in Washington. Those present included Elie Wiesel, the renowned author and Holocaust survivor; Lech Walesa, the President of Poland; Vaclav Havel, the President of the Czech Republic, and Arpad Goncz, the President of Hungary. None had yet met personally with the new American President and took the two day event to meet and discuss their policy views with President Clinton - which collectively became a clarion call for ending the genocide in Bosnia, and enlarging NATO to include

Poland, the Czech Republic and Hungary to prevent it from happening again there. According to Asmus, Walensa bluntly expressed the group's common sentiments. "We are all afraid of Russia...if Russia again adopts an aggressive foreign policy, that aggression will be directed against Poland and Ukraine." The West had not capitalized on winning the Cold War "and only the United States could change that." NATO became a security magnet first and foremost for Central Europe, and their leaders present at the Holocaust Museum made that abundantly clear to Bill Clinton. Their desire to join NATO did not go unnoticed. Asmus concluded that the idea of NATO enlargement "resonated with two of Clinton's core convictions - a commitment to expand and consolidate democracy and his belief in the importance of modernizing America's alliances in a globalized world."<sup>15</sup>

The Clinton administration, and particularly national security advisor Anthony Lake, saw enlarging the democratic community of liberal economies as a logical next step in moving beyond containment.<sup>16</sup> NATO enlarged in 1999 to include Poland, the Czech Republic and Hungary. In 2004, Estonia, Latvia, Lithuania, Slovakia, Romania, Bulgaria, and Slovenia joined the Atlantic Alliance. At the 2008 NATO Summit in Bucharest, the Alliance considered opening its membership to Georgia and Ukraine. France and Germany objected, fearing the repercussions for and from Russia.

In 2014, after four years of US pressure, and the turmoil in Ukraine, France finally cancelled a sale to Russia of two Mistral-class amphibious ships that can carry troops, landing craft and helicopters. Germany, for its part, has 6,000 companies in Russia and, alongside other Europeans, has grown about 30% dependent on Russian natural gas. Chancellor Merkel, after over 30 phone conversations with President Putin, announced her 100% willingness to strengthen economic sanctions against Russia. The question becomes, given a 20% reduction in European military budgets over the last decade and 30% US reductions in NATO infrastructure through budget "sequestration," will sanctions alone prove adequate to rollback the Russian incursions into Ukraine? So far they have not changed Russian behavior, raising the specter that Putin may wish to press his newfound nationalism into every corner of non-NATO Europe - and pay for it in part with newfound energy revenues from Western European NATO member-states.

Political decisions made about boarding the NATO enlargement train clearly revolved around the calculation of national interests.<sup>17</sup> For the US, it meant maintaining the leadership of the Atlantic Alliance while creating new transatlantic missions, members and economic partnerships. Germany protected its eastern border with an eye to securing new export markets. Central and Eastern European countries wanted to join the alliance as a hedge against Russia and as a door to the EU. For Russia the seats on this train have always remained uncomfortable, especially for an

exsuperpower and ex-Soviets accustomed to NATO as an enemy. Post-Cold War Russia has *always* argued vehemently against NATO enlargement. Putin has saw Ukraine as the last straw, and clearly sees the Europeanization of Ukraine as diametrically opposed to his perception of Russian national interests.

Putin's moves had nothing to do with some starry-eyed sense of cultural history imbuing Ukraine and the "Kievan Rus" as the spiritual predecessor of today's Russia. Nor in that same vein did it involve protecting Russian-speaking "separatists" who now want political annexation based on their linguistic affiliation and preference for Russian vodka over Swiss chocolate. And certainly Russian actions did not for a moment involve a modicum of ethnic respect for the 7-8 million Ukrainians buried in mass graves some eighty years ago by Joseph Stalin's forced famine of 1932-33. Russian nationalism has risen from the ashes of the Cold War to reassert itself in a new struggle, ironically, to contain the West from its liberal economic, political, and military expansion eastwards.

As signaled at a 2014 Moscow Conference on International Security, the Russian military believes the US and the West have intentionally encouraged "color revolutions" in Georgia (Rose), Kyrgyzstan (Tulip) Ukraine (Orange) and elsewhere worldwide. The generals allege a "new American and European approach to warfare focuses on creating destabilizing revolutions in other states as a means of serving their security interests at low cost and with minimal casualties." Anthony Cordesman, at the Center for Strategic and International Studies (CSIS), has asserted that US and European leaders can ill afford to ignore what Russian military leaders and strategists have publicly acknowledged.<sup>18</sup> This Russian security establishment worldview provides us worrisome insights into their rationale and actions in Ukraine, and what may come later if the West does not counter this mindset through approaches that Russians understand.

## NATO after 9/11: Convergence and Divergence



Figure 3: Twin Towers in NYC on 9/11 (Taken by Sean Adair, Reuters)<sup>2</sup>

For the first time, on September 12, 2001, less than 24 hours after the terrorist attacks against the United States, NATO invoked Article V of the Washington Treaty declaring it an attack against all nineteen allies. Fourteen NATO countries deployed forces to Afghanistan. British Prime Minister Tony Blair pledged to “stand full-square alongside the US”<sup>19</sup> as the American national anthem played at the changing of the guard at Buckingham Palace under orders of Queen Elizabeth.

*Le Monde*'s headline and editorial on September 13, making direct reference to John F. Kennedy's “*Ich bin ein Berliner*” speech at the *Rathaus Schoeneberg* on June 26, 1963 read: *Nous sommes tous Américains*. (We are all Americans).<sup>20</sup> President Jacques Chirac announced “The whole French people—I want to say here—is beside the American people.” In Berlin, 200,000 Germans marched through the streets in solidarity. German Chancellor Gerhard Schroeder proclaimed the attacks amounted to a “declaration of war against the civilized world...we will offer the citizens and government authorities of the United States every type of assistance they desire.”<sup>21</sup>

The good will and solidarity generated for America by the 9/11 attacks, which led to UN authorization for the invasion of Afghanistan, diminished quickly as the George W. Bush administration tried to take the global war against terrorism to Iraq. France, Germany, and Russia blocked American attempts to acquire the UN's authority to attack Saddam Hussein. Chancellor Schroeder's political party, the Social Democrats, would not support a decision to go to war in Iraq. In fact, according to Dieter Dettke, in his book *Germany Says No*, “Two-thirds of Germans expressed deep reservations against the use of German armed forces in Iraq.”<sup>22</sup>

It was one thing to respond to the 9/11 attacks by retaliating against the Taliban in Afghanistan for harboring the al-Qaeda terrorists and training sites. More than 90 countries lost citizens on 9/11 in the very city where the UN resides. More to the point, international law permitted retaliation against the Taliban. Yet to invade Iraq over Saddam Hussein ignoring seventeen UN security resolutions proved far more difficult for some to justify. Iraq had not attacked anyone after 9/11. President Bush announced his doctrine of preemption at West Point in 2002, and as the drums of war started beating for Iraq, some questioned whether the Bush Doctrine would get used more to conduct unfinished business with Iraq rather than to find and punish terrorists. Even the threat of Saddam Hussein developing weapons of mass destruction, and power point presentations arguing that assertion at the United Nations, did not convince key members of the permanent five (P-5) of the UN Security Council, let alone Germany.

NATO has always had a diversity of opinions in its ranks, and more than its fair share of family fights, yet somehow this row became among the most bellicose in NATO history. The unqualified “you're either with us or against us” attitude of the George W. Bush administration certainly did not help. During the Cold War, the United States had a fall-in-line expectation of its allies. After the Cold War and particularly after the 9/11 attacks, American leaders expected the same which happened for Afghanistan but not for the invasion Iraq. The United Nations gave its authority to use force for the former but not the latter, and Germany played an important role in saying “no” at the UN Security Council. The splintering of alliance support would lead to “coalitions of the willing” in the conduct of international security operations in the absence of UN authorization.

Secretary of Defense Rumsfeld, a veteran of the Cold War, began describing Germany and France as “old Europe” and the nascent members of NATO on the Eastern flank as “new Europe.”<sup>23</sup> In large part, the “new Europeans” felt obliged to thank the United States in Iraq for championing their inclusion in NATO, while the “old Europeans” had decided to calculate their national interests differently. At the end of the Cold War a decade earlier NATO had to reassess its role and mission. Germany then had seen

it in its national interests to support NATO enlargement. It chose not to support the invasion of Iraq largely out of domestic political reasons.

A “coalition of the willing” led by US forces attacked Iraq in March 2003, found Saddam Hussein in a spider hole near his home town of Tikrit, and gave the Iraqis the right to try him in the heavily fortified green zone of Baghdad. The Iraqis chose to execute Hussein by hanging on December 30, 2006. If Hussein’s case of crimes against humanity had undergone trial in the International Criminal Court (ICC) at the Hague, he could only have received life imprisonment. Neither the US nor the Iraqis wanted this for practical political reasons since a live Saddam could inspire Iraqi Sunnis to fight for his liberation, sending Iraq into civil war.

Capital punishment has never resonated well within the judicial comfort zone and mindset of post-World War II Europe. At worst, America somehow had embraced a cowboy justice mirroring the “eye for an eye” judicial traditions of the Middle East. At best, belief in capital punishment still scratched the blackboard of transatlantic values. Revelations about American mistreatment of prisoners at the Abu Ghraib prison in 2003–04 added more tension. The American administration generally considered these events as moral sideshows in worldwide battle for survival called the global war on terrorism (GWOT).

Two CIA-led investigations, one by David Kay and the other by Charles Duelfer, found evidence of “nuclear weapons-related activities” but no actual Iraqi weapons of mass destruction in the wake of the 2003 invasion. During the 1990s, inspectors at the International Atomic Energy Agency (IAEA) eliminated most vestiges of Iraqi nuclear, chemical, and biological weapons programs.<sup>24</sup> Saddam Hussein had used a calculated Stalin-like ruse of WMD to dominate his own people at home and deter his enemies abroad.<sup>25</sup> Hussein, unlike Stalin, however, had no real nuclear weapons to leverage his strategy. That calculated risk ultimately cost Saddam his regime and his life. It also cost the United States over three trillion dollars,<sup>26</sup> and 4,446 American deaths from 2003–2012.<sup>27</sup>

As we focus on a confirmed and advancing genocidal military threat called ISIS, with individuals fighting with passports from both the European and North American continents, we cannot afford to spend too much time re-litigating alleged mistakes made in Afghanistan, Iraq, or elsewhere. Mr. Obama’s presidential campaigns promised and now has delivered on ending the war in Afghanistan, albeit awkwardly, and extracting all combat “boots on the ground” from Iraq, although leaving an unstable Iraqi government in place unable to thwart ISIS. Iraq has once again pushed its way back onto the President’s desk.

Following US airstrikes against ISIS to save Kurds, Sh’ia, Sunni, Yazidis, Caldeans and others from certain death, ISIS publicly beheaded American journalists James Foley and Steven Sotloff. A British citizen, David Haines, and a Frenchman, Herve Gourdel, suffered the same fate. While ISIS had remained on the counter-terrorist radar for years in Syria, its successful invasion and destabilization of Iraq, slaughter of civilians, murder of captured military forces, and Youtube executions of American, British, and French citizens in 2014 could no longer go with impunity.

Mr. Obama has chosen to apply his “New Look” to military operations to respond to ISIS and its “network of death” in Syria and Iraq. This new approach, which some describe as The Obama Doctrine, aims to stop fighting “rogue states” with large conventional deployments and instead degrade and destroy non-state terrorists with traditional airpower, unmanned aerial vehicles (UAVs), and special operation forces (SOF). The successful raid against Osama Bin Laden on May 2, 2011 in Pakistan served as one prototype, and successful drone strikes in Yemen, Somalia and elsewhere have served as others. Like Eisenhower’s New Look, this approach reduces costs by using technology and bringing large numbers of overseas military personnel home so they can go to work in the domestic economy.

Unlike Eisenhower’s plan – which used nuclear weapons to counter-balance large numbers of Soviet troops and deter aggression – Obama’s plan requires actively targeting command, control and communications of terrorist cells, taking out their infrastructure, and assassinating their leadership. Post 9/11 preemption, in effect, has moved away from attacking states as sponsors of terrorism to killing the terrorists themselves. Given the complexity of rooting out ISIS, it will prove much easier to degrade their capabilities in the short-term than to destroy the group over the longer-term. The ultimate costs, time commitments, and geopolitical consequences of counter-terrorism 2.0 for NATO and Middle Eastern allies remain at best fuzzy. As yet another “coalition of the willing” has emerged to fight another out-of-area longer-term campaign with many uncertainties. The repercussions of this new threat ring intrinsically important for NATO.

Thirteen years after 9/11, a new Freedom Tower has opened in Manhattan at One World Trade Center. As new threats emerge to transatlantic freedom, NATO now needs to reassess and reassert its usefulness in light of new challenges. With Putin’s ongoing incursions in Ukraine and the rise of ISIS, President Obama has asked for and received a measure of allied support. Can we politically and economically commit to the longer-term investments in military capabilities required to confront the Russian state, acting like a non-state actor in Ukraine, and self-described ISIS, a group of non-state actors mobilizing in Syria and Iraq, calling for the creation of an Islamic State?

NATO after Obama: Out of Money and Out of Business?

The NATO summit in September 2014 provided a chance for reinvention and reinvigoration of the Atlantic Alliance. That, however, will require real investments in military capacity and actual deployments of allied forces. NATO needs real investments in military capacity. Shooting for a goal of 2.0% of GDP for defense spending “within a decade”<sup>28</sup> belies the urgency of current threat assessments. The oft-repeated phrase “NATO remains deeply concerned” in the Wales Declaration without “NATO currently has the military capacity to act” may ring hollow to those threatened on the Eastern flank of NATO, to those with desperate aspirations of joining the Atlantic Alliance, and probably most important, to Vladimir Putin. As of today, NATO can count on one hand those member-states spending 2.0 % or more of their GDP on defense.

According to NATO sources, the United States in 2014 “shoulders 73% of the aggregate spending of all NATO members, up from 68% in 2007.”<sup>29</sup> While NATO also committed to a Rapid Response Force of 4,000 troops in Wales, Putin has an estimated 40,000 troops on the border of Eastern Ukraine. The NATO force, when constituted, can fly in to support NATO members or conduct military exercises. This number will only amount to one tenth the size of Russian troops currently deployed in the region.

Moreover, the US has systematically reduced its military infrastructure in Europe by 30% since 2000. In January 2013, the Pentagon released a blueprint to reduce its budget over the next decade by \$487 billion, accomplished in part by withdrawing combat brigades from Europe and closing an Army Corps HQ. March 1, 2013 saw the automatic triggering of “sequestration” under the Budget Control Act, which forced the Department of Defense to find more cost reductions, including the grounding of European-based fighter squadrons. All told, a decade ago the US had 100,000 troops deployed in Europe and controlled some 500 sites. Today, we have 69,000 troops in Europe at 29 bases.<sup>30</sup> To support counter-terrorism operations in the Middle East, let alone reassure the Eastern flank of NATO, the United States will need a much larger commitment from European NATO allies.

When Ukraine sought to open its doors to the EU in 2013–14, Russia quickly derailed that train and any ticket to NATO membership. Palettes of *Nutella* in Kiev would surely someday lead to NATO patrols along the Russian border. Has Lech Walensa’s prophecy about a Russia choosing a more aggressive foreign policy come true? Or has Vladimir Putin merely delivered another warning shot across the bow that Ukraine has crossed his “red line” of NATO and EU tolerance?

From Collective Security to Selective Security

The US, as a global power with its own budget issues, has grown resentful about remaining the security lender of *first* and *last* resort for NATO. As Russia renationalizes, and ISIS seeks to build its Caliphate, American defense officials have increasingly seen Europe in general and Germany in particular hiding behind the collective security flag of NATO without paying enough for it, as well as keeping their armed forces out of harm’s way when the going gets tough. Instead of demonstrating a beacon of “collective security,” NATO has become an organization of “selective security.”

Many European members of NATO have arguably made “cafeteria commitments” to out-of-area operations. “I’ll take one Afghanistan and one Kosovo on my tray. No thanks on Iraq, Libya or ISIS, at least not in Syria. Don’t like the taste of that. That disrupts my serenity and presses uncomfortable historical buttons. Oh, and when we go to Afghanistan, we can’t actually shoot anyone. I’ll also have a side of Russian natural gas, if you please, with my *Kaffee* und *Kuchen*. How about that World Cup?” Cafeteria commitments and *ad hoc* coalitions may well prove the NATO norm of the future. Under this scenario, however, US financial support for NATO will certainly wane.

That does not mean a transatlantic divorce, just a reallocation of resources. Fighting and dying for freedom has its human and financial costs. For collective security to ring true to its promise, we should *all* bear that burden. Otherwise, we merely remain in the transatlantic cafeteria of “selective security.”

On June 11, 2011, outgoing Secretary of Defense Robert Gates delivered a blunt critique in Brussels accusing European allies as “apparently willing and eager for American taxpayers to assume the growing security burden left by reductions in European defense budgets.”<sup>31</sup> Gates further warned of a tiered alliance with the US running far ahead of the second tier of Britain and France, and the rest way behind them. This tiered system, he argued, creates a division between those bearing the burden of military operations and those who enjoy the benefits but not the costs. “The good news is that members of NATO-individually and collectively - have it well within their means to halt and reverse these trends, and instead produce a very different future.”<sup>32</sup>

Besides reassessing issues of roles and missions, guns and butter, that future should also look toward restructuring NATO from within. To give European NATO members more ownership in the alliance, we should revisit the idea of a European Commander in Chief of the *European Command*.

On the economic security front, let's focus on Germany for a moment. Coming to terms with Germany's past (*Vergangenheitsbewältigung*) has now evolved into an unwritten German responsibility for securing Europe's future (*Europaszukunft-verantwortlichkeit*), no matter the cost or uncertainty or risks of economic commitments. The burden of history builds on Adenauer's and Kohl's belief in anchoring Germany within institutions that began as the European Coal and Steel Community, became the European Economic Community (EEC), and now lives on as the European Union (EU).

For Hans-Dietrich Genscher, born in East Germany and the Foreign Minister under Chancellor Kohl, the unification of Germany became the first step in the unification of Europe. Kohl seized a political opportunity to unify Germany while damning the costs to unify Germany. For Andrea Merkel, a protégé of Kohl, born in East Germany and now the German Chancellor, German support of the Euro zone fulfills the next phase of "Europe whole and free," no matter the costs.

One thing appears clear: unifying 17 million Germans, with all its difficulties, certainly proved easier than integrating over 500 million Europeans with their wide array of economic problems. Germany unified *writ large* may become Germany EU deficit too large for their taxpayers to stomach. The current support-the-EU argument rests on a similar notion of elite-driven straight-forward political will that German citizens and their Central Bank have begun to question.

Just as Helmut Kohl saw "no alternative" to German unification, Merkel saw "no alternative" to bailing out banks and Greece in 2008. European Central Bank President Mario Draghi then committed in July 2013 to do "whatever it takes" to save the Euro through Outright Monetary Transactions (OMT), or the unlimited purchase of debt instruments from problem states. Has Germany's political will trumped the economic realities on the ground in Southern Europe, and if so, how long can that situation for both German taxpayers and Europe continue?

Even though the EU economy has improved, can it continue if Europe relies too heavily on Russian energy supplies that may come onto the chessboard over Ukraine? Moreover, if Germany must keep its gaze on its European checking account, how can it ever look outside the bank to help with pressing foreign policy issues outside NATO territory? The *Economist* ran a special report in June 2013 with the title "Germany: Europe's Reluctant Hegemon"<sup>33</sup> that underscored its unquestionable economic weight in the EU. (Hegemon in Greek means "leader.") No question Germany has become an economic and political leader in Europe, whether or not it chooses to accept it. At some point soon, that realization should also translate into accepting an equivalent leadership role to pay for and equip a modern military

capable with the proper rules of engagement to protect and promote transatlantic interests.

Now that Putin has given NATO a chance to reinvigorate itself, what will the Alliance actually do? America will watch closely. Anthony Cordesman, with regard to Russia, has emphasized suggested that "*Realpolitik* is not a matter of reacting to possible or imagined worst cases. It is a matter of reacting to realities as they actually emerge."<sup>34</sup> Cordesman argues that NATO needs real world strategies and "European partners rather than parasites."

In Robert Kagan's compelling essay, "The Allure of Normalcy: What America Still Owes the World," he argues that "Allies observe American behavior and calculate America's reliability. Nations hemmed in or threatened by American power watch for signs of growing or diminishing power and will. When the United States appears to retrench, allies necessarily become anxious, while others look for opportunities."<sup>35</sup> The clear corollary here points to Vladimir Putin's calculations and decisions in Crimea and Eastern Ukraine. Kagan argues that "superpowers do not get to retire," and as such must stay engaged in the conduct of international security. "Engagement" in this sense means more than nifty speeches with lofty institutional goals. It means balancing soft and hard power, talking softly yet earnestly about those goals while carrying the big stick of measurable military capabilities to back them up.

John J. Mearsheimer goes a step further to lay the Ukrainian crisis on the doorstep of the West for provoking Putin with its "liberal delusions." "The taproot of the problem is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia's orbit and integrate it into the West...Elites in the United States and Europe have been blindsided by events only because they subscribe to a flawed view of international politics. They tend to believe that the logic of realism holds little relevance in the twenty-first century and that Europe can be kept whole and free on the basis of such liberal principles as the rule of law, economic interdependence, and democracy."<sup>36</sup>

Mearsheimer argues that NATO Enlargement, EU expansion and democracy promotion only added fuel to the fire that affected the vital interests of Putin's Russia. "Imagine the American outrage if China built an impressive military alliance and tried to include Canada and Mexico." Mearsheimer concludes that the US and its allies "should abandon their plan to westernize Ukraine and instead make it a neutral buffer between NATO and Russia, akin to Austria's position during the Cold War."<sup>37</sup>

If national security means protecting and promoting your own national interests, one could argue the West has done just that since the end of the Cold War by promoting

the expansion of the EU and NATO. Mearsheimer may be right to point out that the end of history became a self-fulfilling prophecy, with Western leaders over-relying on the vestiges of the Soviet regime retiring on the beaches of the Crimea instead of annexing them. Yet Russian leaders, and particularly Putin, chose to protect and promote personal power and oligarchy instead of reform, and consider Ukraine as a satellite and not a sovereign state. The USSR collapsed under the weight of its moribund economic system and overspending on defense. Yet those who believed in and still believe in Mother Russia suffered remorse over the loss of fourteen Soviet Socialist Republics to independence. For the most remorseful, NATO during the Cold War and after it remains an enemy.

Vladimir Putin as a political entrepreneur has used that sense of lost pride and lingering prejudice against the West to rally to the cause of recaptured national meaning in Ukraine. After Gorbachev's flirtations with *glasnost* and *perestroika* Russia seemingly devolved into an oligarchic version of a post-Soviet Kleptocracy. We cannot blame the West for Russia's bad choices, just support, protect, and promote our own. Whether or not NATO chooses to put its money, its political resolve, and its troops where its communiqués lay, remains an open question. Such an integrated transatlantic strategy could look like this:

1. Deploy 40,000 troops (not 4,000 troops as an *ad hoc* rapid reaction force) at the Eastern flank of NATO to match the numbers of Russian troops on the Eastern border of Ukraine, and reinforcement of naval forces in the Baltic and Black Seas (adjust as needed);
2. Bring back the development and deployment of strategic defense systems to the Eastern flank of NATO;
3. Commit all NATO member-states to 2% GDP spending within 5 years, not 10, with the immediate purchase of upgraded NATO military capabilities via creative financing pro-rated to that 2% commitment; 4. End the sequestration of the US military budget;
5. Install a European Commander in Chief of European Command at NATO;
6. EU-NATO member-states provide Ukraine with more training, weapons, and intelligence, while maintaining and expanding the EU trade pact with Kiev;
7. Continue and strengthen both EU and US economic sanctions on Russia;
8. Diversify European natural gas supplies with more North American supplies and cheaper solar panels from China;
9. Negotiate and sign the Transatlantic Trade and Partnership Agreement (TTIP); and
10. Use points 1-8 as a backdrop for initiating longer-term multilateral talks with Russia on the future security of Eurasia to avoid another Cold War.

Mearsheimer's suggestion to make Ukraine a neutral buffer might work as an interim solution to reduce tension, and allow for multilateral negotiations to define and determine the national security interests of NATO and the Russian Federation. That theoretical ship of neutrality, however, may have already sailed given the fast-moving situation on the ground in Ukraine. Will Ukraine have to wait for Russia to reform from within (*Glasnost and Perestroika Part Deux*) before making economic and political reforms? Can Ukraine accept neutrality after the casualties at the *Maidan*, in the Crimea, and Eastern Ukraine? Would Russia really accept neutrality from a country that it considers part of its historical birthright to control?

*The Ukrainian challenge for NATO has become how to support Ukrainian reforms, while protecting its Eastern flank and not provoking another Cold War.* NATO will need to honor its commitment to its Eastern member-state's security. That's their expectation and under Article V, and they have a right to expect it. US statements about "nation-building at home,"<sup>38</sup> "pivots toward Asia"<sup>39</sup> and the US budget cuts to NATO infrastructure still make Eastern and Western European allies anxious. Russia read the same tea leaves, and seized an opportunity to reinforce its perceived national interests in Ukraine, calculating that neither Europe nor America would *physically* prevent it. To date, that Russian calculation has proved correct.

Ukraine also does not lie under the NATO nuclear umbrella, and no NATO out-of-area mission to date has ever directly faced an opponent with nuclear weapons. Russia knows this as well, with Putin recently promising to counter US and NATO moves "with an array of new nuclear and conventional weapons."<sup>40</sup> Russia has also countered Western sanctions with its own ban on agricultural products from Europe and the US. The West may have just witnessed the end of NATO enlargement unless it can converge on a strategy to reassure its allies and deter the Russian Federation from future annexations.

National Security Must Provide National Serenity

At a June 2013 Bosch Alumni Roundtable in Berlin, Dr. Dan Hamilton, Director of the Center for Transatlantic Relations at the Johns Hopkins University School of Advanced International Studies, provided a useful overview of key US interests in Europe: We want a Europe at peace; We want a Europe open to our ideas, goods, and services within a single market; We want a continent neither under one dominant country nor hostile to us, and; We want a partner with similar values.<sup>41</sup> The German-American relationship remains crucial to achieving these goals, let alone those of Europe and NATO. In that light, perhaps we should start talking less about pivots and pet peeves and more about common policy priorities in a global world.

Dr. Hamilton suggested we need to redress three imbalances in our transatlantic priorities: An imbalance of economics versus security, a related imbalance in the number of troops and capabilities within NATO; and an imbalance in focusing too much locally and not enough globally. All of these affect our current global challenges and require transatlantic action. If we focus on economics *and* security instead of only economics versus security, we can redress the first two imbalances. With growth rates improving at home, we must now look outside the bank to invest in national security to protect our economic, political, and military interests abroad.

The current threats to Ukraine, and the threats from the Islamic State (IS) represent two challenges to our liberal economic order and our shared political values. These and future unexpected provocations will continue to land on the transatlantic doorstep. They all require adjusting to circumstances, sticking to our principles and working hard *together* to re-enforce them. Our national interests ultimately represent our shared values and vision of a common fate underwritten by certain inalienable principles. Those include the inherent worth of an individual, the right to self-determination, and rulers accountable to their people. Our national security requires that we develop, promote and protect these principles.

In so doing, transatlantic security assures a true measure of transatlantic serenity, at least until the next crisis appears, then we readjust and reaffirm our core principles again. On April 4, 1949, at the NATO signing ceremony in Washington D.C., President Harry Truman made brief remarks saying the treaty “would create a shield against aggression and fear of aggression – a bulwark that will permit us to get on with the real business of achieving a fuller and happier life for all of our citizens.”<sup>42</sup> As we readjust yet again to new circumstances, it’s time to shine up the shield.

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# 4

## Solar Power: Energy Security and International Cooperation

### 4.1 Preface

*By: Michelle Wyman, Director of Intergovernmental Affairs, US DOE*

The general perception of renewable energy in the United States included a sense of doubt cloaked in mystery. Doubt that the reliability of solar, wind or other renewable sources would be certain to result in a diminished demand for renewable energy, which at that time was less than 10 percent of the US energy system. Meanwhile, across the Atlantic, Germany was experiencing a revolution marked by a doubling of the capacity of solar in Germany since 1991 through the present. Moreover, in just over a decade, the demand for solar in China grew close to meet Germany's pace.

Having spent my earliest professional years working as the environmental manager for a small local government in North Central Texas, I embarked on my fellowship with the Robert Bosch Stiftung determined to understand not only how but why Germany so effectively integrated environmental values into policies and initiatives at all levels of government. The progress I was able to effect during my first stint in local government was seen as cutting edge by other communities across the state, though compared to German cities, the progress was minor. I was determined to find out how the Germans were able to sustain a pace of economic prosperity without compromising the environment rather capitalizing on it. Within the first month of my Robert Bosch Foundation Fellowship, I was humbled and fascinated by the level of political leadership driven by civic demand that resulted in far-reaching environmental policies.

If the issue du jour in 1995 was reducing the waste stream by integrating recycling in Germany and the US, the issue of late for nations is how to plan for the rapidly declining supply of fossil fuels without catapulting national economies into dire straits. Germany and China are leading the diversification of their national energy mix by taking smaller risks and reinvesting gains secured back into building the renewable energy market including infrastructure. A full system overhaul has been in play in Germany for almost 20 years now, and in China and the US for just over 10.

The last five years have been pivotal for the renewable market most especially for Germany and China. Their domestic markets have responded to the value solar and other renewable sources represent as these nations seek to respond to increasing demand while global pollution most specifically climate change, indicates an imperative for a cleaner energy mix. What Germany and China have in common is that they recognize how solar holds its economic value while diversifying the energy mix and responding to escalating demand. The US is not far behind, sharing the priority for a cleaner energy mix however the natural gas boom has somewhat curbed US enthusiasm for solar energy.

As Eckhart Gouras points out, Germany, China and the US are pivotal to defining the global future of cleaning the energy mix. And while all three nations continue to pioneer industrial expertise, advanced manufacturing and sophisticated forward-thinking energy agendas, it is the cooperation of the three together that is essential. Germany, China and the US can not only show the rest of the world how it's done, they can begin to learn from each other and teach the rest of the world what I learned during my year as a Bosch Fellow. Even with strong political leadership and policies that reflect that, it is the environmental ethos of a person, who shares that with his and her neighbors, and they then carry into city hall and state capitals, all the way up to the nation's capital, that will determine the character of a nation.

The environmental ethos of Germans rests in the soul of the nation- its political and business leaders, and citizens. The benefits Germany has reaped including job creation, energy solidarity and economic prosperity are proof in concept to the world that there is a viable future that does not rely on fossil fuels. By showing cooperative leadership, the German, Chinese and US clean economies can diffuse the race for what's left with the possibility of a new international energy system that offers greater access and equity across borders than ever known.

#### 4.2 Germany, the US, and China: The Quest for Solar Technology Leadership

*By: Eckhart Gouras, Verquest International Limited*

On July 27, 2013 the European Union (EU) and the Chinese government settled the largest anti-dumping case ever brought by the EU against China. The case involved the alleged dumping of solar panels by Chinese manufacturers in member states of the European Union. The scale of Chinese solar panel exports to the EU showed China's success in conquering the European photovoltaic (PV) market. This case also demonstrated the scale solar power had achieved inside Europe. Just in 2011, China had exported € 21 billion worth of solar panels or modules to the European Union (FT, Frustrated and outflanked, July 31, 2013). This accounted for a whopping seven percent of all Chinese sales to the EU in that year.<sup>1</sup>

Europe has been at the forefront of the "solar revolution" capturing about seventy percent of all solar power installations worldwide at the end of 2012. According to the Global Market Outlook for Photovoltaics 2013 - 2017 of the European Photovoltaic Industry Association (EPIA), Europe had installed 70,043 megawatts (MW) of PV at the end of 2012 out of a global total of 102,156 MW. Next in line comes China (8,300 MW) and then the US (7,800 MW). China showed a surprisingly low figure for cumulative PV installations when compared to its position as the dominant supplier of photovoltaic panels to Europe in 2011 and 2012.

This severe imbalance between domestic PV installations and PV exports surely factored into the US Department of Commerce's 2011 decision to slap anti-dumping and countervailing duties on Chinese solar imports into the US. In so doing, the US became the first foreign country to investigate Chinese solar manufacturing practices and take measures to restore a level playing field between Chinese and domestic suppliers. The Chinese vied to capture a piece of the growing American market, which while not growing as fast as the European market showed signs of developing steadily. This development was more along private market lines with less dependence on government subsidies.

Interestingly, a German manufacturer, SolarWorld, used its US subsidiary in Oregon to rally US PV manufacturers to call for an American investigation of Chinese panel manufacturers. For many years Germany has driven the solar industry and as the above-mentioned EPIA report points out "(f)or the seventh time in the last 13 years, Germany was the world's top PV market, with 7.6 GW (Giga watts) of newly connected systems (in 2012)" (EPIA, 2012, page 14).

Given the rise of Chinese PV manufacturers and the recent marked decline in PV subsidies in Germany and Europe, the question becomes whether Germany can retain its leadership role in solar energy. Or have solar panels entered a multi-polar world, where one main actor gets replaced by various actors competing for influence? The initial reaction to the July 27 settlement has been that China was able to outmaneuver the EU. The settlement imposed quota and pricing levels far lower than what the EU Competition Commissioner Karel De Gucht had proposed as necessary in 2011. According to the Financial Times, "(c)ritics stress that the price floor is in line with Chinese prices and is just half the level that the commission had last year deemed necessary to remedy the injury from dumping. They also note that final duties in EU cases typically last five years while the settlement will expire at the end of 2015."<sup>2</sup> In other words, critics claim China will maintain its price advantage in PV over the course of the settlement.

Ironically, Germany had been one of the member states, which had put pressure on the EU Trade Commissioner to compromise with the Chinese. Germany stood to lose the most if the Chinese had started to impose trade barriers on European exports to China. With China asserting itself vis-à-vis the Europeans, how would the United States position itself against the growing force of the Chinese solar industry? While the US had actually taken trade measures to stop the dumping of Chinese solar panels in the US, this turned out as more of a paper tiger than a meaningful protection against cheaper Chinese imports. Unlike the trade sanctions Karel De Gucht had called for before the settlement, the US sanctions allowed Chinese manufacturers to circumvent the trade tariffs by using foreign photovoltaic cells in their modules.

Even Taiwanese cells became an option, so mainland China turned to the island across the Taiwan straits to procure cells to outflank the American restrictions.

Taiwanese semiconductor expertise plays an important role in China's quest to become a leader in the global solar power industry. Of course, the roots of this expertise lie in the United States and semiconductor behemoths like Intel and Applied Materials. The US therefore remains in a leading position to play a critical role in solar moving forward. How important is this battle for solar supremacy? How much is at stake when we talk about the solar market and PV technology? Potentially much more than most people imagine. Solar has become a key part of the world's future energy supply. Solar can provide an inherently different form of power generation source and thereby boost a country's energy security. Moreover, overall security may increase in a multi-polar world where conflicts can arise due to energy shortages.

#### Moore's Law

We have already mentioned the fundamental importance of photovoltaic cells in the composition of a solar panel. A typical panel or module consists of sixty cells and each of these cells can be seen as the engine driving the conversion of sunlight into electrical energy. The mainstream technology used to manufacture these cells is based on crystalline silicon technology, where mono- or polycrystalline ingots, which are then cut into bricks and wafers, provide the substrate for the energy conversion process. While monocrystalline cells and panels yield the best efficiencies (over nineteen percent in mass production for modules), polycrystalline cells and modules have so far provided the lowest cost per watt ratio. This, in turn, drives the cost competitiveness of solar compared to other power generation methods.

Currently only one other technology can compete with crystalline technology: thin film. The US has dominated the thin film space led by First Solar, which has championed cadmium telluride thin film technology. Both technologies rely heavily on the expertise developed in the semiconductor industry where Moore's Law has driven performance improvements for decades. Intel's co-founder Gordon E. Moore first described this law in 1965, noting in a paper that the number of components in integrated circuits had doubled every year since the invention of the integrated circuit in 1958. Moore's Law has come to define performance improvements in the electronics industry. Since solar forms a part of the electronics industry, solar technology has shown exponential performance gains as well.

In 2008 the Chinese price for standard crystalline panels produced in China came in at \$3.80/watt. By the first quarter of 2013 this price had fallen sharply to just below \$0.65/watt.<sup>3</sup> This tremendous reduction in prices stems primarily from technological

improvements in lowering production costs along the PV supply chain, as well as in improving cell and module conversion efficiencies. China has done its part by scaling up the capacity of its cell and module production to several Giga Watts (GW) among its most well-known brands. These so-called "top tier" manufacturers include companies listed in US stock markets, including Yingli Green Energy, Trina Solar, JA Solar, Canadian Solar and ReneSola.

Polysilicon represents the key raw material for silicon-based solar cells and modules and here prices have fallen from hundreds of dollars per kilogram (2.2 pounds) several years ago to under \$15 per kilogram in 2013. This is still above the cash cost of most leading polysilicon producers, which include mainly non-Chinese companies like Norway's Renewable Energy, Germany's Wacker Chemie and US-based Hemlock Semiconductor Group. According to a report in Barrons<sup>4</sup>, cash cost levels for this group are in the range of \$10 to \$15 per kilogram.

On the equipment side, non-Chinese suppliers like European vendors Schmid and Meyer Burger and American vendors Applied Materials and GT Advanced Technologies have contributed greatly to bringing semiconductor know-how and expertise specific to PV manufacturing. This lowers the cost of solar manufacturing and boosts conversion efficiencies. Leading cell and module manufacturers have added their own research and development (R&D). Mass-produced cells are now approaching 17.8 percent efficiency (polycrystalline) and 19.3 percent efficiency (monocrystalline) with twenty-five year performance guarantees on standard crystalline modules.<sup>5</sup>

Despite all this progress, semiconductor experts will tell you that photovoltaic fabs, whether in China or elsewhere, can still improve their technology and processes to further drive down costs and improve the competitiveness of solar. PV is actually not much younger than the semiconductor industry Moore first analyzed in the 1960s. PV has a much shorter track record when it comes to production on a mass scale. As PV continues to go through the learning curve of mass production, module prices should continue their downward trajectory, making solar competitive in a broader range of markets, especially those with high electricity prices and plenty of sunshine.

"Grid parity" remains the key term in the solar industry. It is reached when the levelized cost of energy (LCOE) of solar equals that of conventional power generation sources (e.g. nuclear, coal or other fossil-based sources). LCOE is a metric that describes the cost of every unit of energy generated by a PV plant in USD per kWh. It is determined by dividing the plant's total cost of operation by the power generated. Solar energy can also be deployed at the edge. This means for the residential, commercial or industrial end-user of electricity in the form of roof-top systems that the cost comparison is not solely at the wholesale level. Increasingly, cost comparisons

come at the retail or end-user level. The fact that solar power can be generated directly where it is consumed remains one of solar energy's key advantages. Further, its supply is plentiful and its environmental impact minimal. California provides an excellent example of a state in the US where solar grid parity has been reached in various retail markets even without significant federal, state or local subsidies. In areas with plenty of sunshine and high electricity rates during peak usage times, installing photovoltaic systems can be the least costly alternative compared to conventional electricity sources.

Dr. Charlie Gay, CEO of Applied Solar, the solar division of Applied Materials, identified 18 countries having achieved solar grid parity in 2010. Another ten countries were anticipated to achieve solar grid parity in 2012. As it turned out, as many as 102 countries have reached this solar milestone. This means these 102 countries all have electricity markets where PV already constitutes a competitive alternative for power generation. When Dr. Gay presented this expanded range of grid parity countries in Xi'an, China, in April 2012, he also talked about the "CMOS moment" solar had reached. In the semiconductor industry multiple technologies had competed to become the standard for mass production and eventually CMOS (complimentary metal-oxide semiconductor) emerged as the technology-of-choice for the semiconductor industry. Similarly, Dr. Gay sees crystalline silicon and not technologies like thin-film as having become the technology-of-choice for solar.<sup>6</sup>

While Dr. Gay focused on the learning curve solar has gone through (and still experiences) on the cell and module side, we still have much to learn about reducing red tape and efficiently installing more roof-top solar systems. The installation side represents a major cost component in the US which involves much more than just the solar panels. Moreover, we have seen more innovative business and [financing models](#) develop to promote solar installation. In the US, for example, companies like Solar City and Sungevity have introduced leasing models, where homeowners can save money on their monthly electricity bills by putting PV systems on their roofs without having to purchase these systems upfront. Solar City and Sungevity retain ownership of the PV systems while at the same time capturing available subsidies at the local, state and federal levels. And for the homeowner the math could not be simpler: he or she pays less each month for electricity without having to foot any investment costs associated with the switch to solar.

#### Intermittency

While the economics of solar have improved immensely in the past decade and especially the past several years, the problem of "intermittency" still poses a major hurdle. Unlike conventional power generation sources like coal, gas and nuclear,

solar (like its renewable energy cousin wind) is not available on a 24/7 basis. Even in the 102 countries mentioned by Dr. Gay, solar cannot do it alone. The power grid needs reinforcement by other power generation solutions to provide an uninterrupted supply of electricity. In many developing countries, where an uninterrupted supply of electricity remains a luxury, a low cost supply of intermittent solar power still proves far better than no electricity or more costly alternatives. Batteries or diesel fuel do not provide an economical 24/7 solution and pollute the environment much more than solar.

Even if grid parity does not lead to grid independence, especially in developed countries, solar can play an essential part of the "energy mix." In many countries, peak electricity usage happens during the day (especially during hot summers) and solar systems can provide a very useful and price-competitive resource to service these peak load periods. While conventional energy sources provide the so-called "base load" to supply electricity during nighttime hours and other periods when renewable sources like solar are not available, clean power can kick in during periods of sunshine and/or wind. At issue is not the wholesale replacement of fossil-based fuels or nuclear power, but rather the smart integration of renewable sources of power into conventional energy grids.

"Smart grids" form part of this agenda. These can provide the needed information to consumers and utilities on making intelligent choices about which energy source to select for appliances or for peak vs. non-peak periods. Finally, storage is fast becoming a key element in integrated networks of renewable and conventional power resources. The future map of solar energy integration will depend largely on our ability to store the sun's energy effectively. As the cost of storage declines and its technology and performance improve, cost-effective storage will help supply renewable power to the grid at night and during daylight periods when such power is lacking.

Distributed PV has both great potential for integrating the energy mix and can also disrupt the energy grid. Unlike the centralized power generation model we have become accustomed to, where a central plant produces electricity and distributes it to end-users as consumers, solar can move the power generation piece directly to the end-users. Home and business owners with their own solar panels now become both micro-generators and consumers of electricity. This proves fairly unique to solar and different from other renewable sources like wind and biomass, which typically require large centralized facilities as well. Solar is also inherently scalable, going from tiny off-grid or on-grid roof-top systems to larger plants on commercial or industrial roof-tops. When self-consumption of solar energy supplants the centralized delivery of power, experts refer to this as "distributed PV generation" or more generally, "distributed energy resources" (DER).

In its January 2013 report “Disruptive Challenges: Financial Implications and Strategic Responses to a Changing Retail Electric Business” the US power utility think-tank Edison Electric Institute describes the disruptive potential of DER. The report compared the disruption the US telecommunications industry faced after deregulation, the rise of the Internet and mobile telecommunications technology. As the EEI observes “one can imagine a day when battery storage technology or micro turbines could allow customers to be electric grid independent. To put this into perspective, who would have believed 10 years ago that traditional wire line telephone customers could economically “cut the cord?”<sup>7</sup>

The EEI cites a ThinkEquity estimate (ThinkEquity is a boutique investment bank) predicting exponential distributed PV growth as the cost of installing such systems goes from \$5 per Watt to \$3.5 per Watt (a 30% decline). In this scenario the “ market increases by 500 percent, including 18 states and 20 million homes, and customer demand for PV increases by 14 times. If PV system costs decline even further, the market opportunity grows exponentially.”<sup>8</sup> If we believe Charlie Gay, the “PV learning curve” will continue. With decreasing costs, and increasingly attractive modules, the number of installed solar Giga watts will inevitably increase around the world.

Another potential benefit of distributed PV parallels the experience of the telecommunications and Internet revolution. One of the essential features of the Internet (and a mobile telecommunications network) is that it is more resilient than conventional fixed line networks. If one energy node shuts down or degrades, under the current system, it can shut down the whole system. The US defense department found the Internet appealing because the network could operate even if individual nodes (computer systems) were wiped out. A similar characteristic applies to distributed PV, especially the kind imagined by the EEI in its report. These “power generation nodes” can supply electricity independently from the grid and if there are enough of these nodes, as, for example, in Lancaster, California, which is aiming for solar self-sufficiency by ramping up from 39 MW to 126 MW of distributed PV, there is much less of a risk of being left without sufficient electricity if the wider electricity grid or individual power plants suffer an outage or other problem.<sup>9</sup>

Not surprisingly, the US military has seized on this security feature of distributed PV and is following the lead of Lancaster, California, in bringing solar to many of its bases. For example, it has teamed up with SolarCity to provide up to 120,000 military homes in the US with solar power in the next five years, including bases in California, Colorado, Hawaii, New Mexico and Texas. This shift toward solar will save the military money over the longer term, and reduce vulnerabilities in case the electricity grid undergoes attack.

At the macro-level solar can generate power without adding to the world’s pollution and accelerating climate change. Without a doubt, more pollution and warmer weather, which increase weather-related calamities, destabilize many regions around the world. Individual countries like China and the US, both have abundant solar resources and recognize solar can also contribute to reduced reliance on foreign imports of energy. Germany has invested heavily in solar which can help offset reliance on such imports as Russian natural gas. Solar power’s off-grid adoption in countries like Bangladesh shows that it can be tapped one household at a time, completely independent from a central authority. Here too, it is an important enabler much like the Internet and the mobile phone.

This background leads us to take a closer look at the three countries mapping the solar revolution. Each country has grand energy ambitions, with markedly different agendas. In each case, however, solar has emerged as an integral part of the future energy mix.

#### Germany

The German environmental movement, embodied by the Green Party, spearheaded the German global rollout of solar PV. Their efforts led directly to the enactment on March 29, 2000 of the Renewable Energy Law (Erneuerbare Energien Gesetz-EEG), the basic law promoting the widespread adoption of renewable energy systems and above all solar and wind installations. Based on the EEG a federal fixed price electricity purchase (Einspeisevergütung) for PV systems was established, requiring utilities to integrate such systems into the grid and giving system owners (mainly households) a guaranteed price per kilowatt/hour (kWh) over a span of twenty years. This federal guarantee produced a prolonged boom of PV installations and put Germany on the map as the leading solar powerhouse.

The Fukushima disaster in Japan served to reinforce the ascendancy of solar in Germany. Germans reacted swiftly to the pictures of the explosions at the Daiichi nuclear reactors. Even though Germany’s location in the world and seismological conditions are so different from Japan’s, the shocking pictures moved Germans to call into question any future role for nuclear power. This led to Germany going one step further than the EEG and calling for a complete overhaul of its energy infrastructure.

This renewed green revolution, called the “Energiewende,” harkens back to an earlier “Wende” when Germany unified after the fall of the Berlin Wall on November 9, 1989. German environmentalists see both “Wenden” as pivotal moments in German history. In the case of the “Energiewende” the immediate effect witnessed the closing of eight nuclear plants and a decision to close the remaining nine reactors by 2022.<sup>10</sup>

Nuclear energy supplied a quarter of Germany's electricity in 2011, the year the Fukushima meltdown occurred. It is no small feat to replace this shortfall with renewable power. Moreover, Germany's pledge to use renewables for thirty-five percent of its power generation by 2020, fifty percent by 2030, and eighty percent by 2050 underscores the country's singular commitment to renewables. Wind power farms and solar installations are increasingly dotting Germany's picturesque landscape.

It would be wrong to see this transformation of Germany's energy landscape as purely an environmentalist agenda. It makes good business sense in a globalized world. This evolution captures another hallmark of Germany as world export champion (Exportweltmeister). Germany actually relinquished the top spot in 2009 to China, and the number two spot to the US in 2012. Now number three, Germany is predicted by Deutsche Welle to retake second place in the near future. Compared to the much larger size of China and the US this represents quite an achievement and underscores the industrial know-how Germany has developed over the decades.<sup>11</sup>

If Germany can master the further development of renewables and integrate them into existing power grids and other power infrastructures (like e-mobility), including the establishment of widespread "smart grids", then Germany can use its export machine to take this expertise globally. This seems especially promising as pollution problems worsen in countries like China and climate change has become a force which needs to be addressed across many continents and countries. A strong German contribution to contain the impact of fossil fuels and other pollutants is welcome. The central significance of this technology moving forward, however, calls for this knowledge to be spread among a wide range of nations.

For example, in a sector like e-mobility, multiple countries are engaged in a race to perfect this technology. BMW has partnered with the German solar panel manufacturer Solarwatt to offer solutions integrating photovoltaic systems. Batteries in their electric cars can store solar power. SolarCity has teamed up with Tesla Motors to provide similar solutions in the US market. And China's automaker BYD is one of the world's leaders in building affordable batteries for solar power plants.

Paradoxically German industry could derail this ambitious agenda. German industry could very well carry the "made in Germany" green agenda and green solutions forward to the global marketplace. German industry does not like rising energy prices at home, caused at least in part by the German government's support of renewables. The German consumer has doubts as well because an increasing chunk of his or her monthly electricity bill goes toward financing the build-out of solar and other renewables. According to the Frankfurter Allgemeine Zeitung<sup>12</sup>, a typical German household pays 82.90 Euros each month for its electricity bill. This compares to

49.80 Euros in 1998. Of these 83 Euros, 15.40 Euros goes to finance commitments for renewables. For industrial users of electricity German industry paid on average 157 USD per Megawatt hour (MWh) in 2012, far higher than the 70 USD paid by American industry (55 percent less).

The current policy framework gets further complicated if not more unstable with the eroding price of "Ökostrom" (clean power) in German electricity markets. The boom in German solar and wind power installations has caused a glut in the "Ökostrom" sector. Prices have dropped from levels above 5 Eurocents/kilowatt hour (kWh) to under 3 Eurocents in June 2013 and under 4 Eurocents in July 2013. Although Germany's national photovoltaic feed-in tariff (FIT) was cut sharply in 2012, the drop in "Ökostrom" rates has meant an increase in the amount German ratepayers have to pay in their monthly electricity bill to finance PV subsidies. So while solar power has boomed in Germany and Germany has led the way, its renewable subsidies and PV tariff have caused prices to rise sharply. Whether this system can act as a model for other countries to follow, time and costs will tell.

US

In the US another kind of turning point or "Wende" has taken hold. Just as historic as the "Energiewende" in Germany, some US observers have also likened the new era of US energy to the fall of the Berlin Wall in 1989. Most Germans would find it hard to use this term or make the comparison to the fall of the Berlin Wall to describe this rebirth of the American energy industry. These new found American energy riches derive from fossil-based liquids and gases trapped in a wide range of shale rock formations throughout North America.

Whereas Russia and its state-owned gas monopoly Gazprom seemed the dominant global gas supplier in the last decade, the US quietly seized the top spot among the world's gas producers in 2009. It has held this spot since then and as a recent Citibank report points out, "the US has become the fastest growing oil and natural gas producing area in the world and is now the most important marginal source for oil and gas globally."<sup>13</sup> Moreover, this reversal of American dependence on oil and gas from the Middle East also places the US in a position to export these strategic commodities. "(T)he growing continental surplus of hydrocarbons points to North America effectively becoming the new Middle East by the next decade; a growing hydrocarbon net exporting center, with the lowest natural gas feedstock costs in the world, supporting thriving exports of energy-intensive goods from petrochemicals to steel."<sup>14</sup> The impact of this far-reaching North American oil and gas bonanza, like the "Energiewende," has already impacted electricity generation in both the [US and Europe](#). The gas glut in the US has lowered the price of gas to the point that it has

replaced coal as the cheapest input for large-scale power plants. This replacement of coal as the dominant energy source has prompted the coal industry to take its product overseas. Europe has shuttered gas-fired power plants because using American coal became cheaper. Given the difficulty of transporting gas over long distances, gas markets remain largely regional, driven by local supply and demand. Since 2007, the US boom in shale gas dropped gas prices by fifty percent. In stark contrast, the price in Germany has gone up by one-third and the price in Japan has doubled.<sup>15</sup> For right now, we might imagine a different map for energy pricing if improved American liquefied natural gas (LNG) infrastructure and terminals permitted cheaper LNG exports to Europe and Japan. For now, we can only say that gas pricing and economics has made American coal expensive in the US and attractive in Europe. As the Citibank report mentioned, cheap gas is spawning the reindustrialization of the US, both in industries and sectors that use gas and where cheaper gas production lowers electricity prices. At the same time, higher gas and electricity prices in Germany, partly caused by the subsidies for the “Energiewende,” risk dismantling certain sectors of German industry. As a consequence, Ulrich Grillo, President of the German Association of Industry (BDI), has become a vocal opponent of rising energy costs in Germany. According to recent figures of the Institut der Deutschen Wirtschaft (IW), energy-intensive producers in Germany are only replacing seventy-five percent of productive assets they have depreciated with new investments.<sup>16</sup> This group, in turn, has ramped up its investments abroad.

Just as the earlier “Wende” had its winners and losers, the “Energiewende” will not satisfy all constituents in Germany. It is the most pressing agenda item of the new governing coalition in Berlin, just as the build-out of North America’s oil and gas infrastructure is riveting the attention of policymakers in the US. As 2014 unfolds, a much clearer roadmap for the “Energiewende” should emerge and on the US side, a resolution of the Keystone pipeline debate should provide helpful details in charting the future course of the US energy market.

For the US solar power community the demise of the US panel producer Solyndra proved almost as destructive as the Deepwater Horizon disaster for the US offshore oil industry. Solyndra’s development from a Silicon Valley startup to a thin-film panel producer had been supported by about \$535 million in federal loan guarantees. Solyndra failed to provide a competitive product to the industry during a time when Chinese panel makers were racing to add production capacity and without enough global demand for solar power. Without global demand, such a global expansion made no economic sense. This turned the spotlight on the Obama administration’s support for renewable energy and especially solar power. Given the domestic oil and gas boom, one question loomed large: can we justify the continued support for solar power?

Unlike Germany, which has propelled its PV industry through subsidies and tariffs, the US has never adopted a similar national policy. Instead, individual states stepped forward to incentivize solar, often by adopting so-called “Renewable Portfolio Standards” (RPS), which require a certain part of the state’s power generation based on renewables by a certain date. Those states, like California, which remains especially keen on ramping up solar power, even carved out a specific “solar RPS”, requiring utilities in the state to produce a certain share of their electricity from solar resources. In essence, US subsidies offered a “light touch” compared to the tariffs introduced in Germany, leaving the pricing of solar power to the private sector, where utilities would negotiate with solar developers to purchase PV power for up to 20 years for an agreed price. Ultimately, agreements where the utility accepts PV power produced by the solar plant proved much more flexible to the drop in key solar component prices (e.g. modules and inverters) than governments that scaled back their tariff support. As tariffs have come down or even disappeared in Europe, not least because of the lingering Euro crisis, the European approach to solar has moved towards the more “private market” approach the Americans have taken from the beginning.

As a result, one can argue that the American solar power market remains more flexible. The US is currently spawning more business model innovation in solar than Germany and other parts of Europe. Generous subsidies in Germany and other European markets for a long time hid the fact that European modules had become too expensive relative to their Chinese counterparts. Large German industrial manufacturers like Bosch and Schott had ambitious plans to become leading module manufacturers. German industry largely shelved these plans as the scale and low costs of Chinese panel manufacturers became too much of a threat. The exit of these large players from the solar scene has dismayed many Germans. However, the most significant job creation in the solar market occurs not in manufacturing, but in project development, financing, installation, and maintenance. SolarCity is a classic example of an American solar company with an innovative business model, which went from a handful of employees in summer 2006 to a workforce of 2,800 in fourteen states seven years later.<sup>17</sup> SolarCity answers Solyndra critics and removes doubts about the future of US solar. Their comparative advantage centers on distributed PV, an inherently decentralized form of power generation unlike traditional coal or gas-fired power plants with end-users many miles away from the plants generating the electricity they consume. This entirely different approach to improving US energy security takes an abundant and very clean resource available at home and produces power right where it is needed by residences and businesses. In a future vision of US energy security and even independence, abundant gas supplies provide base load electricity to American ratepayers while low cost solar power systems populate rooftops and provide home-grown electricity during peak usage periods. Natural gas and solar pollute less than coal or oil. If combined

with a move to electric vehicles and greater energy efficiency in buildings, this future would usher in an era not only of American energy independence, but a cleaner environment with greatly reduced green house gas (GHG) emissions.

China

In Germany any vision of a harmonious mix of fossil fuels and solar does not currently exist. A pronounced political stand-off has occurred between the utility sector and the solar and renewable camp regarding the future national energy mix. China has no such political divide. Of course, strict limits on the media and non-governmental organizations in China make it much more difficult to assess public support for conventional and renewable sources of energy. Fukushima also had an impact on China, which, after all, is geographically and geologically much closer to Japan than Germany. Right after the Fukushima disaster the Chinese government ordered the inspection of all of its nuclear power plants, but it never seriously considered a “nuclear exit” as called for by Germany’s “Energiewende.”

China simply needs to fire on all cylinders to meet its enormous energy and electricity needs. As the country continues to develop at a fast pace and more of its poor enter the rising middle class, energy requirements will rise outside of China’s coastal regions and spread inland. As China’s middle class grows, this segment of the population will want to buy cars and fill their homes with upgraded appliances and consumer electronics. The numbers involved are staggering. For example, per capita urban housing space increased from just five square meters to thirty square meters since 1979, albeit still half of western levels. China’s cities hold promise for its hundreds of millions of rural poor, and urbanization persists as a central theme of Chinese development. From 2000 to 2010, eighteen million people moved to China’s cities. The urbanization drive has slowed down as fifteen million people are expected to move to Chinese cities in the current decade. By 2030, China will add more new properties by 2030 than the total stock of properties currently existing in the US to accommodate this influx of people.<sup>18</sup>

Cities in China alone will consume a phenomenal twenty percent of the world’s energy by 2030. This is based on the massive urbanization rate described above and the fact that urban populations generally consume about five to ten times more energy than rural populations. China has harnessed all forms of energy at its disposal to meet this growing need for power: its vast coal reserves which fuel seventy-two percent of China’s power generation;<sup>19</sup> other fossil fuels; hydropower as evidenced by the large-scale Three Gorges Project; nuclear power; and renewables, most prominently wind and solar power.

China refers to most of these sources as “new energy”, which equates nuclear power and renewable forms of energy. This viewpoint illustrates the fundamental Chinese approach, which is more holistic and driven by the vast energy challenge China must master, unencumbered by political factions tied to certain forms of energy.

China has little political baggage when it comes to meeting its energy needs. They have no problem knowing that China is both the world’s largest nuclear, wind, and solar power market. In addition to installing more solar panels in its home market than any other country this year, China is already firmly positioned as the world’s leading exporter of solar equipment. This applies especially to solar modules. China might also be on the cusp to replace European and North American suppliers in the inverter segment. This is the piece of equipment converting the direct current produced by the panels to alternating current used for energy consumption. Large Chinese manufacturers like Huawei and ZTE, so far known as global telecommunications suppliers, have recently entered the solar inverter market and with their size, technological base and global reach, this could accelerate the rise of Chinese producers in this other key PV equipment market.

China already dominates the world’s solar thermal market, which produces systems to use the sun’s heat to provide hot water. According to Renewable Energy Policy Networks (REN 21) in Paris, China captured 68 percent of the world’s solar thermal installations in 2011 (over 200 GW worldwide). Although China’s PV industry generates more revenue, the Chinese solar thermal sector employs 800,000 people, roughly as many as employed in all other renewable energy markets.<sup>20</sup>

Chinese government policy provided a crucial impetus to move this market forward by making solar thermal systems required for buildings in China. Low investment costs at just 150 to 635 USD per system made the conditions ripe for widespread adoption. A similar development will likely happen in the PV market: as system prices drop and with a new 2013 subsidy regime, PV will become an attractive option for power plant investors and developers. The new national-level PV subsidy regime encourages distributed PV and self-consumption of PV electricity. China’s commercial and industrial sector will value the contribution PV can make to secure a reliable low-cost supply of power.

This is in the face of increasing electricity rates, especially along China’s coast and mega-cities, as well as the risk of summer power outages or cutbacks. , China also envisions shale gas playing a pivotal role in meeting their energy needs. Scientists estimate that China’s shale gas reserves are double the US.<sup>21</sup> China has just begun to exploit its shale gas reserves, and may follow the US trend which combines formidable shale gas exploitation with an aggressive development of renewable energy.

That approach will deploy solar power to cover peak loads and provide more security to the energy and power infrastructure. Like the US, China has both abundant solar resources (especially in its vast western regions) and an ample supply of fossil-based resources. A smart combination of these could provide the cleaner energy mix both countries need to meet their energy and power requirements while reducing their impact on the world's atmosphere. While China's national carbon emissions are the world's highest (about one quarter of global carbon dioxide emissions)<sup>22</sup>, its per capita CO<sub>2</sub> emissions equal one quarter of the almost 20 tons of CO<sub>2</sub> emitted by the average American each year.<sup>23</sup> Despite its much higher urbanization rate, Germany has a per capita CO<sub>2</sub> emissions rate in the neighborhood of China's and well under ten tons per year. As China's rapid development and urbanization continues, can it still grow and keep emissions low or continue on a trajectory to per capita levels beyond the ten ton mark?

We can only hope that China will adopt more renewable energy alternatives as part of its domestic energy mix to complement their relative global dominance in the solar thermal and PV sectors. Energy security has become and will remain a key factor for the Chinese. China, like Germany, still depends on foreign sources of energy for its economy. They would likely prefer to generate their own energy rather than buy it from expensive and unstable sources such as Iran.

Germany, the US and China can and should cooperate to improve all three countries' energy security. We need more rather than less cooperation between these three key countries in the world's energy markets. Germany's industrial know-how, its pioneering clean energy track record and ambitions in rolling-out the "Energiewende", as well as its global compass as an "Exportweltmeister" can also [make critical contributions to the energy agendas](#) drawn up in Beijing and Washington. China's prowess in churning out state-of-the-art electronics, solar modules, inverters or other "new energy" products, can provide the cost competitive building blocks for Germany's "Energiewende". The blend of conventional fuels and distributed power generation in the US could serve as a model for Germany to reduce costs and diversify its energy portfolio. Acting together, Germany the US and China can provide a triumvirate of "smart grids" for other countries to inspect or emulate as they seek to achieve their own sustainable energy mix. This would require and incorporate renewable technologies like solar power to provide growing populations with their increasing energy requirements.

In a global world, transatlantic relations must encompass the global marketplace. With over sixty percent of the world population in Asia, Germany and the US need to map their interests to incorporate best practices, efficient technologies, and economic interests in their strategic thinking.

Solar and renewable energy can provide one of the important bridges to map our world to a better future.

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## 5 Comparative Perspectives on Migration: Europe, Germany, and America

### 5.1 Preface

*By: Anne C. Richard, Assistant Secretary of State, Population, Refugees, and Migration*

In their excellent survey of migration trends in Europe and the United States, Adam Hunter and Amanda Klekowski von Koppenfels note that “European countries have only recently begun to develop a core understanding of themselves as countries of immigration, rather than of emigration.” This is certainly true for the Federal Republic of Germany. In the mid-1980s, when I was a Bosch Fellow, every German official with whom we met would tell us: “wir sind kein Einwanderungsland.” As an American, this surprised me for several reasons. First, I had never realized that the world was divided into “*Einwanderungsländer*”, or countries that are immigration destinations, and countries that are not. I knew, of course, that the United States considered itself a “melting pot” and that Canada, Australia, New Zealand and Latin America writ large had all been settled by large numbers of immigrants, but didn’t immigrants travel in many directions? The territory of Germany, situated in the center of Europe, had surely been crossed and criss-crossed many times during its history by migrating peoples. As Americans, most Bosch Fellows took it as a matter of faith that being open to immigration was a good thing. Being attractive to immigrants was, for Americans, a sign of a country’s economic strength, social and cultural vitality, freedom and openness.

Germany in 1985–86 was still divided and the Cold War still characterized relations between East and West. At that time, journalist Guenter Wallraf’s controversial book *Ganz Unten* was published. In it, he described the discrimination and abuse he experienced when he pretended to be a Turkish “*Gastarbeiter*” or migrant worker in Germany. I thought it was derivative of *Black Like Me*, a 1961 book in which the white author passes himself off as black in the American South. Nonetheless, *Ganz Unten* created a small sensation in Germany and helped raise the profile of the plight of migrant workers. In conversations with colleagues at the Federal Finance Ministry in Bonn and the Finance Ministry of the State of Baden-Wuerttemberg in Stuttgart, migrant workers from Turkey were a concern not just because they wanted to stay and bring their families, but also because they were Muslim. Christians, I was told, would fit better in predominantly Christian Germany.

In the years since, Germany has experienced reunification (1990) and large-scale migration of former East Germans to the western German Länder (these were called “*Übersiedler*”), an influx of ethnic Germans (“*Aussiedler*”) and Jews from elsewhere

in Eastern Europe and the former Soviet Union (late 1980s/early 1990s), anti-foreigner violence (making headlines in the early 1990s), refugees from wars in the Balkans (mid-1990s), passage of nationality laws (1992 and 2000) and adoption of integration policies which allowed the foreign-born and their descendants to have a permanent place in German society (2005 and 2007).

Throughout these years of change, the fact that Germany's population was shrinking as a result of low fertility rates was well known. Without some kind of change, Germany was on track to experience a severe labor shortage that would cripple its economy and leave the old and retired without needed help. In 2001, the Immigration Commission chaired by Rita Süßmuth issued a report that highlighted the demographic argument as part of the immigration policy debate, and called for more highly skilled immigrants.<sup>1</sup>

Fast forward to today, and we can see how some aspects of the German immigration dilemma have changed, and some have not, in the intervening three decades.

:: A major change is that Germany has acknowledged that it IS an “*Einwanderungsland*”, has a substantial migrant population, and now accepts that many migrants have and will continue to put down roots and stay in Germany. Experts believe that the passage of a new law in 2000 allowing for dual citizenship was the start of a new era in Germany. These reforms opened the way for the children born to people who had lived legally in Germany for at least eight years to become German citizens, although upon reaching majority age they would have to choose their parents' citizenship or their German one.

:: Second, drawing on European guidelines, Germany has insisted that all would-be immigrants take steps to fit better within German society, such as by taking a required language and orientation course. Reforms passed in 2005 provided the framework and significant funding for immigrants to learn German, which facilitates advancement in society and helps them qualify for German citizenship. Legal requirements for becoming a naturalized German citizen include an ability to speak German, hold a job (instead of relying on welfare), and pass a citizenship exam on German history and government, as well as familiarity with practical procedures.

:: Third, while examples of anti-Semitism and anti-Islamic violence still can grip the headlines, Germany has taken steps to break down racial and religious barriers, such as with the creation of the German-Islam Conference in 2006, and increased visibility of minorities in the media and as elected representatives at all levels of government. Hunter and Klekowski von Koppenfels note that Germans of African descent were elected to office for the first time in 2013.

:: Fourth, in line with the right to asylum enshrined for decades in the Basic Law, Germany took hundreds of thousands of refugees fleeing war in the Balkans in the mid-1990s and is now offering to admit 10,000 refugees from Syria. But in these cases, Germany prefers to offer only temporary residence for most refugees, at

least for a period of time. In the US, refugee programs annually offer permanent resettlement and an opportunity for citizenship to many more refugees. According to Douglas B. Klusmeyer and Demetrios G. Papademetriou, “the ‘body language’ of the German government toward Germany’s immigrants has been changing in the direction of greater tolerance and inclusion; yet it has some way to go before it fully embraces the mutuality of accommodations that are at the heart of true integration.”<sup>2</sup>

Perhaps most importantly, German measures must now be seen within the context of Europe. Hunter and Klekowski von Koppenfels’s article contrasts the European approach to migration and immigration to that of the United States.

At international conferences on migration, one of my messages to other developed countries is that it is futile to fight the impulse on the part of others who want to migrate in order to find a better life for themselves and their families. Instead, we should collaborate on ways to structure or “manage” legal migration in order to enhance the benefits from it – for the migrants themselves as well as sending and receiving countries – while minimizing negative aspects, such as human rights abuses, exploitative labor practices, trafficking in persons and unwarranted or otherwise poor detention conditions for the undocumented.

Germany has come a long way from the discrimination detailed in *Ganz Unten* to electing its first Bundestag member of Turkish origin, Cem Özdemir, in 1994, the pro-integration policies of Chancellor Merkel, and the appointment of an ethnic Turk as State Secretary for integration in Germany’s new coalition government. Americans should applaud this trend and work alongside Germany to ensure that our countries are positioned to benefit from immigration while striving to strengthen global norms that provide safety, security, and opportunity for all migrants. Together we can do more to help those who – through either the pull of their ambition drawing them to new shores or necessity pushing them from their homeland – are part of the most human and natural phenomenon that is migration.

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## 5.2 Migration and Globalization: Comparing Europe, Germany, and America

By: Adam M. Hunter, Director, Immigration and the States, The Pew Charitable Trust, and Amanda Klekowski von Koppenfels, University of Kent at Brussels

### Introduction

As global partnerships go, the transatlantic alliance remains a superlative one. Manifest over generations, the US and Europe have deeply intertwined interests and shared values. In the postwar period, in particular, their common approaches to many issues and co-created institutions have set global standards on a wide range of issues from democracy and human rights to security and trade.

Although today the US and Europe are both clearly migrant destinations, their approaches differ on migration policy, perhaps more than in other areas. First, European countries have only recently begun to develop a core understanding of themselves as countries of immigration rather than of emigration. European societies are only beginning to recognize and value migrant integration and success as a benefit even while continuing to perceive migrants as outsiders. By contrast, the US has understood itself from its inception as a nation of immigrants and has no tradition of emigration. Despite cyclical backlash against immigrants at various points in US history, and some eighty years of restricted entry to the US (1880s to 1965), society at large values and celebrates immigrant success far more broadly than in Europe.

An additional distinction involves the US focus on civil rights and equal opportunity that Americans fought hard for over the generations since slavery. Moving beyond slavery and institutional discrimination – so commonplace in many facets of American life – proved a long and difficult struggle. While this resulted in new Constitutional amendments and the Civil Rights Acts of the 1960s, more importantly, these very public movements drove perceptions in society about inclusion and equality. These reformed concepts meant that doors to the labor market, education and politics opened not only for native-born minorities – largely African-Americans – but also for a diverse group of immigrants and their children. This struggle for equality and the societal significance of that struggle still resonates today.

While Europe does have a rights-based framework similar to the US, it has faced new waves of immigration and diversity. Europe, however, has, for the most part, not developed a parallel movement embracing immigration as an integral part of society. As a result, many European societies find it challenging to include immigrants as ‘us’ or to say they ‘belong’. More often than not, Europeans perceive immigrants as temporary guests, guest workers, or outsiders by either host populations or host governments. Significant progress has been made to reverse this stereotype.

The US has also had its own setbacks in this regard; although for the moment, this contrast remains.

### The European Migration Context

Immigration remains an area of intense debate in Europe. Clearly, an aging Europe needs migrants. The economic crisis and concerns about integration have challenged that clarity and overshadowed the needs for a growing labor force and its contributions to social security systems. After second-generation migrant youth rioted in the Paris suburbs in 2005, the French government called for more skilled workers, shifting away from the existing emphasis on family unification. The unstated, yet clear, implication was that the French economy needed a more skilled workforce that would not come from an under-skilled domestic population.

Although European immigration may become more widely accepted, it may never cement itself as a fundamental aspect of Europe’s identity as it has in the United States. While seeing itself as a “nation of immigrants” remains one of the defining characteristics of the United States, immigration does not yet hold that sacrosanct position in Europe. Post-war migration to Europe was largely a post-colonial movement and a function of guest worker migration. Guest workers were never perceived as permanent immigrants, but were initially viewed as a temporary solution to labor shortages. This history continues to play a role in European approaches toward migration today.

EU member states have significant differences in their approach toward immigration and integration, with each country still charting its own course, despite attempts at harmonization in many policy areas. As such, the nation-state remains the defining element of immigration policy in Europe. Immigration and integration policies continue, for the most part, to be decided at the national level. Migration policy-making thus remains in a somewhat different position than most other policy areas in Europe. In many policy areas, such as farming, trade, and energy, which may be hotly debated, EU member states are able to agree upon a wide range of European legislation (Directives), which are then transposed into national law.

Migration and integration, however, remain a glaring exception. Immigration – the crossing of borders by non-citizens – is perhaps the ultimate policy area where EU member states aim to preserve national sovereignty. Nonetheless, the single European market needs, and the EU has passed, a great deal of legislation facilitating intra-European mobility. The single European market seeks to guarantee the free movement of goods, capital, services, and people – the EU’s “four freedoms” – within the 28 member states.

European Decision-Making: Largely a Nation-State Prerogative Remit

Beyond legislation facilitating freedom of movement within the EU, the Union legislates measures that protect the human rights of certain migrants. For instance, we have European legislation that protects victims of human trafficking which has been transposed in all member states. The Union also legislates on control mechanisms – the agency Frontex, established in 2004, is charged with managing external land and sea borders.

The most fundamental achievement centers on the entry into the EU by third country nationals (TCNs). European legislation has established a Common European Asylum System (CEAS) that examines asylum-seekers' claims and refugee status. This system is an obligation under international law; all EU member states are parties to the Geneva Convention Relating to the Status of Refugees. Consequently, the Tampere European Council, in 1999, agreed to the initial concept of the CEAS consisting of three Directives together with the Dublin Regulation.

The Dublin Regulation<sup>1</sup> determines which country examines asylum-seekers' claims. Normally, this means the first EU country which an asylum-seeker enters. (In 2013, most asylum seekers entered through Greece, Italy, Spain and Malta.) Since each asylum-seeker must file his or her claim in the country of entry, then, each EU country should, in principle, give asylum-seekers the same chances at refugee status. Three key Directives – Qualification<sup>2</sup>, Reception Conditions<sup>3</sup> and Asylum Procedures<sup>4</sup> – seek to do just that. Unlike the US, which receives most of its refugees via resettlement from other countries, applicants in Europe seek refugee status by coming to the borders and ask for asylum.

Nonetheless, despite its ambition, the CEAS remains a work in progress. National sovereignty and member state perspectives maintain their strength. Union Directives lay out the minimum standards to which EU states must adhere. Some states may exceed the minimums; others are not successfully fulfilling their obligations. The Syrian refugee crisis demonstrates these disparities and the strength of national traditions. In September 2013, Germany offered [resettlement](#) to 5000 Syrian refugees. Sweden promised to grant [permanent residency](#) to those Syrians already in Sweden as well as to any who could make their way there. Austria offered to accept 500 for [resettlement](#). The United Kingdom offered an unprecedented sum of £500 million to support Syrian refugees in Syria's neighboring countries. The percentage of Syrians granted refugee status [varies considerably across the Union](#).

Migration policy areas not subject to international legal obligations, however, have given the EU more difficulty. The Union has issued broad guidelines through the

Conclusions of the Presidency. Furthermore, the 2005 [Hague Program](#) introduced the broad idea of a European Framework on immigrant integration.

In 2007, European Commission President Barroso began discussions on the so-called Blue Card, a unified visa for highly-skilled migrants and their families. He argued “Europe is an immigration continent – there is no doubt about it. We are attractive to many. But we are not good enough at attracting highly skilled people. Nor are we young or numerous enough to keep the wheels of our societies and economies turning on our own.” A Blue Card Directive on highly skilled – and highly remunerated – non-EU migrants passed in 2009, and was transposed into national law in [mid-2012](#). Only Slovenia has not yet fully done so. Denmark, Ireland and the UK have opted out of the Blue Card Directive.

Yet, the Blue Card, which accepts skilled workers and their families for two years (renewable) faced considerable criticism in its early years; in its first year of implementation, just under 3400 Blue Cards were issued in all participating EU member countries. Germany issued just over 2500, Spain just under 500 and Luxembourg just under 200. Each member state can also issue its own visas to highly skilled migrants outside of the Blue Card framework.

In 2001, a similar European-wide agreement on [lesser skilled migrants](#), proposed to the relevant Ministers in the Council, has not been achieved. Nor does such an agreement seem likely. As noted above, the 2005 Hague Program introduced the idea of a European framework on integration. The [Common Basic Principles](#) on integration included broad directions for further EU measures. These noted, “Integration implies respect for the basic values of the European Union” and also acknowledged that cultural and religious “practices [may not] conflict with other inviolable European rights or with national law”. In 2011, the European Commission issued a [Communication](#) – not legislation – for the Integration of Third Country Nationals. A Directive has been agreed upon which establishes the rights of third country nationals who have lived in an EU country for [at least five years](#).

In short, the often politically contentious debates on immigrant integration have been left to be had in the member states. Especially during an economic downturn in many countries, the EU was unable to address the perceived problem of third country nationals taking jobs away from EU citizens.

More agreeable to member states, however, was wording in the Directive on the rights of long term residents in EU countries and on [family unification](#), which included the phrase that “Member States [may require](#) third-country nationals to comply with integration conditions, in accordance with national law”; many EU countries have,

since then, implemented pre-entry integration measures, such as basic language skills, as well as post-entry language/ integration courses and naturalization testing<sup>5</sup>. These Directives also explicitly encourage countries to support integration in many different ways.

With the possible exception of the United Kingdom, most European countries retain the philosophy of assimilation in the original sense of migrants acquiring the host country's language, sentiments and memories<sup>6</sup>. The American concept of a hyphenated identity – even if only in a symbolic sense of ethnicity<sup>7</sup> – does not enjoy the same widespread support in Europe. The Common Basic Principles thus enable both some shared point of reference as well as allowing for variation among European countries in deference to national sovereignty.

The inability to agree upon legislation relating to labor migration illustrates Europe's tendency to be reactive rather than proactive in migration policy. Legislation often only passes when an immigration challenge emerges. We see communications instead of laws, deference to national sovereignty instead of enforceable supranational practice. Little long-term strategy exists in EU legislation, although long-term strategic guidance is issued, because many member states neither have a common cultural understanding of – nor practice as – countries of immigration. Some likely feel culturally threatened by that very idea. Given the economic and demographic realities confronting Europe, the authors believe Europe should consider positioning itself more proactively for an increasingly interdependent future. In so doing, and by attempting to shape migration patterns, Europe can and will profit from the immigrants it needs rather than simply reacting to them.

#### National Level – Germany

The scarcity of direct European legislation does not imply that nation states are not actively implementing their own policies on migration. Rather, they are drawing on European guidelines and principles – albeit in different measures – in doing so.

Germany has engaged migrants and their children in a range of ways to promote integration in education, government, economics (employment) and other areas. Germany demonstrates the important role of different domestic actors, and in particular, political parties. In Germany, the Greens emphasize participation, equal rights and equal opportunities, while also noting that integration does not mean that one's original [culture](#) must be abandoned. The German National Integration Plan, developed in 2012 by the center-right coalition of CDU/CSU and FDP, emphasized the importance of improving German language knowledge as well as education and other training. This plan also notes that integration also includes [respect](#) of

constitutional rights and national law as well as tolerance and openness on all sides. The CDU has also underscored the importance of [guiding](#) integration. Both parties assert that migrants must also be willing to integrate.

Germany has applied EU migration and integration policy to its own political standards. Moreover, Germany also implements much of its integration policy on the local level, as seen by its [Integration through Sport](#) program. This makes the most sense because European guidelines and national laws may encourage and legislate access to education, housing, employment, language learning and more. Yet it is at the local level that these programs get implemented. There is wide agreement that integration happens at the [communal](#) level. Here is where migrants, their children and host country nationals interact, work together, go to school, and [cast votes](#) for politicians.

#### German and American Shared Values

German and American publics are no strangers to immigration. Despite quite different traditions and policies to manage migration over the years, both countries today have substantial migrant populations. At the same time, both societies continue to debate immigration and are concerned with its impact. In destination countries such as these, global discussions about immigration revolve less around 'them' but much more locally around 'us' – our sovereignty, values and identity. At the same time, how we identify with one another evolves as society changes. In countries such as Germany and the United States, this evolution centers on the foundational concepts of freedom and equality inherent to liberal democracy. President Obama, in his June 2013 [speech](#) at the Brandenburg Gate, spoke of our shared values this way:

*“I'd suggest that peace with justice begins with the example we set here at home, for we know from our own histories that intolerance breeds injustice. Whether it's based on race, or religion, gender or sexual orientation, we are stronger when all our people – no matter who they are or what they look like – are granted opportunity, and when our wives and our daughters have the same opportunities as our husbands and our sons.*

*When we respect the faiths practiced in our churches and synagogues, our mosques and our temples, we're more secure. When we welcome the immigrant with his talents or her dreams, we are renewed. When we stand up for our gay and lesbian brothers and sisters and treat their love and their rights equally under the law, we defend our own liberty as well. We are more free when all people can pursue their own happiness. And as long as walls exist in our hearts to separate us from those who don't look like us, or think like us, or worship as we do, then we're going to have to work harder, together, to bring those walls of division down.”*

Chancellor Merkel also shares these sentiments. She speaks of the need not to focus solely on laws pertaining to immigration and discrimination and instead address deeper [structural discrimination](#) in society that inhibits, for migrants especially, access and participation. She challenges German institutions to recognize society's evolution with new concepts of belonging and identity. The 2013 German federal election brought a new wave of diversity into the German Bundestag. Thirty-seven members out of 631, or 5.9%, come from [immigrant families](#). While also introducing Germany's first members of African descent, this parliament is Germany's [most diverse](#).

#### National Level – United States

In the United States, the evolution of immigrant rights can be seen through a 237-year history of expanding rights to further our democratic ideals. America proved imperfect at its founding and remains imperfect today, but we retain a tradition 'so articulated by the nation's founders as to make self-correcting renewal the nation's core identity<sup>8</sup>.' This renewal has led to expanding civil rights for more and more people. Milestones include emancipating slaves in 1863, granting women the right to vote in 1920, the Civil Rights Acts of 1964 and 1965, and most recently, the 2013 Supreme Court federal recognition of same-sex marriages. As part of this current, the Immigration and Nationality Act of 1965 removed discriminatory national origins quotas to open the US immigration system up fully to people from all over the world, and the Supreme Court's *Plyler v. Doe* ruling in 1982 provided undocumented children the right to a public education.

America's demographic reality and trajectory have changed attitudes and further fueled the evolution of expansive rights. According to [2012 Census data](#), in Hawaii, California, New Mexico, Texas and the District of Columbia minorities have become the majority. More striking still, half of all children under 5 nationwide come from traditional minority backgrounds. Carrying this trend forward, the Census Bureau [projects](#) that the United States will no longer have a majority racial or ethnic group by 2043. Increasing numbers of Americans intermarry and more self-identify as multiracial. The American population identifying as mixed-race [grew](#) by 32% between the 2000 and 2010 Census.

The demographic change occurring across the country represents a continuing evolution, a quintessentially American one. As a nation of immigrants built on civic principles, Americans share at their core a philosophy that anyone from anywhere can ascribe to the ideals of American democracy, become American, and participate as an equal. This philosophy and guiding light continues as a universally accepted practice in the US. The 50<sup>th</sup> anniversary commemoration of the March on Washington and Martin Luther King's famous speech underscore the challenges we have overcome

and those still to be tackled. But through a tradition of continued self-renewal and ever-expanding concepts of citizenship and rights, the United States creates a 'more perfect union'.

#### Citizenship and Naturalization

Americans focus on citizenship as a unifying element and driver of integration. Europeans tend to express more ambivalence about citizenship. For some, citizenship represents a reward for having demonstrated successful integration into the Union. Others perceive access to citizenship as a necessary step in the integration process. This ambivalence can mean policies emphasizing language ability or having a job, stopping short of encouraging full civic participation.

The host society sets the expectations and norms for immigrants joining the club. For some critics, on both sides of the Atlantic, host society standards have become increasingly burdensome. These higher standards may simply represent the evolution and deepening complexity of our societies. Russell Berman's concept, the 'value of values,' argues that we have had to fight for our liberal democratic traditions. 'All these goods - anti-discrimination, free speech, women's rights, gay marriage - are enlightenment legacies, established through social conflict and cultural change, and embedded in histories of controversy, some distant and some... very contemporary.'<sup>9</sup> An immigrant of a hundred years ago did not encounter those "goods"; today's immigrants have them as a result of social change.

We can also view host society norms through the Rawlsian lens of political liberalism. John Rawls asserts that a diverse, pluralistic citizenry with wide-ranging beliefs share an 'overlapping consensus' regarding select principles of justice<sup>10</sup>. Individuals consent to a legitimate use of political power and rules governing certain aspects of life, even if they fall outside their own beliefs, to achieve unity and stability in a democracy.

As an extension of this principle, in America and many other liberal democracies, we have established norms that provide a pathway for someone born abroad to join our civic polity through citizenship and naturalization. In liberal democratic traditions, citizenship has [three dimensions](#): 1) a legal status from which to exercise rights and bear responsibilities of the law; 2) participation in political institutions, and; 3) shared ownership of a political community and an identity. By accepting shared ownership and incorporating newcomers, citizenship conveys both an aspiration and legitimacy. This acceptance forms the basis whereby a diverse nation of immigrants maintains civic unity and evolves as one people.

Through the naturalization process in both the US and Germany, we welcome newcomers into our society as full participants. This normative process has transparent and widely available standards – immigrants have to meet the criteria and pass a test. Moreover, the standards are clearly articulated, widely available, and one’s eligibility determination is subject to judicial review. Citizenship testing requires one to demonstrate a certain knowledge. This knowledge sustains the consensus among native-born and immigrants as to how society works. An analysis of citizenship tests in the United States, Germany and other European countries by [Ines Michalowski](#)<sup>11</sup> showed that test content reflects measures to foster integration and citizenship rights and are not subjective means of forcing cultural assimilation. Rather citizenship tests establish and entrench shared norms required for members of a diverse society to participate successfully on an equal footing.

American society has evolved, but the discussion about expectations for its new citizens rings anew with each generation. Findings from the National Americanization Committee demonstrate this ongoing discussion:

*“Let us find out what we mean by American citizenship, find out who deserves it, where we are willing to confer it, and what we must do to confer it adequately and preserve its traditions. The process will raise the standard of American citizenship for native and foreign born citizens alike and will result for us, in a rebirth of patriotism.”<sup>12</sup>*

Published on October 24, 1915, the statement could have appeared in an online newspaper nearly a century later. While debates on citizenship and belonging will inevitably persist, we must have a more robust discussion of our attractiveness to immigrants in the first place. The US and Europe compete with each other, with other countries like Australia and Canada, and with booming emerging economies such as China and India. The underlying tradition of the US as a nation of immigrants helps to secure America’s position as an attractive destination country vis-à-vis many European countries. Europeans have become acutely aware, through such initiatives as the EU Blue Card, that building an avenue alone may not be enough to attract immigrants in a more competitive global landscape.

#### Changing Global Trends

The financial crisis of 2008 accelerated competition among nations for skilled immigrants. More global migrants have a higher level of mobility and respond to a multitude of factors in making migration choices. By global migrants we mean those seeking better opportunities, primarily the highly skilled, and not refugees or internally displaced persons fleeing acute conflict in their home country. As immigrants move more for [opportunity and belonging](#), competition among receiving countries

will increase. Consider, in recent decades:

- :: More international travel is possible.
- :: More people now live outside their home country borders.
- :: More countries are attractive immigrant destinations.
- :: China and India are providing additional opportunities at home for would be emigrants.
- :: Europe and the United States are losing Chinese and Indian highly skilled expats as they return to their home countries.

According to UN data, approximately 214 million people lived outside of their home country in 2010, a 37 percent increase since 1990. The largest number live in the United States. In 2011, according to the [OECD](#), approximately 40 million migrants live in the US. No other country hosts even a third of this total. Many countries have a far higher proportion of foreign-born immigrants than the United States at 13 percent. Australia has a 27 percent foreign-born population, Canada with 21 percent, and Germany with 16 percent.

With globalization of the economy, more countries have higher growth rates and more opportunities to use skilled labor. While GDP per capita in Mexico grew similarly to the United States at about 30 percent over the ten year period between 2003 and 2012 ([World Bank](#)), it grew by two and a half times in the Philippines, three times in India, and nearly fivefold in China. Mexico, India, China, and the Philippines, respectively, are the largest countries of origin for the US foreign-born population. In two countries seen also as attractive destination countries, Canada and Australia, GDP per capita growth in Canada nearly doubled, and in Australia it nearly tripled during this same period.

Many countries can now provide far-reaching opportunities for immigrants. US legislation allows roughly 1.1 million new legal immigrants each year. Many more come on short term visas. The US undocumented population, which grew exponentially in the 1990s and 2000s, has stopped in its tracks. This trend may have even [reversed](#) due to the financial crisis of 2008. For the first time in decades, the overall foreign-born population in the US dropped between 2007 and 2008 ([Vigdor, 2013](#)). Immigrants have had to face choices that led them to leave. Either they left for better opportunity or were forced to leave because of lack of opportunity. Moreover, others chose to stay at home, or settled elsewhere.

A 2011 study of Indian and Chinese professionals who returned to their native countries from the US showed that they often left to seek better opportunities. Indians and Chinese who returned home to start their businesses cited such reasoning as burgeoning economies, access to local markets, and family ties. Only ten percent were obliged to leave the US for a variety of reasons. Seventy-two percent of Indians

and eighty-one percent of Chinese believe they had better opportunities to start businesses in their home countries ([Kauffman Foundation](#))<sup>13</sup>. Besides the economic growth that drives immigrants home, US immigration policies themselves prove ill-suited for today's highly skilled immigrant realities<sup>14</sup>.

Despite the structural shifts of the financial crisis, the United States continues to need foreign workers across the [economic spectrum](#) even at this time of high unemployment. According to the Bureau of Labor Statistics, immigrants comprise more than sixteen percent of the labor force in high proportion across diverse sectors: twenty-five percent of service occupations; sixteen percent of production and transport; and thirty percent of management and professional occupations.

Furthermore, the United States has benefited for generations as a primary destination country for immigrants. Whether by pulling newcomers in search of opportunity, or strife and conflict pushing people to safety, well-worn pathways have channeled immigrants to the United States by the millions.

Many more immigrants seek to come to the US than its laws allow. Global economic shifts have changed conditions for would-be immigrants and diaspora communities in the United States. Americans still take the immigration experience for granted yet have not fully recognized how globalization in a more multi-polar world affects the attractiveness of the US to the immigrant population. We take for granted that immigrants will always arrive to meet the country's needs. We take for granted the benefits of immigration, including that immigration reduces America's [demographic decline](#). Immigration plugs [labor gaps](#) as it [fosters entrepreneurialism](#) and [dynamism](#) in our [economy](#).

Not only immigrants have chosen to leave the United States. Anecdotal evidence suggests in the light of the economic downturn US citizens are also leaving; yet no clear figures exist to document this trend<sup>15</sup>. Estimates of their numbers range from 2.2 to 7.6 million<sup>16</sup>. Recent research suggests that most Americans have left to join a partner, for study or research or for employment.

In the first three quarters of the 2013, 2,369 Americans have renounced their citizenship – the highest number ever recorded. Reasons for renunciation have moved beyond simply avoiding taxes. Increasingly, Americans move overseas to avoid onerous financial reporting requirements as well as steep penalties for willful non-compliance. The Foreign Account Tax Compliance Act, or FATCA, phased into effect over several years, requires any foreign bank to report US citizens' assets to the IRS or face steep penalties itself.

Many banks are unwilling to do so, and refuse US citizens as customers<sup>17</sup>. While we still have much to learn about Americans overseas, their increasing visibility and organization abroad adds additional nuance to migration trend analysis.

### Conclusion

The next decades will bring about further shifts in globalization and migration. How the United States and Europe position themselves in this changing landscape proves unclear. The United States is now debating reforms that would address limitations to the current immigration system. The resolution of this debate could add fundamental strategic elements to redefine American immigration priorities for the years to come. As of this writing, whether Congress sends comprehensive changes, isolated fixes, or no bill at all to the President's desk remains an open question. Germany and its European neighbors, by contrast, are presently focused on [controlling](#) borders in the wake of several highly visible [tragedies](#) involving migrants. Asylum seekers and economic migrants have attempted to enter Europe by irregular means across the Mediterranean. As this illustrates, migration policy across a range of European countries, as well as in EU policy-making, remains largely reactive. In our view, both the United States and Europe can benefit immensely by taking a more comprehensive, proactive and strategic approach to migration, rather than avoiding taking needed steps for narrower political aims or just reacting to recent events and developments.

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## 6 Advancing Human Security: Empowering Women in Conflict Zones

### 6.1 Preface

By: *Mary Wiltenburg, Author/Producer, The Christian Science Monitor, “Little Bill Clinton” Project*

#### Witch doctor seeks Kiva loan?

That [cross-dressing witch doctor in the Tanzanian slum](#)? Who said no, she wouldn’t let me leave her shanty and go back to my hotel, not now that it was dark. Not for less than \$400. Fatima, or Fatuma, she wasn’t sure how to spell it, but anyway, people called her Masai when she was drunk and selling advice with that machete next to her, which was most of the time. Whom do I have to thank, in a roundabout way, for the chance to meet her, and to spend an unforgettable evening trapped in her hut? The Robert Bosch Stiftung.

Because the year I spent on a Robert Bosch Foundation Fellowship in Hamburg, [writing for Der Spiegel](#), a magazine known for its intimate, cinematic storytelling, gave me the courage to pursue a new kind of reporting when I got home. Working with a favorite editor at *The Christian Science Monitor*, I designed a project called “[Little Bill Clinton](#),” to chronicle a year in the life of a 9-year-old Congolese-Rwandan refugee who was starting over outside Atlanta. It spoke to an urgent global question: how to help the 45 million people worldwide who have been forced from their countries of origin, or displaced within their own nations, by persecution and armed conflict.

Every family has its secrets, and this one’s surrounded Bill’s stepsister Neema, whom they’d [left behind in Tanzania](#). [When I met the family](#), Bill’s mother was fighting a bureaucratic battle to bring her daughter – and young grandson, Tony – to Atlanta. Her husband, Neema’s stepdad, was against the reunion, and Neema and Tony were living in limbo on a Dar es Salaam landfill. [I eventually visited them](#), and found Neema to be bubbly and popular, a little immature for a 20-year-old raising a 4-year-old, but mostly a generous friend and a loving mom. She said she was desperate to be reunited with her mother.

[Two years later](#), when all that stood between Neema and America were some paperwork and passport photos, she made herself scarce. Everyone who had worked to help her – at the US consulate, the International Organization for Migration, the UN refugee agency – was baffled, and some were furious. Neema’s parents claimed shock too, her mom wondering aloud about a “bad boyfriend,” her stepfather mentioning drugs. Without Neema’s knowledge, I bought a ticket to Dar es Salaam,

hoping to learn more. Before I left, her mom confided: “Neema, she have maybe one more problem. I don’t know how you say English.”

One long riddle of a telephone call later (“Wait, *who* soaked Koranic verses in water and drank the ink?”), it sounded as though Neema had fallen under the sway of a charismatic “teacher,” who had persuaded the girl to remain in Tanzania until her parents coughed up \$400, possibly longer. The teacher was a woman, or possibly a man, who called herself Masai, or maybe was Masai, a member of one of the semi-nomadic tribes, in their signature red-checked togas, that herds cattle in the Great Rift Valley.

I flew 8,000 miles, and, with the help of some neighbors and now-6-year-old Tony, I found Neema at Masai’s house: a smoky, one-room, cinderblock structure in a slum more squalid than Neema’s own. She was glassy-eyed from a multi-day drinking binge with fellow devotees. The next day, when she’d sobered up, she told me that the main reason she hadn’t come to the US was her stepfather, who, since I saw her last, had been calling her late at night to regale her with the sexual things he planned to do to her when she was back under his roof. He had done this before, she said, starting when she hit puberty; that was [the real reason she had run away](#).

When her travel approval had come through, Neema explained, she had told her mom about all this, hoping she could put an end to it. Instead, her mother had accused her of lying, and confronted Neema’s stepfather, who had text-messaged Neema threatening to kill her. Masai had offered to help, Neema said, assuring her that if she could get \$400 to slaughter a goat on her behalf, its blood would wash all incestuous and homicidal thoughts from her stepfather’s mind.

When we met, Masai knew just enough English to refer to herself as “witch doctor,” a term that, experts say, legitimate Tanzanian herbalists shun. She struck me, alternately, as a small-time charlatan and extortionist, and an astute observer of human nature. A stooped, skinny, illiterate woman raising four barefoot children next to a pigsty, she seemed to have become a surrogate mother to Neema, and to have persuaded the lonely young woman that she, too was possessed by spirits, or “devils,” that spoke through her.

I didn’t know what to think. In many ways, Neema’s makeshift Tanzanian life had crumbled in the two years since I’d last seen her. When I surprised her at Masai’s, the once immaculately coiffed young woman was drunk in her nightclothes in the middle of the afternoon. On my previous visit, Tony had been well-fed, [in preschool](#), sleeping regularly in a clean bed under an intact mosquito net. Now he spent his days running with a pack of scabby neighborhood kids, and caught meals and rest

where he could. According to neighbors, he sometimes slept for days on a wooden bench in the hall of their shared house, while his mom stayed at Masai’s.

Even so, witchdoctoring looked relatively empowering compared to other options for uneducated women supporting families in a poor, patriarchal society with inadequate medical care. In the eyes of men who had raped Neema, starting in the refugee camp when she was a young teen, her rights had not equaled human rights – a problem also at the root of the wartime brutality La Neice Collins will discuss in the next chapter. Now, to clients, she was becoming indispensable. By day, Fatima tramped through pig shit and couldn’t spell her own name; by night, she was Masai, a warrior whose advice rich men sought and paid for.

Of the many things I learned from little Bill Clinton and his family, this was, and remains, the most perplexing. What gave these women power, in their intimate circles, was inextricable from their lack of it in the world at large. These are not the sort of well-scrubbed entrepreneurs the *Harvard Business Review* is looking for, as Gayle Lemmon will discuss later in this section. Nobody funds a Kiva loan for a witchdoctor’s apprentice. Still, in a certain light, the job looked almost feminist.

The night they held me captive, Masai and her husband were armed with rusty machetes and a toy gun. We were half a mile into a lightless slum accessible only by a slippery, single-log bridge. Masai had been yelling so angrily, for so long, so close to me, that she’d soaked me in spit. My young interpreter was frightened; I had a baby back home in Baltimore; and I was realizing, belatedly, that apart from Neema, no one in the world knew where we were.

So in the end, I told Masai that yes, I would give Neema \$400 for the sacrificial goat. That was all it took to get us out safely, but I still wrestle with whether it was the right thing to do. When I next saw Neema, I explained that I couldn’t actually give her the money – journalistic ethics forbade it – and that I didn’t think Masai had her best interests at heart.

“Who does?” Neema asked.

It was a wrenching conversation. As we talked, and cried, there was a terrific banging on the door. Kids burst into the room shouting: a neighbor had fallen ill and could not speak, and people thought devils might have possessed her too. Could Neema’s spirits come and reason with hers? Neema said not to worry; she’d be there soon.

I’ve thought about this moment many times over the years, and wondered: where do we start, as a world, working for more whole lives for people like Neema and

Tony, whose courses are set by forces more intimate than global health campaigns, or national politics, or even local schooling. What will begin to erode the ancient, insidious habits of body and mind that make disempowerment of women like Masai, victimization of women like Neema, even rape of women like me, routine.

Because let's face it: though women in conflict zones and extreme poverty bear the brunt of this violence, their suffering, and their silencing, have cousins all over the world. On both sides of the Atlantic, more women than not have experienced some form of sexual violence. More women than not are trying to carve out lives of dignity, in which we have a voice and a chosen purpose. In which we can feed and educate our kids. In which we don't have to worry that, while we sleep, the man who raised us, or married us, or just moved in next door, will fuck or kill us with impunity. In which a be-deviling choice like Neema's, between two futures, is made out of hope rather than fear.

When there seemed to be nothing more to say, Neema graciously saw me to my taxi. There, she pressed on me a parting gift: a poster from above her bed with doves on it, and the word "Love." As the taxi pulled away, its headlights swept the dark street, and I saw that Neema was already heading up the hill, to talk to the devils.

## 6.2 Women Entrepreneurs in Post-Conflict Economies: A Look at Rwanda and Afghanistan

By: *Gayle Tzemach Lemmon*, Deputy Director of the Women and Foreign Policy Program, CFR

Reviving an economic base is one of the first priorities in the wake of war. Small- and medium-sized enterprises are crucial to resuscitating society and fighting the devastation of poverty that war leaves behind. Increasingly, women are joining men in creating their own ventures. Not only is their work helping to reach the most vulnerable parts of society - women supporting their own households - but their businesses are also contributing to their countries' progress at an important time.

Women entrepreneurs in Rwanda and Afghanistan have made significant inroads into the post-conflict business environment. While statistics are hard to come by in these countries, especially in Afghanistan, anecdotal evidence, research, and field interviews point to the emergence of a small nexus of women determined to change their countries for the better through business. These women are committed to using their ventures as a way to improve both their families' and their nations' fortunes.

Although challenges remain, such as overcoming gender bias, gaining access to capital, modernizing infrastructure, and improving state institutions, women have already had a positive impact on the recovery of their countries. For this trend to

continue, the international community must take notice and provide expertise, training, and capacity-building - not just grants and aid. The new entrepreneurs also have something to teach - the innovation and resourcefulness needed to flourish amid seemingly endless challenge.

### Introduction

In the wake of war, reviving institutions and an economic base are among the first priorities after the fighting ends, peace takes hold, and the reconstruction process begins. Small- and medium-sized enterprises are crucial to resuscitating society and fighting the devastation of poverty that war leaves behind. Increasingly, women are now joining men in creating their own ventures. Not only is their work helping to reach the most vulnerable parts of society - women supporting their own households - but their businesses are also contributing to their countries' progress at an important time.

Women's entrance into the ranks of entrepreneurs in post conflict societies matters for several reasons:

1. Women are often the ones left behind to support their families when their husbands and fathers are killed or injured in battle. Getting women into business means reaching society's poorest and helping families survive.
2. Women are typically among the most trusted members of society after a conflict given their role of bystander or victim rather than perpetrator and thus play a crucial role in rebuilding the country. To the extent that it is possible for women to become the new economic leaders, women can represent a new starting point for reconciliation in recovering nations.
3. Entrepreneurship can serve a means for revisiting social norms in the reconstruction period, even in very traditional societies. Given that countries struggling to alleviate post-conflict poverty need to harness all human capital available if they are to succeed, both written and unwritten rules that kept women out of business often are revisited at this critical time, opening new gateways for women and those who support their work.

This paper examines the work of several women entrepreneurs in Rwanda and Afghanistan, both the challenges they face and the opportunities they pursue. These two countries were chosen for the numerous examples they offer of women entering arenas previously closed to them in the reconstruction period, both by choice and by necessity. While statistics are hard to come by in these countries, especially in Afghanistan, anecdotal evidence, research, and field interviews point to the emergence of a small nexus of women determined to change their countries for the better through business. These women are committed to using their ventures as a way to improve both their families' and their nations' fortunes.

The appeal of entrepreneurship lies in its immediacy, its accessibility, and its autonomy. While institution- building and policymaking is often the work of local and international elites, entrepreneurship lies within the reach of many citizens. From the most micro of enterprises to the medium-sized venture, owning a business can be the doorway into a more secure economic future for many, including women.

War creates a new class of households headed by women left to fend for themselves with little experience and few resources. In addition, these women are more likely to be poor than any other group in society. As a recent World Bank report on Afghanistan noted, “female-headed households have the highest incidence of poverty of all vulnerable categories.”<sup>1</sup> Yet despite poverty and prodded by necessity or desire to return home and give back, women are launching their own businesses and providing jobs to both men and women. From a construction business in Kabul to basket exporting in Kigali, women in both Afghanistan and Rwanda are using business to build and better their own and their nation’s economic futures.

The benefits of entrepreneurship are more than economic – they are social and societal and they are helping to reshape perceptions of women. Janet Nkubana, who runs the Rwandan handicrafts exporting business Gahaya Links, notes that among her women workers weaving baskets for retail establishments such as Macy’s, “I have survivors, I have widows, I have women whose husbands are sitting in prison. To see them sitting under one roof weaving and doing business together, it is a huge achievement...these women are now together, earning an income. It is amazing.”

[Kamela Sediqi, an Afghan entrepreneur, notes that women earning their own income benefit society.](#) “There are families who have six or seven children, and they can only pay for the boys to go to school; they don’t have enough money for girls to go. If both women and men have an income, they can support their children and enable them to go to school and get a good education,” she says. “For the future of Afghanistan, it is very important to provide good educational opportunities for children, for the next generation.”

In each country, both returnees and government policies are helping to create a role for women and a more stable environment for opening and running businesses. Women entrepreneurs returning from abroad bring knowledge from outside the war-scarred country and business know-how from more developed nations. Having been away during the periods of violence, they also bring an exile’s energy to their entrepreneurial ventures.

Government policy and promotion also helps. Rwandan President Paul Kagame attends women-in-business events and speaks publicly about the need to support

women-led ventures, given the country’s female majority. In Afghanistan, the international community and the Afghan government have made women’s representation a priority, guaranteeing women seats in the new Afghan Parliament. The country’s leadership says it would like to see spillover in women’s leadership from the political to the economic. The head of the Afghan Investment Support Agency says he is pleased to see women among the occupants benefiting from low tax rates and above-average infrastructure of the new industrial parks being built across the country.

A look at the countries

Afghanistan is one of the poorest nations in the world. With a population of nearly 30 million made up of slightly more men than women, the per capita GDP for this struggling, land-locked nation is well under \$200. Average life expectancy barely tops 40 for both men and women. After 23 years of war, which included nearly a decade of Soviet rule and five years under the extremist Taliban regime, Afghanistan now is working with the international community to escape what the World Bank calls a “self-reinforcing *vicious circle*” of insecurity, drugs, and weak state governance.<sup>2</sup> Illiteracy is rampant in Afghanistan, with more than 80 percent of women unable to read or write.

Like Afghanistan, Rwanda is an agriculture- dependent and landlocked nation bordered by countries frequently in conflict. The United Nations puts Rwanda’s per capita GDP at \$185, making this most densely populated African country also one of its poorest. Women make up more than half of this nation of nearly nine million people roughly the size of Maryland, which lost nearly a million of its citizens in the 1994 genocide. And as of its 2003 elections, [Rwanda now leads the world in the percentage of parliamentary seats held by women.](#)

An introduction to the entrepreneurs

Afghanistan is home to a growing network of women entrepreneurs entering fields ranging from the more traditional handicrafts sector to the less typical transport and reconstruction industry.

Sarah Rahmani opened her Kabul boutique featuring her own fashion designs in August of 2004 with a loan from her brother in California. She says the store’s launch marked the fulfillment of a long-held dream to become an entrepreneur. Her business now employs eight people full-time and gives part-time work to nearly 60 others. The store is not yet profitable but is moving toward self-sufficiency, with nearly \$20,000 in sales so far.

Though she is not yet 30, Kamela Sediqi is now in the process of launching her third venture. During the Taliban rule she operated a tailoring business from her home to support her family after the security situation forced her father and brother into exile in Iran. Nearly a year ago, she decided to launch a business consulting firm to instruct clients in business plan writing, financing, marketing, and pricing. Among her clients is the United Nations, which is running a program to decommission the nation's former military commanders.

Shahla Nawabi returned home to Kabul in 2003 following more than 35 years in England. After deciding to make her visit a permanent one, she joined forces with a former engineer for the anti-Taliban Northern Alliance to launch Nawabi Construction with \$20,000 of capital. Two years later, the firm has secured a \$2.5 million roads contract and is hoping to secure larger projects in the year ahead. Nawabi also is seeking to open a firm to export Afghan marble to the West.

In Rwanda, some of the country's most successful women entrepreneurs are using globalization to their advantage and focusing on export businesses. Beatrice Gakuba returned to Rwanda from South Africa in 2003. She came up with the idea for her flower-exporting business, Rwanda Flora, when she could not find the roses she wanted for her father's funeral. She now sells five tons of flowers at auction in Amsterdam each week from her six hectare farm, which employs 160 people. Gakuba's goal is to expand to 15 hectares by 2007. Donatella Nibagwire's firm began exporting fruit and vegetables in 2001. The former secretary used \$1500 of her own savings to launch her firm, Floris, which now employs eight people, including her husband. Currently, the firm exports one to two tons of bananas, pineapples, passion fruit, and avocado per week to Brussels, and Nibagwire is looking to expand into other European export markets.

Janet Nkubana arrived in Rwanda from exile in Uganda in December 1994. Eight years later she brought a display of Rwandan baskets to the Smithsonian in Washington, D.C. By 2005, Macy's department store in New York was selling the baskets, which are made by more than 300 women in rural Rwanda, many of whom are widows and the sole providers for their families. Nkubana now is working with the Rwandan government to streamline export processes, lobby for lower transport costs, and create rural handicraft centers to help increase volume production.

Challenges and opportunities in women's entrepreneurship: Evolving conceptions of gender roles Would-be entrepreneurs face unique challenges in the crushingly poor nations of Afghanistan and Rwanda. Women have a particularly steep mountain to climb as they try to enter business communities from which they were previously barred. Only five years ago in Afghanistan, women were shut out of the educational

system and the work force. And in Rwanda, it was only in the 1990s that women won the right to open their own bank accounts and inherit property.

Yet in the aftermath of conflict, a new opportunity arose to revisit these norms in both societies. Women now are viewed by ruling elites as essential to helping their country climb out of poverty and towards prosperity. Rwandan President Paul Kagame often makes appearances at expos for women in business and officials in both nations are quick to mention the need to utilize all their human capital, not just men. This evolution of traditional roles, however, will take hold slowly, as men adapt to women now working in their traditional fields.

When Shahla Nawabi launched Nawabi Construction, for example, she says her 'workers warned her she was entering a man's business and expected her to return to her much more comfortable life in England. In response, she told them she was seeking a good business opportunity, not just a good business opportunity for a woman. As she continues to make payroll for her roughly 70 employees, she slowly has won their trust and support.

Kamela Sediqi counts former Afghan military commanders among her business development service clients. Initially, many of these men were skeptical when she showed up to teach them marketing skills and how to formulate a business plan. They now call her sister and defend her to others loathe to accept business advice from a woman.

In the provinces, the situation is much more difficult because there are fewer opportunities and less mobility. In Rwanda, women are now the majority of the population but still face reservations from men who see women as belonging in the home. Janet Nkubana's weavers spend several hours each day transporting water and food to and from their home and have even less time to work during the planting seasons. Yet many of them have husbands who are out of work. To address this imbalance, Nkubana is trying to put the men to work organizing supply chains and gathering materials for the weavers.

Lack of human capital

In both of these countries, human capital was destroyed by conflict. Nearly all of Afghanistan's most educated and skilled citizens were forced into exile during the nation's 23 years of conflict. Now the country faces rampant illiteracy and there is a shortage of qualified workers in most industries. Shahla Nawabi's construction firm, for example, needs to import skilled labor from Pakistan and Iran for its most demanding jobs.

In Rwanda, the 1994 civil war and genocide saw nearly one million people killed, many of them educated professionals. The economy shrunk by nearly 50 percent in the conflict's aftermath, resulting in what the IMF termed the "wholesale destruction of Rwanda's human capital."<sup>3</sup> Life expectancy in the country is less than 50 years for both women and men.

To address these challenges, both national governments and international agencies are establishing schools throughout the country. In Afghanistan, they are building schools for girls, and NGOs regularly conduct skills training. Rwandan schools are leading the way in the region in internet connectivity and the nation's universities are focusing on building entrepreneurial and business skills. At the Kigali Institute of Science and Technology, for example, entrepreneurship is a mandatory part of the curriculum. Firms also are teaching as they go. Nawabi Construction's foreign workers teach Afghans on the job so that they will be able to complete the work themselves in the future. Entrepreneurs such as Rwanda Flora's Beatrice Gakuba and Gahaya Links Janet Nkubana, who employ mostly women, are trying to build skills training into their daily business operations.

Returnees have played a large role in augmenting both nations' human capacity. In Afghanistan, more than two million people have returned since the end of conflict in 2001. Many of the returnees learned skills while in exile in neighboring Iran or Pakistan, or pursued their professions in North America and Western Europe. Among these are Afghans Shahla Nawabi of Nawabi Construction and boutique owner Sarah Rahmani. After decades in exile, more than 800,000 Rwandan refugees have returned since 1994, a number of them from English-speaking Uganda and Kenya, as well as from Western Europe. Both Janet Nkubana and Beatrice Gakuba learned English outside the country during their family's time in exile. Now that they are back, they and those like them bring skills and language abilities from abroad, along with a different set of experiences from those who survived the trauma of the genocide.

#### Shortage of financial capital

In the World Bank's 2006 *Doing Business* report, Rwanda ranked 149 out of 154 in ease of access to credit. Afghanistan took spot 153, with only Cambodia ranked behind it. Collateral, such as private property, of 100 percent of the loan is commonly required in both countries.

None of the women entrepreneurs interviewed in Afghanistan had received loans from the bank: all had secured start-up capital either from family members or their own personal savings. As Shahla Nawabi noted, with interest rates above 20 percent, entrepreneurs would rather grow slowly using reinvested funds than to rely on a

bank. In the case of Nawabi Construction, this decision has affected the company's ability to procure jobs as the need to fund internally means there is little money in the bank, and money in the bank is often required to secure the performance bonds necessary to win bigger construction contracts. Most women in Afghanistan, says the World Bank, "lack ownership, control, and access to productive assets such as land, equipment, and materials... The lack of working capital and absence of credit reduce opportunities to start activities that require an initial investment."<sup>4</sup>

In Afghanistan, well-funded international organizations do not currently play a significant role in providing capital to private sector entrepreneurs. Says Afghan entrepreneur Kamela Sediqi, "There are a lot of NGOs that have funding for vocational programs but not for businesses in the private sector." Sediqi argues that some of these funds would carry longer-lasting and farther-reaching benefits if used as equity investments in start-ups. "If I go and work with some international agency, I will earn a very high salary but it is just for me and my family - it is not support for other people. If I run my private company, I will train a lot of people and I will help a lot of people."

Entrepreneurs in Rwanda used banks for loans, but in creative ways and at high interest rates. Janet Nkubana used a mixture of personal savings and some funds from a World Bank business plan contest to buy raw materials for her craftswomen. Proceeds from a property sale helped her open a showroom in Kigali, and she now uses overdraft protection from the bank when it is difficult to find working capital. Capital remains Nkubana's biggest problem because she does not have enough money in the bank to act as collateral for a loan. This illustrates the Catch-22 experienced by small entrepreneurs who cannot access capital because they have no funds to help them secure loans.

To help overcome this challenge, some women's organizations in Afghanistan are providing small, low-interest loans to their members. An informal money transfer system known as *hawala* also helps fill in this funding gap. Rwandan women can access some funds from multilateral agencies and international donors such as USAID.

#### Infrastructure challenges

War destroyed nearly all of the infrastructure in both Afghanistan and Rwanda. Transport costs are extremely high in both landlocked nations and competition among providers is minimal. Access to electricity is limited and expensive for business owners, eating into profit margins and making businesses less competitive. In a recent World Bank investment climate survey of Afghanistan, nearly 60 percent of the 338 firms surveyed named lack of electricity as a "severe or major obstacle to doing business."<sup>5</sup>

About half of Afghanistan's power generation capacity is operational, making black-outs common and leaving businesses dependent on expensive generators. In Kabul, Sarah Rahmani regularly has to run her boutique on expensive generator power at the cost of roughly 400 Afghanis (or eight dollars) each day. In Rwanda, a 2004 World Bank report noted that only 30 percent of rural medium-to-small-scale enterprises have electricity and only about half of these enterprises have a source of water nearby.<sup>6</sup> In the aftermath of the country's 2004 electricity shortage, tariffs were doubled, though demand remains high. Running on generator power is the norm for entrepreneurs here, too. Beatrice Gakuba estimates she loses about 5 percent of productivity each year due to problems with the infrastructure, including the power and water so critical to cultivating and preparing her roses for export.

Both Afghan and Rwandan officials say they are aware of the problems and are working to address them. The Afghan Investment and Support Agency's Dr. Omar Zakhilwal is working to make power and infrastructure a focus of future investments and USAID is helping with several projects now underway. They also say they are aware of the need for a one-stop shop for exporters like Rwanda's Rwanda Investment and Export Promotion Agency (RIEPA).

Rwandan officials say the plan to generate electricity from methane gas extracted from Rwanda's Lake Kivu will soon become reality. In the meantime, generators are put to work regularly in both nations and produce is often moved in the evening and shipped out in the morning so it will not be subject to storage for long periods of time. A cold room is also in the works for the Kigali airport following lobbying from the country's exporters. Finally, business leaders and government officials are working together to try and lower shipping rates to get goods out of the country. In the meantime, businesswomen such as Janet Nkubana are decreasing their expenses by transporting goods together.

#### Insufficient institutions

Both Afghanistan and Rwanda started from the equivalent of ground zero to build the institutions necessary to attract investment and foster growth. The new governments were faced with the task of establishing institutions to register businesses, collect taxes, guarantee property rights, and build a functioning legal system.

Both states continue to face challenges in these areas.

According to the World Bank 2005 *Doing Business* report, it takes:

:: 17 steps and 252 days for an entrepreneur in Rwanda to fulfill the necessary licensing and permitting requirements.

:: 11 steps and 252 days to register property in Afghanistan at a cost of 9.5 percent of the overall property value. Business owners surveyed there say registering and guaranteeing property rights remain among their prime challenges to starting and investing in a business. In Rwanda, an entrepreneur must take five steps and 371 days to register property at a cost of 9.6 percent of overall property value. :: 400 days to enforce contracts in Afghanistan. For Rwanda, 27 steps and 310 days are needed to enforce contracts.

More than half of the Afghan firms surveyed by the World Bank said they had failed in an attempt to secure land in the past three years and more than 10 percent of them are engaged in property disputes. As one entrepreneur told the World Bank, "It is not enough to get the approval of the Ministry to get land. We have to visit several offices to get all the clearances required and we do not think there is a single government office that we have not visited!"<sup>7</sup>

Shahla Nawabi reports that negotiating contracts for roads and schools is made more challenging by the fact that more than one body lays claim to a piece of property. Building a road requires extensive negotiation with the communities affected, even when the government supports the project.

There is also the challenge of business registration: When Kamela Sediqi wanted to register her second business, building gabions, she found out it was easier to register as an NGO, so she proceeded accordingly. It continues to be the case that many for-profit enterprises are actually registered as NGOs in Afghanistan.

In Rwanda, Beatrice Gakuba says public sector officials don't have the skills to put into practice the government's pro-business attitude, despite a push from the top to view private sector growth as critical to Rwanda's future. Yet Rwanda has made real progress with its "zero tolerance" corruption policy, while Afghan entrepreneurs say they pay out an average of eight percent of their income in bribes.

In both countries, the government, with some help from the international community, is working hard to show positive results in creating functioning institutions. Afghan officials say developing a legal framework and enacting revised investment laws are top priorities. Already, the government has streamlined the tax and business licensing processes, and the Afghan Investment Support Agency regularly takes local entrepreneurs to Western Europe and North America on investment road shows designed to attract foreign money. Rwanda's RIEPA facilitates exporting with minimal hassle, and there is no tax on exporters or those importers bringing in internet technology, which is a government priority. In both Afghanistan and Rwanda, women entrepreneurs have attracted the attention of government officials and can be seen coming in and out of government investment and export promotion agencies regularly.

Opportunities ahead – Questions to consider

This paper only begins to describe the challenges entrepreneurs face in these two countries struggling to succeed in the global economy. Political uncertainty, regional unrest, and the continuing dependence upon international donors for financial and human capital support make these nations among the world's most difficult places to do business. Modernization must continue to take hold if women are to expand their traditional roles, and there is no guarantee modernization will proceed apace. Yet, the signs are promising in both nations as economies grow and institutions continue to mature. As Shahla Nawabi puts it, "In four years, we have come a long way... In another three or four years, I don't think people will be thinking that I am mad, I think people will be thinking, 'I wish we did it.'"

**Women are a crucial part of continuing along the path of economic progress.**

Female entrepreneurs have already shown they have a role to play in job creation and the growth of the national economy. The question is: How they will build upon the gains they have made, and what can the global community of business leaders, international sponsors, and entrepreneurship specialists do to help? Clearly, there is a need for capital, but there is also a need for expertise, training, and capacity-building - the kind of support that is often overlooked as grants are given and aid doled out.

Among the many topics to consider for further discussion, three in particular stand out:

- :: The role of the international community: NGOs, multilaterals, and international governments are visible and active in both of these economies. Is there a way to rethink the aid model to provide a greater focus on entrepreneurship as a means of economic independence and support the start-up spirit thriving in both of these nations?
- :: The role of government policy: What can governments recovering from war do to foster entrepreneurship among all their citizens, including women? Answers thus far have included low tax rates, the creation of industrial parks, and a reduction of tariffs on both imports and exports. What policies are making a difference and what more can governments do to help support thriving enterprises?
- :: The role of the global business community in furthering these networks of women entrepreneurs and sharing expertise: The will exists and the spirit is there. What aspiring entrepreneurs in these countries now crave are the skills many in the West have. How can this know-how be shared efficiently and effectively? Sharing the knowledge of successful entrepreneurs with people launching new ventures in post-war countries will help contribute to the stability and growth of regions that desperately need them. The new entrepreneurs also have something to teach - the innovation and resourcefulness needed to flourish amid seemingly endless challenge.

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**6.3 History's Greatest Silence: Empowering Women in Conflict Situations in the Fight to End Sexual Violence in Conflict**

*By: La Neice Collins, Office of the SRSG on Sexual Violence in Conflict, United Nations*

History's Oldest and Least Condemned Crime

*"They took my life without killing me."*

Bosnian survivor of sexual violence in conflict

Rape used as a weapon of war has a long and infamous history. In the Bible, the Old Testament Book of Zechariah describes how the city of Jerusalem will be treated after attack: "... the city will be taken, the houses rifled, the loot divided, the women raped; half the population will be taken away as slaves, the other half will be left in what remains of the city." <sup>1</sup>

History and literature are replete with stories of rape used to punish opponents, instill fear in civilian populations and as spoils for the victor. In the *Iliad*, Homer describes the rape of Helen of Troy as the impetus for the Trojan War. Greek playwright Euripides lived through the Peloponnesian War and the atrocities he witnessed, including the widespread rape of women, influenced his work. He often wrote his plays through the eyes of women, which allowed him "considerable freedom in stating his views on the horror of war, something that he sees striking women and children with particular cruelty"<sup>2</sup>

Sexual violence in conflict has often been depicted in art as well. The rape of Lucretia, a noblewoman and the daughter of a Roman prefect, was said to be the motivation

for the overthrow of the Roman monarchy and the installation of the Republic. This event has been the theme of paintings, poems and operas for centuries. An 1877 work by Russian painter Konstantin Makovsky, *The Bulgarian Martyresses*, illustrates the mass rape of Bulgarian women by Ottoman troops during the April Rebellion of 1876. When the Ottomans learned of the planned uprising they dispatched irregular guards, known as *bashi bazouks*, to Northern Bulgaria where they pillaged villages, raped and murdered thousands.<sup>3</sup>

Conflict-related sexual violence, a mainstay of ancient warfare, continues into modern day conflict. In April 1863, US President Abraham Lincoln issued [General Orders 100](#), also known as the Lieber Code, which prohibited Union soldiers from committing rape against Confederate civilians and former slaves.

Article 44 reads: “All wanton violence committed against persons in the invaded country, all destruction of property not commanded by the authorized officer, all robbery, all pillage or sacking, even after taking a place by main force, all rape, wounding, maiming, or killing of such inhabitants, are prohibited under the penalty of death, or such other severe punishment as may seem adequate for the gravity of the offense.

A soldier, officer or private, in the act of committing such violence, and disobeying a superior ordering him to abstain from it, may be lawfully killed on the spot by such superior.”

Article 47 required soldiers to observe all laws applicable in the Union despite the fact that they were fighting in the South, at that point deemed a separate and belligerent country:

“Crimes punishable by all penal codes, such as arson, murder, maiming, assaults, highway robbery, theft, burglary, fraud, forgery, and rape, if committed by an American soldier in a hostile country against its inhabitants, are not only punishable as at home, but in all cases in which death is not inflicted, the severer punishment shall be preferred.”

Despite the increased mechanization of war, the twentieth century saw no diminution in the use of the low-tech weapon of rape. Sexual violence featured prominently in the German occupation of neighboring countries during the First World War. “Rape and assault against women was well documented in every district in both France and Belgium, and often in great number. When the German cavalry regiment stopped in the French town of *Bailleul* for eight days, there were ‘thirty cases of outrages on women sworn to and authenticated generally by medical certificates, and the actual

number of outrages is estimated at sixty.’ Women were always at risk from attack and no location was entirely safe, as exemplified from a 1914 French police report from *La Ferte-Gaucher*: ‘The Germans ... returned in the evening intoxicated; they then violated the young woman Y. and Mme. X.’ In another instance, the diary of a German soldier from the 12th infantry of reserve recounts a chilling episode, saying, “Last night a man of the *Landwehr*, more than thirty-five years of age, married, tried to violate the quite young daughter of the man in whose house he was quartered; when the father came upon the scene, he held his bayonet to his breast.” Sadly, instances of rape and assault became an all too common reality of everyday life for the occupied civilians.”<sup>4</sup>

During the Second Sino-Japanese War from 1937 to 1938, Japanese troops raped an estimated 20,000 to 80,000 women when they occupied the then Chinese capital of Nanjing. In her book, *The Rape of Nanking*, author Iris Chang includes the recollection of a Japanese soldier who described how rape victims were often murdered to keep them from identifying their attackers: “It would be all right if we only raped them. I shouldn't say all right. But we always stabbed and killed them. Because dead bodies don't talk ... Perhaps when we were raping her, we looked at her as a woman, but when we killed her, we just thought of her as something like a pig.”<sup>5</sup>

In the closing days of World War II, as the Red Army marched through Central Europe toward Germany, Russian soldiers took their revenge on an unprotected civilian population. “The Germans had done terrible things to Russia; now it was their turn to suffer. Their possessions and their women were there for the taking. With the tacit consent of its commanders, the Red Army was turned loose on the civilian population of the newly conquered German lands. On its route west the Red Army raped and pillaged in Hungary, Romania, Slovakia, and Yugoslavia; but German women suffered by far the worst. Between 150,000 and 200,000 ‘Russian babies’ were born in the Soviet occupied zone of Germany in 1945–46, and these figures make no allowance for untold numbers of abortions, as a result of which many women died along with their unwanted foetuses.”<sup>6</sup>

The Russian army was not the only one that committed widespread sexual violence during the Second World War. Japanese troops sexually enslaved so called “comfort women” in the eleven territories under imperial control during the war. Four thousand Italian women were raped in the town of *Monte Cassino* by soldiers under Allied French command, and hundreds of American troops were disciplined for a wave of sexual assaults in Normandy and other French provinces as they advanced toward Paris in the final months of the war.

Sexual and gender-based atrocities continued unabated in the latter half of the twentieth century. During the Vietnam War, US soldiers committed widespread rape, enforced prostitution and sexual mutilation of Vietnamese women. In Cambodia, the Khmer Rouge organized large-scale forced marriages, used nudity and other forms of sexual humiliation and practiced sexual mutilation in an attempt to weaken the family unit and increase loyalty to the state. An estimated 50,000 women were held as sex slaves in Bosnia during the Balkan War in the 1990s. Forced impregnation of Tutsi women was used as a method of ethnic cleansing during the Rwandan Genocide because children born of rape took the ethnicity of their Hutu fathers. As part of Colombia's decades-long war, thousands of women, many of them from indigenous communities, have been raped to gain access to land and control over valuable mineral resources. During the thirteen years of the Liberian Civil War, the UN estimates 40,000 women were raped, gang-raped, turned into sex slaves, sexually abused and exploited while in Sierra Leone an estimated 65,000 women were raped during that country's twelve year-long internal conflict.

The Twenty-first Century has offered no reprieve from these heinous crimes. A [recent report](#) in 2012 from the Democratic Republic of the Congo's Ministry of Gender estimated that a quarter-million women have been sexually assaulted during that country's war, with 18,795 raped. The last five years have seen a wave of sexual violence in conflict around the world. Violence has displaced hundreds of thousands during the Syrian conflict. In Mali, Taureg rebels often kidnap and rape Hundreds of women in raids on family farms and door-to-door searches. Female protesters and activists in Egypt have been sexually assaulted in public spaces. In Libya, sexual violence was a key aspect of the political upheaval. In 2009, at a stadium in Conakry, Guinea, government forces used mass rape against women who attended an opposition rally to protest planned elections by the political party then in power. Sri Lanka, Myanmar (Burma), Sudan, South Sudan, Ivory Coast, Central African Republic, Somalia and Uganda have all seen widespread sexual violence in the context of war and political unrest.

The Effects of Sexual Violence in Conflict

*"It is now more dangerous to be a woman than a soldier in modern conflict."*

Major General Patrick Cammaert, former UN Peacekeeping Commander

For too long, rape in war was written off as the inevitable by-product of conflict. Women's bodies have become part of the spoils of war and fair game for attack. A 'boys will be boys' attitude silently condoned sexual violence in conflict. Rape did not count among the war crimes punishable by law despite the destructive nature of the attacks.

The consequences of rape and other forms of sexual violence often linger long after conflict has ended. Mental and physical illness is common.

Public health ramifications are long-lasting and devastating. Survivors of rape often face pregnancy, sexually transmitted diseases, including HIV/AIDS, as well as other crippling repercussions. Depression, anxiety disorders, flashbacks, difficulties in re-establishing intimate relationships, and fear devastate the lives of these victims with long-term psychological effects. Moreover, the female victim bears the burden of shame rather than the perpetrator in many societies. Families reject, husbands divorce and communities shun female survivors. Governments deny children born of rape their basic rights, services and protections. Without proof of paternity or family connections, they face a life of marginalization and poverty.

Wartime rape also has an economic impact in many countries because women often constitute a large portion of the informal economy and bear responsibility for the bulk of food production. In Sub-Saharan Africa, women constitute fifty-two percent of the population. They represent over eighty percent of the informal economy producing more than seventy percent of the food.

This crime, linked to human trafficking, transnational organized crime as well as early and forced marriage, has global security implications. In Syria, parents wishing to shield their daughters from sexual violence agree for girls as young as 12 years old to marry older men for protection only to have the children trafficked into a life of sexual slavery.

Sexual violence undercuts development long after the guns have fallen silent. It undermines the development agenda because it prevents children from going to school. It hinders women from going to the market, collecting water, gathering firewood, cultivating their fields and running small businesses. Sexual violence obstructs the full participation of women and girls in the economic, political and social life of a country.

Sexual violence in conflict, a rule of law issue, goes to the heart of international norms and acceptable behavior in times of war. The legacy of sexual assault in war persists for generations after the conflict has ceased. This behavior devastates communities in war and peace. Measures to end impunity and sensitize society must become an imperative. In Liberia, ten years after the end of civil war, rape and other forms of sexual and gender-based violence remain endemic.

These are the most pervasive crimes, committed more than robbery, murder and assault combined.

The International Legal Framework

*“There is one universal truth, applicable to all cultures, countries and communities: violence against women is never acceptable, never excusable, never tolerable.”*

United Nations Secretary-General Ban Ki-moon

After the Second World War, the war crimes tribunals at Tokyo and Nuremberg excluded sexual violence offences, despite the long and infamous history of this crime. Article 27 of the [Geneva Convention](#) Relative to the Protection of Civilian Persons in Time of War (1949) attempted to protect women by prohibiting “any attack on their honour, in particular against rape, enforced prostitution, or any form of indecent assault”. The international tribunals for the former [Yugoslavia](#) and [Rwanda](#) once and for all established rape among the prosecutable offences along with other war crimes and crimes against humanity. In 1998 the newly established [International Criminal Court](#) claimed jurisdiction over sexual violence crimes in war, including rape and enforced impregnation.

More recently, the Committee on the Elimination of Discrimination against Women, a treaty body under the UN Office for the High Commissioner for Human Rights, issued [General Recommendation No. 30 on Women in Conflict Prevention, Conflict and Post-Conflict Situations](#). This General Recommendation outlines States parties’ obligations to protect women’s rights during and post-conflict and provides specific guidance on protecting women from crimes committed by non-state actors.

The term sexual violence includes rape, sexual slavery, forced prostitution, forced pregnancy, forced marriage, enforced sterilization and other crime of comparable gravity. To combat these assaults the Security Council has adopted a series of resolutions, among them Security Council Resolution 1325, and the follow up resolutions 1820, 1888, 1960 and 2106. Passed in 2000, [Resolution 1325](#), a landmark document, serves as the basis for the women, peace and security agenda in the Security Council. It calls on States to increase the representation of women in decision-making positions at all levels of society, end impunity for conflict-related sexual violence, and prosecute sexual violence in all peace negotiations and peace building efforts. The Resolution also urges all belligerents to take special measures to protect women and girls from gender-based violence.

[Resolution 1820](#) (2008) recognized conflict-related sexual violence as a tactic of war. [Resolution 1888](#) (2009) built upon the preceding UNSC Resolutions by creating the position of the Special Representative of the Secretary-General on Sexual Violence in Conflict to provide international leadership and advocacy on the issue. This Resolution requires the Sanctions Committee of the Security Council to add criteria incorporating rape and other acts of sexual violence to its deliberations.

[Resolution 1960](#) (2010) calls for the creation of monitoring, analysis and reporting mechanisms to enhance awareness of this crime as well as the naming and shaming of countries where sexual violence takes place.

Resolution 1888 also called on the Secretary-General to deploy experts to support member states in strengthening the rule of law against sexual violence crimes. The UN has now established a Team of Experts on the Rule of Law/Sexual Violence in Conflict that focuses on building the technical capacity of police, prosecutors and judiciaries. This team of experts aims to investigate, prosecute and adjudicate these crimes thereby bringing justice to victims.

In its structure and composition, the Team of Experts is a unique innovation of the UN system. Three senior specialists from the Office of the High Commissioner for Human Rights, the Department of Peacekeeping Operations, and the United Nations Development Programme support the team leader. These officers execute the priorities and work plan of the Team overseas, as well as work internally in their respective Offices to strengthen bureaucratic support. The Team also draws from a wide-ranging roster that spans forensic technicians to constitutional experts.

The Special Representative on Sexual Violence in Conflict also serves as the Chairperson for UN Action Against Sexual Violence in Conflict. This network consists of 13 United Nations entities, peacekeepers, legal experts, mediators, human rights specialists, health professionals and others, all of whom bring their respective expertise to the table. This structure ensures that the UN “delivers as one” toward a united goal. Entities such as UNICEF, UN Women, the Department of Peacekeeping Operations, the Department of Political Affairs, Office for the Coordination of Humanitarian Affairs, the Office of the High Commissioner for Refugees, and High Commissioner for Human Rights all participate in the network. Through its members, UN Action provides technical support at country-level for a holistic and multi-sectoral response, pools knowledge from across the UN system for shared learning, and raises global awareness through its *Stop Rape Now* Campaign.

UN Action Network has conducted scenario-based training for peacekeepers and national security personnel to enhance their operational security response to prevent sexual violence and protect civilian populations. The Network provides humanitarian services to survivors and develops guidance tools on reparations and early warning indicators. The UN Action network also plays an important role in the implementation of comprehensive national strategies to prevent and address conflict-related sexual violence.

UNSC Resolutions passed from 2000–10 focused on ending impunity for the crime of sexual violence in conflict thereby deepening knowledge about the extent of sexual and gender-based violence in war. In June 2013, [Resolution 2106](#) added a focus to prevent the crime before it happens. The Resolution bolsters the robust conceptual framework, the infrastructure and the compliance established by Resolutions 1820, 1888 and 1960. This is a compliance system based on reliable and timely information and analysis. Tactical, strategic and political actions must occur based on actionable intelligence.

For the first time, Resolution 2106 underscores prevention as well as more consistent, rigorous investigation and prosecution of sexual violence crimes. Deterrence of rape raises the cost and consequences for those who would commit such crimes. The Resolution stresses that sexual violence considerations must be explicitly and consistently reflected in peace processes, ceasefires and peace agreements. The UN now recognizes that there can be no viable peace without the security of women at the heart of all peace-making efforts.

Resolution 2106 emphasizes and ensures that those who commit, command or condone sexual violence are vetted and excluded from positions of influence and power. Moreover, the Resolution stresses the need for comprehensive strategies and services to assist rape survivors with the critical health, psychosocial, and legal interventions to rebuild their lives. Crucially, member-states must also resolutely implement these measures.

Resolutions since the passage of Resolution 1325 in 2000 signaled a sea change in how the international community treats sexual violence in conflict. No longer seen as the inevitable byproduct of war or unfortunate collateral damage from conflict, sexual violence is now a human rights violation, which ruins lives, devastates economies, undermines faith in governments and stifles development and international security. As such sexual violence should be punished like any other war crime.

The legal framework in place aims to tackle this age-old problem; now we must translate these Resolutions must now be translated into change on the ground to create a positive impact on the lives of women and girls threatened by this crime. Perpetrators must not enjoy impunity for these assaults; women and girls must attain positions of authority and enjoy full participation in society. We must sustain political leadership and political will to tackle this scourge and the UN must lead a coordinated and coherent response. Moreover, we must increase awareness of rape as a weapon of war, and consistently punish it under international law.

The Trans-Atlantic Partnership and Germany's Role in Ending Sexual Violence in Conflict

*“That women play a key role in resolving conflicts is something we have long recognized and which feeds into our activities around the world.”*

Guido Westerwelle, Foreign Minister of Germany (2009–2013)

Security Council Resolution 1325 empowers and includes protection for women and girls in conflict. This Resolution has received sustained support from countries around the world, as well as multilateral organizations such as NATO and the European Union.

In 2007 NATO created an overarching policy to mainstream a gender perspective into all of its peace and security operations, policies and guidelines. The Alliance reviews the plan biannually. In theaters of operation such as Afghanistan and Kosovo, NATO has also aimed to limit the impact of its operations on women and children and make fuller use of women in the ranks of military and police units. In 2012 NATO appointed its first Special Representative on Women, Peace and Security to promote and reinforce NATO's implementation of Resolution 1325 and related Resolutions.

The European Union has implemented Resolution 1325 through its the European Security and Defense Policy and within European peace missions. The EU established an inter-agency Taskforce on Women, Peace and Security, developed a set of EU indicators on women's participation in peace building and encouraged member states to adopt National Action Plans to implement 1325. In 2008 EU member states adopted the [Comprehensive Approach to the EU Implementation of the United Nations Security Council Resolutions 1325 and 1820 on Women, Peace and Security](#) and the EU [Guidelines on Violence against Women and Girls](#). The EU has also streamlined the relevant Security Council Resolutions into its training for peacekeepers participating in all UN-led missions and operations, completed the [‘Gender Action Plan’ \(GAP\) on Gender Equality and Women's Empowerment in Development](#) (2010) and increased the exchange of best practices and information related to women in armed conflict and peace building.

In 2012 the United Kingdom launched its Preventing Sexual Violence Initiative (PSVI) under the leadership of Foreign Secretary William Hague. In June 2013 G8 member states adopted the [Declaration on Ending Sexual Violence in Conflict](#) and at the 68<sup>th</sup> session of the UN General Assembly, in September 2013, 134 countries endorsed the [Declaration of Commitment to End Sexual Violence in Conflict](#).

Germany has taken a very active role in promoting the women, peace and security agenda, including using its membership on the Security Council in 2011–12 to

campaign for the global implementation of Resolution 1325. Moreover, Germany has prepared a [national action plan](#) to implement Resolution 1325 from 2013 to 2016. According to Germany's Federal Foreign Office, the plan makes clear that women must participate in peace processes. Protection of women in armed conflict must remain part and parcel of all crisis prevention, conflict management and post-conflict peace building efforts.

Germany has also included gender-sensitive training for civilian and military personnel serving in UN peace missions. The Federal Republic supports UN programs that promote the participation of women in peace processes and protection of civilians in armed conflict. In 2002 Germany's Code of Crimes against International Law entered into force. This code stipulates that war crimes, crimes against humanity and genocide are punishable under German law. Justice authorities can prosecute such transgressions, even if the crime was not committed in Germany or against a German citizen.

Since 2000 the German government, led by the Federal Foreign Office, has supported numerous women's rights projects abroad aimed at improving women's access to the halls of justice and participation in peace processes. These activities include projects focused on improving the situation of women in Afghanistan, the Democratic Republic of Congo and Chechnya. The DRC project collaborates with a local women's legal association and provides legal assistance and psychosocial support to survivors of sexual violence. In Chechnya, legal education campaigns take place in refugee camps and schools to raise awareness among women driven from their homes.

Germany has also supported several UN initiatives aimed at strengthening women's participation in peace building. In 2010-11 the German government gave nearly €1.2 million to a gender-training project of the UN Department for Peacekeeping Operations (DPKO) for police officers serving with UN missions. The government also funded a policy adviser post in DPKO's Gender Unit in 2010, and in 2011 the Federal Foreign Office provided €280,000 to fund DPKO's Gender Training Strategy in Peacekeeping Operations.

#### Conclusion

*"The prolonged slavery of women is the darkest page in human history."*

Elizabeth Cady Stanton, Women's Rights Activist

Despite the efforts of the international community, sexual violence in conflict remains one of the most brutal and oppressive forms of discrimination against women and girls. The actions of preventing attacks before they happen, providing medical and psychosocial care for survivors and punishing perpetrators now serve to

address rape as a weapon of war. We will only end sexual violence by eliminating the root cause of the problem: a disregard for the human rights of women and girls.

The UN Security Council has passed Resolutions to protect women and girls in conflict. Local community leaders must now implement measures to make a difference in the lives of women and girls on the ground. Mainstreaming women's rights in the work of all local, national, regional and international institutions will provide a key first step. If women are seen as second-class citizens in peace time, their rights will certainly not be respected in wartime. In fact, without basic human rights, women in conflicts become expendable. A crucial change in the attitudes and actions of everyone in society must occur, from politicians to religious leaders, from journalists to teachers, to civil society actors and the corporate community. Only when we arrive at the point where women's rights equal human rights will we finally eradicate "history's greatest silence." Only then can we move stories of rape as a weapon of war from the headlines into the history books where they belong.

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## 7

## Thirty Years After 9/11: Global Trends 2030

### 7.1 Preface

*By: Mary Pflum Peterson, Producer, ABC News/Good Morning America*

When I was selected as a Bosch Fellow in 1998, I was a 25-year-old television journalist longing to see the world. I was already reporting for CNN on things like then-House Speaker Newt Gingrich's Contract with America and behind-the-scenes interviews with Hollywood directors. But I was what any good TV journalist is supposed to be at that age: restless. I wanted to cut some global teeth. Domestic news was fine. But I wanted to dive into stories of international heft and significance. The Robert Bosch Foundation Fellowship allowed me to take a giant leap towards achieving that goal. Based first in Dusseldorf and then in Berlin, I worked for DFA – a television news agency housed beneath the auspices of NTV. I threw questions at Helmut Kohl, in the wake of his stinging loss to Gerhard Schroeder. I reported on the coming of the Euro and the move of capital to Berlin. I filed reports when Kurds violently protested the historic capture of Ocalan. I jetted off to Austria to cover the sumptuous Vienna Balls for CNN's Inside Europe, then to Malta to cover its bid to join the European Union. And in April, I set up camp in Istanbul, to cover Turkey's historic federal elections. Along the way, I improved my German, made some fabulous friends, and did what so many journalists in the Robert Bosch Foundation Fellowship Program had done before me: vowed to continue to cover global stories long after the fellowship year came to a close.

My opportunity to do so came in the form of a posting in Istanbul. CNN was eager to expand its role in Turkey in the way of a sibling network, CNN Turk, and asked me to move to Turkey, to assist with the set-up of the network. My task: to train the staff of Turkish reporters and producers and make sure they were up to CNN International standards, and to file reports along the way for CNN International that were of significance to CNN viewers. The stories that I filed for the network initially involved the aftermath of the devastating earthquake that killed more than 20,000 in and around Istanbul in August of 1999. In the coming year, I went on to cover things like primate smuggling and Romanian cyanide spills, the largest in European history. Then in the January of 2001, CNN International called – wondering if I would travel from Istanbul to cover a growing problem in Pakistan: a refugee crisis.

At the time, I knew only the headlines of the story: the situation in Afghanistan at the time was dire. The Taliban was in charge, ruling with a mighty and untenable fist. Families were desperate – and starving. The mountains surrounding the Khyber Pass

was fast becoming a coveted escape route. Pakistan had reluctantly set up a camp – a refugee community – along that mountainous pass not far from Peshawar, an area of Pakistan known for its frequent bombings and arms trades. They indicated they could reluctantly take a few refugees. But a few soon became an onslaught. What had started out as hundreds quickly turned into thousands, then more than a million lost, desperate souls. They had fled one poor region for another, and Pakistan was at its wits end as to what to do.

When I arrived in Peshawar, my reporter’s notebook in hand and a black leather jacket on my back, the community felt more like something out of an Indiana Jones movie – and less like the gleaming city of Islamabad a nuclear missile-toting Pakistan wanted to show the world. And it was there in Peshawar that my cameraman and I met up with a driver, a translator and a machine-gun-toting guard I was told I would most assuredly need in order to make the trek to the refugee community.

“A guard?” I’d asked my contacts at the US Embassy when I’d been setting up the shoot. “Is that really necessary?”

“Miss Pflum, this is the region that directly borders Afghanistan and the Taliban. This is a land not of laws but of tribes. Trust us: You will need a guard.”

And so, with a guard and his machine gun, we set off. The camp, according to the map, wasn’t far. But it took more than two hours to reach, owing to the terrain. The roads were narrow and steep – I could feel my ears pop – and the checkpoints were frequent. When we came to the actual make-shift community, it was jarring. The white tents stood in stark contrast to the all of the tan sand, soil, and rocks of the region. And they stretched for what seemed like miles. Thousands of refugees had set up shop. And more, we were told, were arriving every day.

When I got out of the car to start setting up shots and interviews, I was immediately surrounded. A dozen children formed a circle around me, peering at me, calling to me in their native tongue. It never ceases to amaze me – Whatever story I might be sent to cover, in whatever far-flung area of the world, children are the same: their eyes dance and convey that unmistakable message that all they want to do is play. That’s how these children were. They reached for my reporter’s notebook, they touched the paper, seemingly fascinated by it. And when I bent to place my bag on the ground and reach for my 35mm camera, they touched me, stroking my hair as if I were a dog. First one hand, then two hands, then three caressed my head and pulled at my shoulder-length hair.

I looked to the translator, confused.

“You are blonde,” he explained. “Your head is uncovered and it is yellow hair they see. They are used to veils and dark hair. To them you are as unusual as ...”

He paused then. “You are like a unicorn.”

I was a unicorn? I had been called many things in my time as a reporter, but never a unicorn. I smiled. The children smiled. Then they took both of my hands in theirs and began to lead me around the tent village, set up in neat rows that seemed to double as makeshift streets and avenues. But as the children led me, the leader of the community, who stood with my translator, frowned and vigorously shook his head.

“It’s alright,” I said reassuringly.

I turned to my translator then. “I won’t hurt them. Tell him I won’t hurt them.”

“It’s not the children he’s worried about, Mary,” my translator told me, shaking his head. “It’s you. The children are sick.”

I looked at the children holding my hands. They didn’t look sick. Their eyes danced. The leader of the group talked for a while to the translator, and as he did so, the translator took a step back from the children.

“Mary,” he said sternly. “Some of the children died last night. More are expected to die. Their leader says it is in the dust. He says it is in the air.”

I looked around me. The village was covered with a heavy layer of sooty, rusty dust. There was dust as far as the eye could see, creating a film on everything, including my notebook and the lens of the camera. As is the case with so many refugee camps, I would later learn, there were not adequate waste facilities. Diseases from one readily spread to another – often in the form of that omnipresent dust.

I vowed at the time to use copious amounts of Purell when the interviews were over, to take a long hot shower when I eventually returned to Karachi. For now, I told myself and the translator, I would be fine.

I stayed for some two hours in that tent village, interviewing families, playing with the children. The messages of the mothers and fathers were the same as it is with so many families: they wanted safety, stability, a new life. Pakistan was poor and uncertain – but Afghanistan was worse. They were unsafe there. Their children faced a dark adulthood, if they even reached adulthood. An uncertain life in Pakistan, they told me, was better than almost-certain death in Afghanistan.

They had no belongings – just shirts off of their backs and in some cases family rugs. But the tents were flimsy – little better than paper thin. And rations were meager. I feared for their futures – and for the fate of the young children who had embraced me as their own personal unicorn.

There are certain stories that stay with you as a journalist – and for me, that day at the refugee camp in the Khyber Pass is one of them. I’ll never forget those children, those tents, the solemnity of those parents, so frightened – and yet so resolute.

The refugee situation that I witnessed on that fateful day in Pakistan is one that is being played out around the world. Some three million displaced Afghan families sought refuge in Pakistan during the reign of the Taliban and the onset of war with the US. But the Afghan refugees are just the tip of the iceberg. Refugee situations are now careening out of control in Rwanda, in Somalia, in Syria and beyond.

The American Refugee Committee (ARC) estimates that today there are 39 million people globally who have been forced to flee their homes due to conflict or natural disaster: 10 million are categorized as refugees and 29 million are internally displaced persons (meaning they have not crossed an international border). The numbers have climbed steadily in the last decade and are expected to grow even worse, according to the United Nations, owing to a global economic slowdown, rising food prices, and climate change imposing a new pattern of forced displacement.

Some of the refugees have fled not once – but two and even three times. Take the Iraqi refugees who fled to Syria a decade ago, only to be forced out of war-torn Syria to neighboring Lebanon. Syrian refugees – an estimated 1.3 million of them – now make up as much as a quarter of Lebanon’s population. And the Lebanese government – badly burned, it says, by the Palestinian refugee situation it has endured in recent years – is at a loss about what to do about the influx of women and children. Charities and NGOs are battling to get 70,000 children into schools and families out of flimsy tents in a nation that continues to insist it has no room for so many ‘outsiders.’

Wealthy nations – the US included – are combating the situation by erecting ever-higher walls on its borders with neighbors the likes of Mexico and by enforcing ever-tougher legislation to keep the refugees at bay. Consequently, for the most part, the refugees are fleeing one poor country for another. In the process, tensions are escalating. Xenophobic riots have taken place in South Africa, in Russia, in Western Europe and are expected to increase – in frequency and in magnitude.

“When people are troubled by rising food prices, there are two easy scapegoats: foreigners and the government,” Antonio Guterres, U.N. High Commissioner for

Refugees, has said. “Xenophobia is a very worrying problem and it’s widespread.”

The challenge of the 21<sup>st</sup> Century: how to bring the growing refugee problem under control. It would seem to many – including this reporter – that the genie is out of the bottle; that as long as the world remains unstable, and borders and alliances continue to shift, the refugee situation will continue, and contribute mightily to ever-intensifying global tensions in the process. It’s like a game of international Hot Potato: “I can’t take them. Here – you take them!” The question then becomes not how to put the genie back into the bottle, but how to come to terms with that genie as a global community.

More than a decade after that visit to my first refugee camp, the memory lingers – as do physical scars. A day after returning from the camp in the Khyber Pass, I came down with a high fever and a bad cough. The fever climbed to 105 degrees before I sought medical care in Istanbul. “You inhaled something,” the young female doctor at Istanbul’s International Hospital told me, as she started me on an IV drip. My cameraman, who had accompanied me to the hospital, nodded knowingly. “It was those kids.”

Nearly two years – and three bouts of what I thought was pneumonia—later, a medical team of pulmonary specialists back in New York found spots all over both of my lungs following a series of CT scans. I had suffered from a form of TB, I was told. It wasn’t just any TB, they said – it was a form of TB native to Pakistan and Afghanistan. The leader of the refugee camp had been right to warn me. The children had been sick. Very sick.

My medical situation is under control now – but the spots on my lungs remain. They are a constant reminder of my time in that refugee camp and of a situation that our generation and the one to follow will need to come to terms with in our lifetimes as the world grows increasingly polarized and populated by refugees in search of safe and solid ground.

## 7.2 Global Trends 2030: Alternative Worlds

By: *Chris Kojm*, Visiting Professor of the Practice of International Affairs, Elliott School of International Affairs, The George Washington University

### Executive Summary

This report is intended to stimulate thinking about the rapid and vast geopolitical changes characterizing the world today and [possible global trajectories during the next 15–20 years](#). As with the NIC’s previous Global Trends reports, we do not seek

to predict the future – which would be an impossible feat – but instead provide a framework for thinking about **possible futures and their implications**.

*“... the idea of the future being different from the present is so repugnant to our conventional modes of thought and behavior that we, most of us, offer a great resistance to acting on it in practice.”*

John Maynard Keynes, 1937

#### Global trends 2030: an overview

Megatrends	
Individual Empowerment	Individual empowerment will accelerate owing to poverty reduction, growth of the global middle class, greater educational attainment, widespread use of new communications and manufacturing technologies, and health-care advances.
Diffusion of Power	There will not be any hegemonic power. Power will shift to networks and coalitions in a multipolar world.
Demographic Patterns	There will not be any hegemonic power. Power will shift to networks and coalitions in a multipolar world.
Food, Water, Energy Nexus	Demand for these resources will grow substantially owing to an increase in the global population. Tackling problems pertaining to one commodity will be linked to supply and demand for the others.
Game-changers	
Crisis-Prone Global Economy	Will global volatility and imbalances among players with different economic interests result in collapse? Or will greater multipolarity lead to increased resiliency in the global economic order?
Governance Gap	Will governments and institutions be able to adapt fast enough to harness change instead of being overwhelmed by it?
Potential for Increased Conflict	Will rapid changes and shifts in power lead to more intrastate and interstate conflicts?
Wider Scope of Regional Instability	Will regional instability, especially in the Middle East and South Asia, spill over and create global insecurity?
Impact of New Technologies	Will technological breakthroughs be developed in time to boost economic productivity and solve the problems caused by a growing world population, rapid urbanization, and climate change?
Role of the United States	Will the US be able to work with new partners to reinvent the international system?
Potential worlds	
Stalled Engines	In the most plausible worst-case scenario, the risks of interstate conflict increase. The US draws inward and globalization stalls.
Fusion	Inequalities explode as some countries become big winners and others fail. Inequalities within countries increase social tensions. Without completely disengaging, the US is no longer the “global policeman.”
Nonstate World	Driven by new technologies, nonstate actors take the lead in confronting global challenges.

Table 1: Global Trends 2030: An overview<sup>1</sup>

The world of 2030 will be radically transformed from our world today. By 2030, no country – whether the US, China or any other large country – will be a hegemonic power. The empowerment of individuals and diffusion of power among states and from states to informal networks will have a dramatic impact, largely reversing the

historic rise of the West since 1750, restoring Asia’s weight in the global economy, and ushering in a new era of “democratization” at the international and domestic level. In addition to individual empowerment and the diffusion of state power, we believe that two other **megatrends** will shape our world out to 2030: demographic patterns, especially rapid aging; and growing resource demands which, in the cases of food and water, might lead to scarcities. These trends, which are virtually certain, exist today, but during the next 15–20 years they will gain much greater momentum. Underpinning the megatrends are **tectonic shifts** – critical changes to key features of our global environment that will affect how the world “works” (see table on previous page).

Extrapolations of the megatrends would alone point to a changed world by 2030 – but the world could be transformed in radically different ways. We believe that six key game-changers – questions regarding the global economy, governance, conflict, regional instability, technology, and the role of the United States – will largely determine what kind of transformed world we will inhabit in 2030. Several potential Black Swans – discrete events – would cause large-scale disruption (see page xi). All but two of these – the possibility of a democratic China or a reformed Iran – would have negative repercussions.

Based upon what we know about the megatrends and the possible interactions between the megatrends and the game-changers, we have delineated four archetypal futures that represent distinct pathways for the world out to 2030. None of these alternative worlds is inevitable. In reality, the future probably will consist of elements from all the scenarios.

#### Megatrends and related tectonic shifts

##### Megatrend 1: Individual Empowerment

Individual empowerment will accelerate substantially during the next 15 – 20 years owing to poverty reduction and a huge growth of the global middle class, greater educational attainment, and better health care. The growth of the global middle class constitutes a tectonic shift: for the first time, a majority of the world’s population will not be impoverished, and the middle classes will be the most important social and economic sector in the vast majority of countries around the world. Individual empowerment is the most important megatrend because it is both a cause and effect of most other trends – including the expanding global economy, rapid growth of the developing countries, and widespread exploitation of new communications and manufacturing technologies. On the one hand, we see the potential for greater individual initiative as key to solving the mounting global challenges over the next 15–20 years. On the other hand, in a tectonic shift, individuals and small groups will

have greater access to lethal and disruptive technologies (particularly precision-strike capabilities, cyber instruments, and bioterror weaponry), enabling them to perpetrate large-scale violence – a capability formerly the monopoly of states.

#### Megatrend 2: Diffusion Of Power

The diffusion of power among countries will have a dramatic impact by 2030. Asia will have surpassed North America and Europe combined in terms of global power, based upon GDP, population size, military spending, and technological investment. China alone will probably have the largest economy, surpassing that of the United States a few years before 2030. In a tectonic shift, the health of the global economy increasingly will be linked to how well the developing world does – more so than the traditional West. In addition to China, India, and Brazil, regional players such as Colombia, Indonesia, Nigeria, South Africa, and Turkey will become especially important to the global economy. Meanwhile, the economies of Europe, Japan, and Russia are likely to continue their slow relative declines.

The shift in national power may be overshadowed by an even more fundamental shift in the *nature* of power. Enabled by communications technologies, power will shift toward multifaceted and amorphous networks that will form to influence state and global actions. Those countries with some of the strongest fundamentals – GDP, population size, etc. – will not be able to punch their weight unless they also learn to operate in networks and coalitions in a multipolar world.

#### Megatrend 3: Demographic Patterns

We believe that in the world of 2030 – a world in which a growing global population will have reached somewhere close to 8.3 billion people (up from 7.1 billion in 2012) – four demographic trends will fundamentally shape, although not necessarily determine, most countries’ economic and political conditions and relations among countries. These trends are: aging – a tectonic shift for both for the West and increasingly most developing countries; a still-significant but shrinking number of youthful societies and states; migration, which will increasingly be a cross-border issue; and growing urbanization – another tectonic shift, which will spur economic growth but could put new strains on food and water resources. Aging countries will face an uphill battle in maintaining their living standards. Demand for both skilled and unskilled labor will spur global migration. Owing to rapid urbanization in the developing world, the volume of urban construction for housing, office space, and transport services over the next 40 years could roughly equal the entire volume of such construction to date in world history.

#### Megatrend 4: Growing Food, Water, And Energy Nexus

Demand for food, water, and energy will grow by approximately 35, 40, and 50 percent respectively owing to an increase in the global population and the consumption patterns of an expanding middle class. Climate change will worsen the outlook for the availability of these critical resources. Climate change analysis suggests that the severity of existing weather patterns will intensify, with wet areas getting wetter and dry and arid areas becoming more so. Much of the decline in precipitation will occur in the Middle East and northern Africa as well as western Central Asia, southern Europe, southern Africa, and the US Southwest.

We are not necessarily headed into a world of scarcities, but policymakers and their private sector partners will need to be proactive to avoid such a future. Many countries probably won’t have the wherewithal to avoid food and water shortages without massive help from outside. Tackling problems pertaining to one commodity won’t be possible without affecting supply and demand for the others. Agriculture is highly dependent on accessibility to adequate sources of water as well as on energy-rich fertilizers. Hydropower is a significant source of energy for some regions while new sources of energy – such as biofuels – threaten to exacerbate the potential for food shortages. There is as much scope for negative tradeoffs as there is the potential for positive synergies. Agricultural productivity in Africa, particularly, will require a sea change to avoid shortages. Unlike Asia and South America, which have achieved significant improvements in agricultural production per capita, Africa has only recently returned to 1970s’ levels.

In a likely tectonic shift, the United States could become energy-independent. The US has regained its position as the world’s largest natural gas producer and expanded the life of its reserves from 30 to 100 years due to hydraulic fracturing technology. Additional crude oil production through the use of “fracking” drilling technologies on difficult-to-reach oil deposits could result in a big reduction in the US net trade balance and improved overall economic growth. Debates over environmental concerns about fracturing, notably pollution of water sources, could derail such developments, however.

## Tectonic shifts between now and 2030

Growth of the Global Middle Class	Middle classes most everywhere in the developing world are poised to expand substantially in terms of both absolute numbers and the percentage of the population that can claim middle-class status during the next 15–20 years.
Wider Access to Lethal and Disruptive Technologies	A wider spectrum of instruments of war – especially precision-strike capabilities, cyber instruments, and bioterror weaponry – will become accessible. Individuals and small groups will have the capability to perpetrate large-scale violence and disruption – a capability formerly the monopoly of states.
Definitive Shift of Economic Power to the East and South	The US, European, and Japanese share of global income is projected to fall from 56 percent today to well under half by 2030. In 2008, China overtook the US as the world's largest saver; by 2020, emerging markets' share of financial assets is projected to almost double.
Unprecedented and Widespread Aging	Whereas in 2012 only Japan and Germany have matured beyond a median age of 45 years, most European countries, South Korea, and Taiwan will have entered the post-mature age category by 2030. Migration will become more globalized as both rich and developing countries suffer from workforce shortages.
Urbanization	Today's roughly 50-percent urban population will climb to nearly 60 percent, or 4.9 billion people, in 2030. Africa will gradually replace Asia as the region with the highest urbanization growth rate. Urban centers are estimated to generate 80 percent of economic growth; the potential exists to apply modern technologies and infrastructure, promoting better use of scarce resources.
Food and Water Pressures	Demand for food is expected to rise at least 35 percent by 2030 while demand for water is expected to rise by 40 percent. Nearly half of the world's population will live in areas experiencing severe water stress. Fragile states in Africa and the Middle East are most at risk of experiencing food and water shortages, but China and India are also vulnerable.
US Energy Independence	With shale gas, the US will have sufficient natural gas to meet domestic needs and generate potential global exports for decades to come. Increased oil production from difficult-to-access oil deposits would result in a substantial reduction in the US net trade balance and faster economic expansion. Global spare capacity may exceed over 8 million barrels, at which point OPEC would lose price control and crude oil prices would collapse, causing a major negative impact on oil-export economies.

Table 2: Tectonic shifts between now and 2030<sup>2</sup>

## Game-changers

## Game-Changer 1: The Crisis-Prone Global Economy

The international economy almost certainly will continue to be characterized by various regional and national economies moving at significantly different speeds – a pattern reinforced by the 2008 global financial crisis. The contrasting speeds across different regional economies are exacerbating global imbalances and straining governments and the international system. The key question is whether the divergences and increased volatility will result in a global breakdown and collapse or whether the development of multiple growth centers will lead to resiliency. The absence of a clear hegemonic economic power could add to the volatility. Some experts have compared the relative decline in the economic weight of the US to the late 19<sup>th</sup> century when economic dominance by one player – Britain – receded into multipolarity.

A return to pre-2008 growth rates and previous patterns of rapid globalization looks increasingly unlikely, at least for the next decade. Across G-7 countries, total nonfinancial debt has doubled since 1980 to 300 percent of GDP, accumulating over a generation. Historical studies indicate that recessions involving financial crises tend to be deeper and require recoveries that take twice as long. Major Western economies – with some exceptions such as the US, Australia, and South Korea – have only just begun deleveraging (reducing their debts); previous episodes have taken close to a decade.

Another major global economic crisis cannot be ruled out. The McKinsey Global Institute estimates that the potential impact of an unruly Greek exit from the euro zone could cause eight times the collateral damage as the Lehman Brothers bankruptcy. Regardless of which solution is eventually chosen, progress will be needed on several fronts to restore euro zone stability. Doing so will take several years at a minimum, with many experts talking about a whole decade before stability returns.

Earlier economic crises, such as the 1930s' Great Depression, also hit when the age structures of many Western populations were relatively youthful, providing a demographic bonus during the postwar economic boom. However, such a bonus will not exist in any prospective recovery for Western countries. To compensate for drops in labor-force growth, hoped-for economic gains will have to come from growth in productivity. The United States is in a better position because its workforce is projected to increase during the next decade, but the US will still need to increase labor productivity to offset its slowly aging workforce. A critical question is whether technology can sufficiently boost economic productivity to prevent a long-term slowdown.

As we have noted, the world's economic prospects will increasingly depend on the fortunes of the East and South. The developing world already provides more than 50 percent of global economic growth and 40 percent of global investment. Its contribution to global investment growth is more than 70 percent. China's contribution is now one and a half times the size of the US contribution. In the World Bank's baseline modeling of future economic multipolarity, China – despite a likely slowing of its economic growth – will contribute about one-third of global growth by 2025, far more than any other economy. Emerging market demand for infrastructure, housing, consumer goods, and new plants and equipment will raise global investment to levels not seen in four decades. Global savings may not match this rise, resulting in upward pressure on long-term interest rates.

Despite their growing economic clout, developing countries will face their own challenges, especially in their efforts to continue the momentum behind their rapid economic growth. China has averaged 10-percent real growth during the past three

decades; by 2020 its economy will probably be expanding by only 5 percent, according to several private-sector forecasts. The slower growth will mean downward pressure on per capita income growth. China faces the prospect of being trapped in middle-income status, with its per capita income not continuing to increase to the level of the world's advanced economies. India faces many of the same problems and traps accompanying rapid growth as China: large inequities between rural and urban sectors and within society; increasing constraints on resources such as water; and a need for greater investment in science and technology to continue to move its economy up the value chain.

#### Game-Changer 2: The Governance Gap

During the next 15–20 years, as power becomes even more diffuse than today, a growing number of diverse state and nonstate actors, as well as subnational actors, such as cities, will play important governance roles. The increasing number of players needed to solve major transnational challenges – and their discordant values – will complicate decisionmaking. The lack of consensus between and among established and emerging powers suggests that multilateral governance to 2030 will be limited at best. The chronic deficit probably will reinforce the trend toward fragmentation. However, various developments – positive or negative – could push the world in different directions. Advances cannot be ruled out despite growing multipolarity, increased regionalism, and possible economic slowdowns. Prospects for achieving progress on global issues will vary across issues.

The governance gap will continue to be most pronounced at the domestic level and driven by rapid political and social changes. The advances during the past couple decades in health, education, and income – which we expect to continue, if not accelerate in some cases – will drive new governance structures. Transitions to democracy are much more stable and long-lasting when youth bulges begin to decline and incomes are higher. Currently about 50 countries are in the awkward stage between autocracy and democracy, with the greatest number concentrated in Sub-Saharan Africa, Southeast and Central Asia, and the Middle East and North Africa. Both social science theory and recent history – the Color Revolutions and the Arab Spring – support the idea that with maturing age structures and rising incomes, political liberalization and democracy will advance. However, many countries will still be zig-zagging their way through the complicated democratization process during the next 15–20 years. Countries moving from autocracy to democracy have a proven track record of instability.

Other countries will continue to suffer from a democratic deficit: in these cases a country's developmental level is more advanced than its level of governance.

Gulf countries and China account for a large number in this category. China, for example, is slated to pass the threshold of US \$15,000 per capita purchasing power parity (PPP) in the next five years, which is often a trigger for democratization. Chinese democratization could constitute an immense “wave,” increasing pressure for change on other authoritarian states.

The widespread use of new communications technologies will become a double-edged sword for governance. On the one hand, social networking will enable citizens to coalesce and challenge governments, as we have already seen in Middle East. On the other hand, such technologies will provide governments – both authoritarian and democratic – an unprecedented ability to monitor their citizens. It is unclear how the balance will be struck between greater IT-enabled individuals and networks and traditional political structures. In our interactions, technologists and political scientists have offered divergent views. Both sides agree, however, that the characteristics of IT use – multiple and simultaneous action, near instantaneous responses, mass organization across geographic boundaries, and technological dependence – increase the potential for more frequent discontinuous change in the international system.

The current, largely Western dominance of global structures such as the UN Security Council, World Bank, and IMF probably will have been transformed by 2030 to be more in line with the changing hierarchy of new economic players. Many second-tier emerging powers will be making their mark – at least as emerging regional leaders. Just as the larger G-20 – rather than G-7/8 – was energized to deal with the 2008 financial crisis, we expect that other institutions will be updated – probably also in response to crises.

#### Game-Changer 3: Potential For Increased Conflict

Historical trends during the past two decades show fewer major armed conflicts and, where conflicts remain, fewer civilian and military casualties than in previous decades. Maturing age structures in many developing countries point to a continuing decline in intrastate conflict. We believe the disincentives will remain strong against great power conflict: too much would be at stake. Nevertheless, we need to be cautious about the prospects for further declines in the number and intensity of intrastate conflicts, and interstate conflict remains a possibility.

Intrastate conflicts have gradually increased in countries with a mature overall population that contains a politically dissonant, youthful ethnic minority. Strife involving ethnic Kurds in Turkey, Shia in Lebanon, and Pattani Muslims in southern Thailand are examples of such situations. Looking forward, the potential for conflict to occur in Sub-Saharan Africa is likely to remain high even after some of the region's

countries graduate into a more intermediate age structure because of the probable large number of ethnic and tribal minorities that will remain more youthful than the overall population. Insufficient natural resources – such as water and arable land – in many of the same countries that will have disproportionate levels of young men increase the risks of intrastate conflict breaking out, particularly in Sub-Saharan African and South and East Asian countries, including China and India. A number of these countries – Afghanistan, Bangladesh, Pakistan, and Somalia – also have faltering governance institutions.

Though by no means inevitable, the risks of interstate conflict are increasing owing to changes in the international system. The underpinnings of the post-Cold War equilibrium are beginning to shift. During the next 15–20 years, the US will be grappling with the degree to which it can continue to play the role of systemic guardian and guarantor of the global order. A declining US unwillingness and/or slipping capacity to serve as a global security provider would be a key factor contributing to instability, particularly in Asia and the Middle East. A more fragmented international system in which existing forms of cooperation are no longer seen as advantageous to many of the key global players would also increase the potential for competition and even great power conflict. However, if such a conflict occurs, it almost certainly will not be on the level of a world war with all major powers engaged.

Three different baskets of risks could conspire to increase the chances of an outbreak of interstate conflict: changing calculations of key players—particularly China, India, and Russia; increasing contention over resource issues; and a wider spectrum of more accessible instruments of war. With the potential for increased proliferation and growing concerns about nuclear security, risks are growing that future wars in South Asia and the Middle East would risk inclusion of a nuclear deterrent.

The current Islamist phase of terrorism might end by 2030, but terrorism is unlikely to die completely. Many states might continue to use terrorist group out of a strong sense of insecurity, although the costs to a regime of directly supporting terrorists' looks set to become even greater as international cooperation increases. With more widespread access to lethal and disruptive technologies, individuals who are experts in such niche areas as cyber systems might sell their services to the highest bidder, including terrorists who would focus less on causing mass casualties and more on creating widespread economic and financial disruptions.

#### Game-Changer 4: Wider Scope Of Regional Instability

Regional dynamics in several different theaters during the next couple decades will have the potential to spill over and create global insecurity. The **Middle East** and

**South Asia** are the two regions most likely to trigger broader instability. In the Middle East, the youth bulge – a driving force of the recent Arab Spring – will give way to a gradually aging population. With new technologies beginning to provide the world with other sources of oil and gas, the region's economy will need to become increasingly diversified. But the Middle East's trajectory will depend on its political landscape. On the one hand, if the Islamic Republic maintains power in Iran and is able to develop nuclear weapons, the Middle East will face a highly unstable future. On the other hand, the emergence of moderate, democratic governments or a breakthrough agreement to resolve the Israeli-Palestinian conflict could have enormously positive consequences.

South Asia faces a series of internal and external shocks during the next 15–20 years. Low growth, rising food prices, and energy shortages will pose stiff challenges to governance in Pakistan and Afghanistan. Afghanistan's and Pakistan's youth bulges are large – similar in size to those found in many African countries. When these youth bulges are combined with a slow-growing economy, they portend increased instability. India is in a better position, benefiting from higher growth, but it will still be challenged to find jobs for its large youth population. Inequality, lack of infrastructure, and education deficiencies are key weaknesses in India. The neighborhood has always had a profound influence on internal developments, increasing the sense of insecurity and bolstering military outlays. Conflict could erupt and spread under numerous scenarios. Conflicting strategic goals, widespread distrust, and the hedging strategies by all the parties will make it difficult for them to develop a strong regional security framework.

An increasingly multipolar **Asia** lacking a well-anchored regional security framework able to arbitrate and mitigate rising tensions would constitute one of the largest global threats. Fear of Chinese power, the likelihood of growing Chinese nationalism, and possible questions about the US remaining involved in the region will increase insecurities. An unstable Asia would cause large-scale damage to the global economy.

Changing dynamics in other regions would also jeopardize global security. **Europe** has been a critical security provider, ensuring, for example, Central Europe's integration into the "West" after the end of the Cold War. A more inward-focused and less capable Europe would provide a smaller stabilizing force for crises in neighboring regions. On the other hand, a Europe which overcomes its current intertwined political and economic crises could see its global role enhanced. Such a Europe could help to integrate its rapidly developing neighbors in the Middle East, Sub-Saharan Africa, and Central Asia into the global economy and broader international system. A modernizing Russia could integrate itself into a wider international community;

at the same time, a Russia which fails to build a more diversified economy and more liberal domestic order could increasingly pose a regional and global threat.

Progress toward greater regional cohesion and integration in **Latin America** and **Sub-Saharan Africa** would promise increased stability in those regions and a reduced threat to global security. Countries in Sub-Saharan Africa, Central America, and the Caribbean will remain vulnerable, nevertheless, to state failure through 2030, providing safe havens for both global criminal and terrorist networks and local insurgents.

#### Game-Changer 5: The Impact Of New Technologies

Four technology arenas will shape global economic, social, and military developments as well as the world community's actions pertaining to the environment by 2030. **Information technology** is entering the big data era. Process power and data storage are becoming almost free; networks and the cloud will provide global access and pervasive services; social media and cybersecurity will be large new markets. This growth and diffusion will present significant challenges for governments and societies, which must find ways to capture the benefits of new IT technologies while dealing with the new threats that those technologies present. Fear of the growth of an Orwellian surveillance state may lead citizens particularly in the developed world to pressure their governments to restrict or dismantle big data systems.

Information technology-based solutions to maximize citizens' economic productivity and quality of life while minimizing resource consumption and environmental degradation will be critical to ensuring the viability of megacities. Some of the world's future megacities will essentially be built from scratch, enabling a blank-slate approach to infrastructure design and implementation that could allow for the most effective possible deployment of new urban technologies - or create urban nightmares, if such new technologies are not deployed effectively.

New manufacturing and automation technologies such as additive manufacturing (3D printing) and robotics have the potential to change work patterns in both the developing and developed worlds. In developed countries these technologies will improve productivity, address labor constraints, and diminish the need for outsourcing, especially if reducing the length of supply chains brings clear benefits. Nevertheless, such technologies could still have a similar effect as outsourcing: they could make more low- and semi-skilled manufacturing workers in developed economies redundant, exacerbating domestic inequalities. For developing economies, particularly Asian ones, the new technologies will stimulate new manufacturing capabilities and further increase the competitiveness of Asian manufacturers and suppliers.

Breakthroughs, especially for technologies pertaining to the **security of vital resources** - will be necessary to meet the food, water, and energy needs of the world's population. Key technologies likely to be at the forefront of maintaining such resources in the next 15-20 years will include genetically modified crops, precision agriculture, water irrigation techniques, solar energy, advanced bio-based fuels, and enhanced oil and natural gas extraction via fracturing. Given the vulnerabilities of developing economies to key resource supplies and prices and the early impacts of climate change, key developing countries may realize substantial rewards in commercializing many next-generation resource technologies first. Aside from being cost competitive, any expansion or adoption of both existing and next-generation resource technologies over the next 20 years will largely depend on social acceptance and the direction and resolution of any ensuing political issues.

Last but not least, new health technologies will continue to extend the average age of populations around the world, by ameliorating debilitating physical and mental conditions and improving overall well-being. The greatest gains in health and longevity are most likely to occur in the countries with developing economies as the sizes of their middle class populations swell. The health-care systems in these countries may be poor today, but by 2030 they will make substantial progress in the longevity potential of their populations; by 2030 many leading centers of innovation in disease management will be in the developing world.

#### Game-Changer 6: The Role Of The United States

How the United States' international role evolves during the next 15-20 years - a big uncertainty - and whether the US will be able to work with new partners to reinvent the international system will be among the most important variables in the future shape of the global order. Although the United States' (and the West's) relative decline vis-a-vis the rising states is inevitable, its future role in the international system is much harder to project: the degree to which the US continues to dominate the international system could vary widely.

The US most likely will remain "first among equals" among the other great powers in 2030 because of its preeminence across a range of power dimensions and legacies of its leadership role. More important than just its economic weight, the United States' dominant role in international politics has derived from its preponderance across the board in both hard and soft power. Nevertheless, with the rapid rise of other countries, the "unipolar moment" is over and Pax Americana - the era of American ascendancy in international politics that began in 1945 - is fast winding down.

The context in which the US global power will operate will change dramatically. Most of Washington’s historic Western partners have also suffered relative economic declines. The post-World-War-II-era was characterized by the G-7 countries leading both economically and politically. US projection of power was dependent on and amplified by its strong alliances. During the next 15–20 years, power will become more multifaceted – reflecting the diversity of issues – and more contextual – certain actors and power instruments will be germane to particular issues.

The United States’ technological assets – including its leadership in piloting social networking and rapid communications – give it an advantage, but the Internet also will continue to boost the power of nonstate actors. In most cases, US power will need to be enhanced through relevant outside networks, friends, and affiliates that can coalesce on any particular issue. Leadership will be a function of position, enmeshment, diplomatic skill, and constructive demeanor.

The US position in the world also will be determined by how successful it is in helping to manage international crises – typically the role of great powers and, since 1945, the international community’s expectation of the United States. Should Asia replicate Europe’s 19<sup>th</sup> - and early 20<sup>th</sup> - century past, the United States will be called upon to be a balancer, ensuring regional stability. In contrast, the fall of the dollar as the global reserve currency and substitution by another or a basket of currencies would be one of the sharpest indications of a loss of US global economic position, strongly undermining Washington’s political influence too.

The replacement of the United States by another global power and erection of a new international order seems the least likely outcome in this time period. No other power would be likely to achieve the same panoply of power in this time frame under any plausible scenario. The emerging powers are eager to take their place at the top table of key multilateral institutions such as UN, IMF, and World Bank, but they do not espouse any competing vision. Although ambivalent and even resentful of the US-led international order, they have benefited from it and are more interested in continuing their economic development and political consolidation than contesting US leadership. In addition, the emerging powers are not a bloc; thus they do not have any unitary alternative vision. Their perspectives – even China’s – are more keyed to shaping regional structures. A collapse or sudden retreat of US power would most likely result in an extended period of global anarchy.

Potential black swans that would cause the greatest disruptive impact

Severe Pandemic	No one can predict which pathogen will be the next to start spreading to humans, or when or where such a development will occur. An easily transmissible novel respiratory pathogen that kills or incapacitates more than one percent of its victims is among the most disruptive events possible. Such an outbreak could result in millions of people suffering and dying in every corner of the world in less than six months.
Much More Rapid Climate Change	Dramatic and unforeseen changes already are occurring at a faster rate than expected. Most scientists are not confident of being able to predict such events. Rapid changes in precipitation patterns – such as monsoons in India and the rest of Asia—could sharply disrupt that region’s ability to feed its population.
Euro/EU Collapse	An unruly Greek exit from the euro zone could cause eight times the collateral damage as the Lehman Brothers bankruptcy, provoking a broader crisis regarding the EU’s future.
A Democratic or Collapsed China	China is slated to pass the threshold of US\$15,000 per capita purchasing power parity (PPP) in the next five years or so—a level that is often a trigger for democratization. Chinese “soft” power could be dramatically boosted, setting off a wave of democratic movements. Alternatively, many experts believe a democratic China could also become more nationalistic. An economically collapsed China would trigger political unrest and shock the global economy.
A Reformed Iran	A more liberal regime could come under growing public pressure to end the international sanctions and negotiate an end to Iran’s isolation. An Iran that dropped its nuclear weapons aspirations and became focused on economic modernization would bolster the chances for a more stable Middle East.
Nuclear War or WMD/Cyber Attack	Nuclear powers such as Russia and Pakistan and potential aspirants such as Iran and North Korea see nuclear weapons as compensation for other political and security weaknesses, heightening the risk of their use. The chance of nonstate actors conducting a cyber attack – or using WMD – also is increasing.
Solar Geomagnetic Storms	Solar geomagnetic storms could knock out satellites, the electric grid, and many sensitive electronic devices. The recurrence intervals of crippling solar geomagnetic storms, which are less than a century, now pose a substantial threat because of the world’s dependence on electricity.
US Disengagement	A collapse or sudden retreat of US power probably would result in an extended period of global anarchy; no leading power would be likely to replace the United States as guarantor of the international order.

Table 3: Potential black swans that would cause the greatest disruptive impact<sup>9</sup>

Alternative Worlds

The present recalls past transition points – such as 1815, 1919, 1945, and 1989 – when the path forward was not clear-cut and the world faced the possibility of different global futures. We have more than enough information to suggest that however rapid change has been over the past couple decades, the rate of change will accelerate in the future. Accordingly, we have created four scenarios that represent distinct pathways for the world out to 2030: *Stalled Engines*, *Fusion*, *Gini Out-of-the-Bottle*, and *Nonstate World*. As in previous volumes, we have fictionalized the scenario narratives to encourage all of us to think more creatively about the future. We have intentionally built in discontinuities, which will have a huge impact in inflecting otherwise straight linear projections of known trends. We hope that a better understanding of the

dynamics, potential inflection points, and possible surprises will better equip decisionmakers to avoid the traps and enhance possible opportunities for positive developments.

#### Stalled Engines

*Stalled Engines* – a scenario in which the risk of interstate conflict rise owing to a new “great game” in Asia – was chosen as one of the book-ends, illustrating the most plausible “worst case.” Arguably, darker scenarios are imaginable, including a complete breakdown and reversal of globalization due potentially to a large scale conflict on the order of a World War I or World War II, but such outcomes do not seem probable. Major powers might be drawn into conflict, but we do not see any such tensions or bilateral conflict igniting a full-scale conflagration. More likely, peripheral powers would step in to try to stop a conflict. Indeed, as we have stressed, major powers are conscious of the likely economic and political damage to engaging in any major conflict. Moreover, unlike in the interwar period, completely undoing economic interdependence or globalization would seem to be harder in this more advanced technological age with ubiquitous connections.

*Stalled Engines* is nevertheless a bleak future. Drivers behind such an outcome would be a US and Europe that turn inward, no longer interested in sustaining their global leadership. Under this scenario, the euro zone unravels quickly, causing Europe to be mired in recession. The US energy revolution fails to materialize, dimming prospects for an economic recovery. In the modeling which McKinsey Company did for us for this scenario, global economic growth falters and all players do relatively poorly.

#### Fusion

*Fusion* is the other book end, describing what we see as the most plausible “best case.” This is a world in which the specter of a spreading conflict in South Asia triggers efforts by the US, Europe, and China to intervene and impose a ceasefire. China, the US, and Europe find other issues to collaborate on, leading to a major positive change in their bilateral relations, and more broadly leading to worldwide cooperation to deal with global challenges. This scenario relies on political leadership, with each side overruling its more cautious domestic constituencies to forge a partnership. Over time, trust is also built up as China begins a process of political reform, bolstered by the increasing role it is playing in the international system. With the growing collaboration among the major powers, global multilateral institutions are reformed and made more inclusive.

In this scenario, all boats rise substantially. Emerging economies continue to grow faster, but GDP growth in advanced economies also picks up. The global economy nearly doubles in real terms by 2030 to \$132 trillion in today’s dollars. The American Dream returns with per capita incomes rising \$10,000 in ten years. Chinese per capita income also expands rapidly, ensuring that China avoids the middle-income trap. Technological innovation – rooted in expanded exchanges and joint international efforts – is critical to the world staying ahead of the rising financial and resource constraints that would accompany a rapid boost in prosperity.

#### Gini out-of-the-Bottle<sup>1</sup>

This is a world of extremes. Within many countries, inequalities dominate – leading to increasing political and social tensions. Between countries, there are clear-cut winners and losers. For example, countries in the euro zone core which are globally competitive do well, while others on the periphery are forced to leave the EU. The EU single market barely functions. The US remains the preeminent power as it gains energy independence. Without completely disengaging, the US no longer tries to play “global policeman” on every security threat. Many of the energy producers suffer from declining energy prices, failing to diversify their economies in time, and are threatened by internal conflicts. Cities in China’s coastal zone continue to thrive, but inequalities increase and split the Party. Social discontent spikes as middle-class expectations are not met except for the very “well-connected.” The central government in Beijing, which has a difficult time governing, falls back on stirring nationalistic fervor.

In this scenario, economic performance in emerging and advanced economies leads to non-stellar global growth, far below that in our *Fusion* scenario, but not as bad as in *Stalled Engines*. The lack of societal cohesion domestically is mirrored at the international level. Major powers are at odds; the potential for conflicts rises. More countries fail, fueled in part by the dearth of international cooperation on assistance and development. In sum, the world is reasonably wealthy, but it is less secure as the dark side of globalization poses an increasing challenge in domestic and international politics.

#### Nonstate World

In this world, nonstate actors – nongovernmental organizations (NGOs), multinational businesses, academic institutions, and wealthy individuals – as well as subnational units (megacities, for example), flourish and take the lead in confronting global challenges. An increasing global public opinion consensus among elites and many of the growing middle classes on major global challenges – poverty, the environment,

anti-corruption, rule-of-law, and peace—form the base of their support. The nation-state does not disappear, but countries increasingly organize and orchestrate “hybrid” coalitions of state and nonstate actors which shift depending on the issue.

Authoritarian regimes find it hardest to operate in this world, preoccupied with asserting political primacy at home and respect in an increasingly “fully democratized” world. Even democratic countries, which are wedded to the notion of sovereignty and independence, find it difficult to operate successfully in this complex and diverse world. Smaller, more agile countries in which elites are also more integrated are apt to do better than larger countries that lack social or political cohesion. Formal governance institutions that do not adapt to the more diverse and widespread distribution of power are also less likely to be successful. Multinational businesses, IT communications firms, international scientists, NGOs, and others that are used to cooperating across borders and as part of networks thrive in this hyper-globalized world where expertise, influence, and agility count for more than “weight” or “position.”

This is nevertheless a “patchwork” and very uneven world. Some global problems get solved because networks manage to coalesce, and some cooperation occurs across state and nonstate divides. In other cases, nonstate actors might try to deal with a challenge, but they are stymied because of opposition from major powers. Security threats pose an increasing challenge: access to lethal and disruptive technologies expands, enabling individuals and small groups to perpetuate violence and disruption on a large scale. Economically, global growth does slightly better than in the *Gini Out-of-the-Bottle* scenario because more cooperation occurs on major global challenges in this world. The world is also more stable and socially cohesive.

#### References

- <sup>1</sup> The “Gini” in this scenario title refers to the Gini Coefficient, which is a recognized statistical measurement of inequality of income.

#### List of Tables

- <sup>1</sup> <https://publicintelligence.net/global-trends-2030/>  
<sup>2</sup> <http://oxfamblogs.org/fp2p/global-trends-2030-top-report-from-us-intelligence/>  
<sup>3</sup> <http://oxfamblogs.org/fp2p/global-trends-2030-top-report-from-us-intelligence/>

## 8 Conclusion: Charting New Waters as Transatlantic Partners

*By: Colette Mazzucelli and Ronald J. Bee*

*“There has never been an era like this in the history of our nation. This is also why we are now permitted to have confidence in our abilities and should trust in ourselves. For we know that people who trust in themselves gain the strength to reach out to the world. People who trust in themselves can be relied on by their partners. In the past, when the Germans put their country above everything, “über alles”, as the national anthem proclaimed, a form of nationalism evolved that progressed through all of the phases of an unenlightened sense of national identity, from forced self-assurance to self-delusion to hubris. Our affirmation of our nation today is based on all the things that make this country credible and trustworthy – including its commitment to cooperation with our European and North Atlantic friends. We should not trust in ourselves because we are the German nation, but because we are this German nation.”*

President Joachim Gauck, Munich Security Conference, January 31, 2014

*“...in the heart of Europe, because our shared past shows that none of these challenges can be met unless we see ourselves as part of something bigger than our own experience. Our alliance is the foundation of global security. Our trade and our commerce is the engine of our global economy. Our values call upon us to care about the lives of people we will never meet. When Europe and America lead with our hopes instead of our fears, we do things that no other nations can do, no other nations will do. So we have to lift up our eyes today and consider the day of peace with justice that our generation wants for this world.”*

President Barack Obama, Brandenburg Gate, June 19, 2013

As we reflect on the analysis of *Global Trends 2030* and on the experiences of Bosch Fellows over three decades in Germany, the editors cannot help but recognize the ebb and flow of German-American relations since the end of the Cold War. Bosch Fellows in this eVolume look to the future and envision mapping an even wider range of security imperatives – economic, geostrategic, energy, migration, and human empowerment – which Germany, America and our transatlantic allies must confront together. Drawing from our Bosch Fellows’ writings in each section, the editors have identified findings and made policy recommendations – some specific and others more general – to help navigate current waters and prepare alternative routes for future storms.

Section 1 Findings: Our Economic Future Depends on Trade

Our initial policy recommendation underlines the need for trade and investment as the engine of transatlantic growth. The transatlantic economy must evolve beyond its

current borders. In a globalized world, our economic health relies first and foremost on world trade. This fact requires that we cooperate within our Western economies as we develop our trade relations with the more populous East. As German Ambassador Peter Ammon underscores, our economic relationship remains crucial to our transatlantic future. The proposed Transatlantic Trade and Investment Partnership (TTIP) would lay a strategic foundation as part of a more inclusive “re-invigoration of multilateral efforts to achieve a global system of free and fair trade.” This concept serves German and American interests as export-oriented economies.

Brent Goff mentions a transatlantic “house under construction.” The Robert Bosch Stiftung has made its own uniquely generous investment, 37.6 million Euros (51.3 million USD), in the transatlantic space. Alumni of the Robert Bosch Foundation Fellowship Program acknowledge this investment with heartfelt appreciation. We recognize that that the Robert Bosch Foundation Fellowship allows us to construct rooms and stories inside our common home. As economic growth sustains our German-American partnership, TTIP should reinvigorate our commitment to shared interests and values.

The editors urge the successful negotiation and ratification of TTIP. Beyond reinvesting in the transatlantic economy, the faith of future generations in transatlantic relevance lies at stake. Chronic unemployment of the educated youth undermines Europe’s democratic foundation, persistently forged in human and material sacrifice since the end of World War II. Moreover, we must employ the youth in our own countries to provide hope in their transatlantic future and deter those leaders who aim purposefully to undermine Western resolve. TTIP offers that promise.

As we cooperate to strengthen our resolve, the editors advocate rejuvenating trust and a sense of purpose in the German-American relationship. Employment of youth and engagement with leaders can spark the process as long as trust remains. Yet, there are still present those “ghosts in the machine,” historic fears of inflation and perceived costs of unification, which Adam Posen articulates. As Europe works through its financial crisis, questions remain about the right balance between austerity policy and investments necessary to stimulate employment and growth.

The editors further recommend a new program for Germans to work in the United States modeled on the Robert Bosch Foundation Fellowship Program for Future American Leaders. Just as the Robert Bosch Foundation Fellowship Program for Future American Leaders was founded at the height of tensions over missile deployments in Germany, we advocate that the United States must now make an investment in young German leadership in light of the NSA fiasco. Funding can originate from an American company or consortium of US firms that conduct business in Europe

and wish to invest in the future of German-American understanding. This initiative should also enjoy White House and Congressional support. We suggest that a Working Group convene under bipartisan and bilateral guidance to create a Fellowship Program for Future German Leaders.

Transatlantic Relations 1.0 focused on the postwar recovery in Europe, the reintegration of West Germany, and the challenges of Soviet expansion. The end of the Cold War ushered in a 2.0 relationship that addressed the unification of Germany and Europe, the consequences of the demise of the former Soviet Union, and pre-and-post 9/11 out-of-area conflicts that affected transatlantic interests. Transatlantic Relations 3.0 involves remapping our relationship in light of TTIP, spying revelations, and the Russian annexation of Crimea.

In a Pew German-American survey on public attitudes toward TTIP, in principle both publics support the partnership although serious questions remain as diplomats craft an agreement with which we can all live. Negotiators must keep the bigger global picture in view, namely how a TTIP agreement would allow the transatlantic community to compete with China. The longer negotiations continue without an agreement, the more China – let alone Russia – will profit in the wake of transatlantic indecision. This will require compromise for the better transatlantic good. Moreover, our citizens must do their global homework consulting reliable sources of information rather than just social media posts more interested in inciting short-term parochial opposition than informing about longer-term benefits. Equally important, our leaders on both sides of the Atlantic must make it a priority to explain how TTIP will help their respective constituencies.

The 2030 Report raises an important issue for European integration regarding the “Governance Gap”: “Will governments and institutions be able to adapt fast enough to harness change instead of being overwhelmed by it?” In other words, will democracies in Europe’s Union choose a 21<sup>st</sup> century integration narrative that responds to fears and uncertainties of unemployed youth across the Continent? Europe cannot lose sight of the promise of the 1989 revolutions in which individual empowerment and moral agency defined the awakening of civil societies in Central and Eastern Europe. A quarter century later, Europe must make its integration project more relevant to younger generations and thus fulfill its social contract. This vocation requires consistent popular engagement and local participation in designing a European model that until now largely has remained the singular preserve of European elites.

Governance also relates in no uncertain terms to Germany’s relations and responsibilities outside Europe’s borders. Within Europe, Germany has been called upon to take on more global responsibility because of its economic and political success

under the NATO security umbrella. Germany achieved economic stature and political unification under that umbrella. It chose to participate in out of area operations as part of its European and transatlantic responsibilities. In the 21<sup>st</sup> century a united Germany has evolved into a regional and global economic power. What role should Germany play on the global economic stage?

Looking ahead, China has emerged as the nation poised to overtake the US as the world's leading economy. In this evolving context, we note the observations of Hans-Ulrich Klose who argues for [maintaining strong transatlantic ties and diversifying roles and responsibilities](#). A ranking member of the Foreign Affairs Committee in the Bundestag and former coordinator for German-American relations in the German Foreign Office, Klose now serves as Senior Adviser to the Robert Bosch Stiftung. In his words, Germany and the United States should talk more about grand strategy regarding China and Asia, and spell out the meaning and implications of the so-called "Pivot to Asia."

Klose concludes one of the consequences is that Europe will have to take care of itself. As a corollary, Germany should support the US balancing the Pacific over the next 50 years, especially given the rise of China. Russia's incursion in Crimea and Putin's decision to turn off the gas supply to Ukraine have prompted [Germany to reassess cautiously its security and defense](#) role in NATO, as evidenced by the deliberations in Wales at the NATO Summit.

Section 2 Findings: Our Geostrategic Future Depends on Transatlantic Engagement

In her chapter, Colette Mazzucelli references a speech made by German President Joachim Gauck at the January 13, 2014 opening of the annual Munich Security Conference. Gauck asserts that Germany needs to take more responsibility in global affairs: "At this very moment, the world's only superpower is reconsidering the scale and form of its global engagement. Europe, its partner, is busy navel-gazing. I don't believe Germany can simply carry on as before in the face of these developments." How can and should Germany proceed and what role should the US play as NATO reassesses its priorities in light of Ukraine, let alone a spate of civil wars occurring across the globe?

The Obama Administration has made clear that the US will no longer play the role as sole "global policeman." Whatever the cumulative reasons - the appeal of normalcy, nation-building at home, budget constraints, or war fatigue - the US has retrenched for the time being. The world, however, has a habit of knocking at our door with unforeseen threats and challenges. Competitors will gauge our responses, react accordingly, and push their own interests. When attacked or we sense our own vital

interests are at stake, we reassess the burdens of global leadership and usually re-engage at full-throttle. In fact, we cannot and should never take our foot off the gas pedal - just have more transatlantic cars on the same *Autobahn* keeping pace alongside us.

The disturbing events in Afghanistan, Iraq, Libya, Mali, Nigeria, Syria, and Ukraine - to name some of the most prominent - will not go away on their own. More of these events will certainly occur. If we recall the genocides of Rwanda and Bosnia, let alone consider the human tragedies happening now or reflect on those that will come in the future, when and how should our societies act? Moreover, what sort of new non-state actor groups or terrorists will hatch out of this plethora of civil wars that will create new unforeseen threats and challenges?

Global Trends 2030 focuses on the role of the United States as a Game Changer and asks, "Will the US be able to work with new partners to reinvent the international system?" We instead see an important role for working with an existing partner to repurpose our transatlantic interests in light of new global realities. As Dan Hamilton noted in his preface, our transatlantic dialogue on such crucial matters requires "...a compass, a guide, a frame of reference for the German-American conversation. Common strategic interests make our cooperation necessary. Common political values make our cooperation possible...During the Cold War we forged an alliance of necessity. Today our alliance is one of choice, a *Wahlverwandtschaft* - for those who haven't read Goethe lately - an elective affinity." The editors recommend building on that German-American "elective affinity" as well as what we see as a "distinctive relationship" to help steer our transatlantic course ahead.

Theo Sommer calls for "a new master narrative" to go "beyond cementing Europe's peace and promoting its integration." He explains "...In the future, we should see ourselves as a political toolbox of values and rules, as the distinct model of a society combining sound economics with social solidarity - a society that adds the visible heart of compassion and inclusion to the invisible hand of the free market."<sup>2</sup> This appeal represents a responsibility for the 21<sup>st</sup> century that speaks to the urgent necessity to defend "open society" in Europe.

Germany's neighbors, France, the Netherlands, and Austria, as well as Hungary and other European states are witnessing a revival of populist movements and Far Right party influence. Beyond strengthening internal cohesion, Germany needs to adapt Sommer's belief into its foreign policy mindset. Germany and Europe's 21<sup>st</sup> century experience of democracy must recall the challenges in the last century to resist the pull of illiberalism. Integration and democracy must be inextricably linked. When this does not happen, we bear witness to the rise of the Far Right across the Continent.

European leaders need to demonstrate concretely how integration enhances democracy. Explanations that lack this conviction and clarity detract from both political goals.

In German-American relations, the wiretapping of Chancellor Angela Merkel's phone and others undermined the trust essential to political security between key allies. Beyond the insidious legacy of the *Gestapo*, the Chancellor lived through the period in which the *Stasi* used family members to spy on each other in East Germany during the Cold War. *Datenschutz*, the protection of privacy, reigns supreme in the German psyche. Americans must recognize this cultural sensitivity. The United States government should apologize for betraying the reservoir of trust Germany displayed after our country's unequivocal support for unification. Moreover, the US Administration must recognize that many Germans believe America squandered the unconditional solidarity Germany offered after the 9/11 attacks in the sand dunes of Iraq. We have witnessed further political disillusionment over the NSA phone-tapping revelations. As Russ Miller (Bosch XVI) asserts, "The larger conceptual gap remains Germany's commitment to a cosmopolitan politics that conflicts with the priority America places on its national interests."<sup>3</sup>

We must right this course and apologize in word as well as deed. For the apology not to ring hollow, and for trust to rebuild, a Presidential Executive Order should prohibit spying on German leaders.

The editors reference the analysis of Lindley-French who presents measures that bring the EU and NATO into play in complementary ways. He advocates German cooperation with its traditional partner, France, as the European Union commits "to keeping lines of communication open and offering Russia a new political relationship with Europe."<sup>4</sup> This is particularly important as Russia signals that its "top priority is to protect ethnic Russians all over the world," a message that resonates strongly in the Baltics. The EU commitment is offset in this scenario by the US and UK as the states responsible to emphasize "the threat Moscow poses to the European order" and the need to strengthen NATO in the medium- to long-term.

The most important ways to strengthen NATO are, in Lindley-French's discussion, its military modernization, particularly as the Baltics and Moldova try "to strengthen and reinforce their ties with the West," the elaboration of a Forward Deterrence strategy "in support of all the Eastern Allies" and layered defence for the twenty-first century integrating different forces "established on a modernised NATO Article 5 defence that combines advanced deployable forces, missile defence and cyber-defence into an effective bastion."

The concerns about NATO's Article 5 expressed by Romania's presidential national security advisor, Iulian Fota, speak to the complex nature of the protection required for the countries vulnerable to Russia's influence and manipulation: "Article 5 protects Romania and other Eastern European countries against a military invasion. But it does not protect them against subversion,' that is, intelligence activities, the running of criminal networks, the buying-up of banks and other strategic assets, and indirect control of media organs to undermine public opinion. Moreover, Article 5 does not protect Eastern Europe against reliance on Russian energy."

As Germany, Europe, and the United States look to Asia, "partnership in pivot" remains most unlikely. The urgent necessity to create a partnership in responsibility looks to deepen commitments made in Wales starting with the deployment of a 4,000 member rapid-reaction force. Merkel's coalition government, in taking the lead to define a new *Ostpolitik*, makes Germany the land in the middle between Russia and Ukraine, as Mazzucelli asserts. The 2014 Grand Coalition must reconcile present realities with a lack of strategic culture and a historical aversion to the use of force that limit Germany's regional security focus. As the United States and its allies respond to global security challenges, NATO Europe can decisively contribute to secure its own region.

Ronald Bee argues that Ukraine offers Germany, the European Union, and NATO a unique challenge and opportunity to act in the protection of transatlantic interests. As Putin remaps his intended sphere of influence in the Russian near abroad, the United States must remain in close partnership with Germany and its other European allies. Berlin should take on more of a leadership role diplomatically and militarily. Germany's economic relations with Russia prove substantial and crucial to solve this crisis. Russia risks jeopardizing German investment in its undiversified economy. Germany has more of a lever economically in relations with Russia than the United States. Yet, the countries bordering Russia understand, as does Putin, the power America's military presence brings to the table. Chancellor Merkel's direct conversations with Vladimir Putin should continue. Germany can help diffuse tensions and set limits to further Russian territorial expansion.

The Russian incursion into Ukraine throws down the gauntlet to the European Union and the Atlantic Alliance. National security must involve real investments in collective security. Otherwise, the current trend in NATO "selective security" will send the wrong signal to Putin as well as real and potential our-of-area adversaries. Just as Bosnia jump-started a recalibration of roles and missions as well as the enlargement of NATO in the 1990s, so, too, must Ukraine now serve as a turning point for policy making in 2014. National security must once again ensure national serenity. Our policy response will require at least a four-pronged approach:

First, in the short-term, NATO must deploy more naval forces to the Baltic Region and the Black Sea. NATO must also deploy as many ground forces to the Eastern borders of Poland, Slovakia, Hungary, and Romania as Russia has deployed to Crimea and the eastern border of Ukraine. Military exercises, rotating deployments, 150 US paratroopers and 4,000 rapid reaction forces alone will neither reassure NATO allies nor send a meaningful message to Russia. Economic sanctions alone, no matter how stringent, will not convince Russia to disengage. Russia countered EU and US sanctions with its own; we should counter Russian troop deployments with similar numbers of troops to the Eastern flank of NATO. We should also consider bringing back the deployment of ballistic missile defenses to the Eastern flank.

Second, NATO must look again at restructuring itself to enable more European leadership and ownership of the Alliance. This will require a serious review of the idea to have a European Supreme Allied Commander of Europe (SACEUR). The US must continue its steadfast commitment to NATO by providing leadership as well as conventional and nuclear capabilities. The eastern flank of NATO expects no less. As long as Americans remain the dominant leader, Europeans have less incentive to take ownership let alone increase their defense budgets. In consultation with America, European nations must decide which roles they want, what capabilities they need, and above all what budgetary commitment those decisions require to invest in their own national security. Germany must play an important role in all of these issues. As the Union's economy improves, the United States must appropriately reassess, readjust, and reduce its financial commitment to the Atlantic Alliance.

Third, American and NATO leaders must engage the Russian Federation in direct talks to shape the future security environment of Eurasia. It remains in no one's interest to exhume the Cold War. The geopolitical levers may have shifted from nuclear weapons during the Cold War to energy supplies today. Yet if we do not wish to see Russian energy revenues fuel a new nuclear arms race, we need to negotiate in earnest now. Recent revelations that Russia may have already abrogated the Intermediate Nuclear Forces Treaty (INF) with alleged cruise missile tests should raise more than just eyebrows. A new arms race would undermine the Nuclear Nonproliferation Treaty (NPT) and give nuclear aspirants yet another argument to proliferate. Ukraine represents a revanchist echo of the Cold War, which could repeat in other non-NATO countries such as Moldova and Georgia that seek closer ties with the EU and NATO. We cannot let that happen. More importantly, this context indicates that Putin's Russia still has not come to terms with the end of the Soviet Union. If we could negotiate with the Soviet Union during the 20<sup>th</sup> century, we can and should certainly engage with Russia in the 21<sup>st</sup>. In addition to refocusing on efforts to reduce our respective nuclear arsenals, talks must also include other areas where our interests intersect, including counter-terrorism, as well as economic

and political reform. Germany, with its geostrategic location, investments, and 6,000 companies in Russia, can and should have a seat at the table.

Fourth, for those talks to have any chance at concrete results, Europe must diversify its energy supplies away from Russia to take "the energy hammer" away from Vladimir Putin.

### Section 3 Findings: Diversifying Energy Supplies

First, to diversify energy supplies, this means looking for more cost-effective ways to develop and produce solar energy. As Eckhart Gouras argues, the US, Germany, and China have mutual incentives and should cooperate to make this happen. Beyond solar, European NATO members must also look to include domestic production of liquefied natural gas (LNG) as well as buy more from the US and Canada. The US must continue to invest in and authorize more LNG export terminals to make European diversification possible. In addition, the US should look to export more natural gas to China as a way to engage an energy thirsty customer and reduce our trade deficit, let alone reduce the carbon footprint of a country that depends too heavily on burning dirty coal. China now emits more greenhouse gases (GHGs) than any other country worldwide.

A related finding involves the growth of transnational advocacy networks (TANs), functioning where domestic channels of participation have stagnated, as in Russia and China. TANs remain critical to a gradual transformation in alternative energy choices, as advocated by civil society, including non governmental organizations and environmental interest groups, in Germany and the United States.<sup>5</sup> We recognize that transnational environmental groups hold the prospect of democratizing local communities in places like China and Russia. Just as the Helsinki Accords provided a standard for human rights that led to the civil society revolutions of 1989, so can non-state organizations encourage transformation in local community experiences. The spread of Internet access and the evolution from the use of fax machines in 1989 to mobile technology 15 years later provide different platforms for such environmental social change and democratic engagement. As Gouras notes, the environmental movement in Germany proves largely responsible for that country's focus on renewable energy.

An example of environmental advocacy at the "glocal" level by which local civil society maps socially and thinks globally is the [Green Map System](#). Since 1995, this initiative engages communities worldwide in mapping green living, nature, and cultural resources to chart a more sustainable future. China is a content user of the Green Map System and has used the System to map the Beijing Olympic Museum.

Green Map is also used to provide scenes to inform the public about sustainable ways to do business. Zheng Ru China, a temple town, provides an example. A particular group, Grassroots Community, made an interactive map, which combines the themes cultural sites, nature, and waste disposal, described as “life, ecology and culture.”

Such “glocal” initiatives speak to a need for a reinvestment in our transatlantic democratic landscape. A revitalized German-American “distinctive relationship” should work toward marshalling “big data” for human empowerment. As research university and private sector initiatives focus on the ethics of big data, accountability and oversight remain key challenges that civil society as well as government leaders must address. A *New York Times* article explains that our democratic landscape must include research standards and best practices for the ethical use of cyberspace. We can organize ourselves to help, rather than hinder, human development with a particular emphasis on sustainability. German-American cooperation on this issue is a vital component of the information security equation and can help rebuild trust in our bilateral relations.

As for Germany, given its total aversion to nuclear energy, energy diversification becomes even more paramount. Government subsidies for solar energy have proven very costly. While subsidies indicated a clear political preference for renewable energy, they have not proven economically sustainable. As Markus Kerber, Chief of the Federation of German Industries, told a Bosch Stiftung Roundtable in June 2013, Germany over-subsidizes the solar and wind sectors. “We spend 20 billion Euros a year to produce 3 billion in electricity – this must change.” Kerber added, “Under current conditions, it makes more sense to solarize Greece than it does Germany.” He cited a British case in India called “the Cobra Effect” whereby the British sought to eliminate cobras by paying five pounds per snake killed. Instead it created a cobra breeding industry that increased the population of cobras – exactly contrary to the original goal. Germans thus have yet another reason to cooperate globally to seek more cost-effective ways to produce solar energy locally.

Given the conflict in Ukraine during 2014, Germany and Europe face another political choice over energy with strategic consequences. The Nord Stream pipeline from Russia to Germany, which underwent minimal environmental scrutiny, now supplies some 30% of Germany’s and the EU’s energy. Does the Union value Russian gas more than Ukraine becoming a member state? Moreover, will Europe’s economic recovery depend on energy that Russia has already used as a strategic lever in Ukraine? Russia, perhaps seeing the writing on the wall, has diversified its supply line to include a \$400 billion deal with China. We also note Turkey’s growing dependence on Russian natural gas via the Blue Stream pipeline. Germany and Europe must continue buying

some Russian gas to keep a seat at the political table over the future of Ukraine. Germany and Europe should also, in support of their own strategic interests, diversify energy supplies and buy more from North America. Transatlantic energy security requires that the EU reduce its dependency on Russian sources to 10–15% of its needs. The US and Canada should consider providing subsidies to reduce transportation costs of natural gas from North America to the European Union.

#### Section 4 Findings: Balancing Migration with Economic Growth

Increasing numbers of civil wars, fragile and failed states, and general economic strife have increased migration to safer shores. Migration challenges include growth in the number of refugees and Internally Displaced Persons (IDPs) settling in overcrowded and undernourished camps. On a daily basis, these inhumane conditions show up on our televisions, Ipads, and smart phones. Syria is one of the most tragic examples. Iraq may not be far behind as the Islamic State of Iraq and Syria (ISIS) forces terrorized civilian populations in both states. Refugees will inevitably find their way to ask for political asylum in Europe and the US.

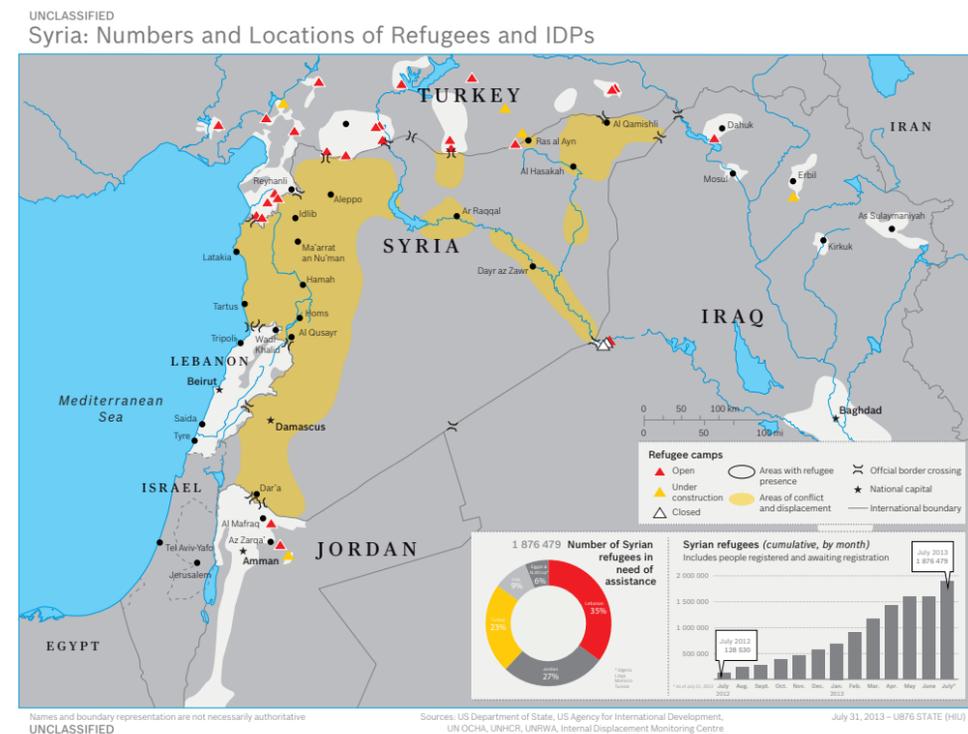


Figure 1: Syria Refugees and IDPs, Image from US Dept. of State Humanitarian Information Unit<sup>1</sup>

As Hunter and Koppenfels assert, “...the inability to agree upon legislation relating to labor migration illustrates Europe’s tendency to be reactive rather than proactive

in migration policy. Legislation often only passes when an immigration challenge emerges. We see communications instead of laws, deference to national sovereignty instead of enforceable supranational practice. Little long-term strategy exists in EU legislation, although long-term strategic guidance is issued, because many member states neither have a common cultural understanding of – nor practice as – countries of immigration. Some likely feel culturally threatened by that very idea. Given the economic and demographic realities confronting Europe, the authors believe Europe should consider positioning itself more proactively for an increasingly interdependent future. In so doing, and by attempting to shape migration patterns, Europe can and will profit from the immigrants it needs rather than simply reacting to them.”

The number of refugees generated by present civil wars puts this issue squarely in front of us. We must protect the growth of our economies while addressing the poignant policy conundrum of human security. We note that the US has un-passed legislation stemming largely from partisan gridlock more than over the immigration problematic from Latin America. As the numbers of refugees grow and the elections get closer, this problem will not disappear anytime soon and will likely sharpen.

Economic strife, human trafficking, and drug violence will continue to drive migration northward from Latin America to the United States. Hourly wages in the US currently equal twelve times those in Mexico. Whether to seek a better life, remit money home, or escape drug wars, migrants have arrived at the US doorstep in increasing numbers. By some estimates, the US may already have 20 million “illegal immigrants” already within its borders; the sudden 2014 influx of over 50,000 women and children from Central America has already sharpened the focus once again on the need for comprehensive immigration reform.

Traditionally, migrants and refugees have been viewed as the “Other” in societies turning inward in the face of economic and social uncertainties. Yet, as the German sociologist Ulrich Beck has concluded: “The categories framing world society – the distinction between highly developed and underdeveloped countries, between tradition and modernity – are collapsing. In the cosmopolitan paradigm of second modernity, the non-western societies share the same space and time horizon with the West.”<sup>6</sup>

For refugee flows to diminish, the political motivations and economic determinants of civil wars must in myriad ways give way to the empowerment of human beings to have faith in a future of their own making. With more youth unemployed worldwide, we can expect on-going protests like those we witnessed among publics around the world from the Middle East to Latin America. The initial Megatrend in the 2030 Report is Individual Empowerment. This eVolume ends with chapters that illustrate

the need to focus on the forgotten half of humanity to actualize this Megatrend possible. Above all, we must empower *all* individuals with a stake in their own future as the opportunities for leaders to manipulate their own people decrease.

As the Global 2030 Report emphasizes, EU countries may increasingly cooperate to minimize potential economic disruptions; yet, refugee flows present serious challenges. By the end of 2013, civil wars around the world had created 51 million refugees. Over half these displaced persons are children. These refugee numbers have recently surpassed the numbers generated by World War II. This wave of displaced humanity will bring economic, social, and political costs. On the one hand, Germany and Europe need migrant workers to offset aging populations and protect economic growth. On the other, a majority of refugees are under 18 and lack the skills to compete effectively in the workforce. This societal reality will, in turn, exert pressure on political leaders as unemployed younger voters increasingly disaffected with national gridlock turn to solutions advocated by the Far Right. This represents one of the most important reasons why a narrative for the future in Europe’s Union must be one of liberal democracy, anchored in checks on abuses of power as well as tolerance, patience, and assistance for new citizens.

#### Section 5 Findings: Human Empowerment Starts with Women and Children

We recognize a common denominator in economic crises, political protests, ranging from the Arab Spring to the Orange Revolution, energy vulnerabilities, and migrants risking everything for a better life. That focal point revolves around an urgent need for human empowerment. Younger generations in the streets do not want their futures stolen by authoritarian leaders who reign for life. Without a reasonable income, young people cannot pursue their dreams or realize their life’s potential. The quest for economic, political, and social rights leads to massive protests in public squares in defiance of paternalistic rule. The traditional relationship of the citizen to the state is in flux. In thinking about a sustainable economic future, citizens want inclusion in the debates over the development and the allocation of energy sources. These daily needs also require human empowerment.

Those not empowered abroad “vote with their feet,” like the East Germans did before Erich Honecker built the Berlin Wall. People flee conditions of economic, political, and environmental vulnerabilities. Those who stay are often either oppressed or suffer the ravages of civil wars. Those who leave in desperation face an uncertain future in refugee camps or detention centers. Migration in these cases represents a symptom of the lack of human empowerment. How we treat this symptom reflects on our humanity as well as our long-term strategic objectives.

The most vulnerable among us remain women and children. During civil wars and economic strife, we see the most heinous crimes committed against the marginalized and voiceless. What does any future generation (*Nachwuchsgeneration*) experience though civil war? Children become soldiers. Women become slaves. Victims spend more time seeking justice for past wrongs than planning for a more fulfilling future. The present requires courage from both victims and perpetrators to reconcile. Reconciliation in turn builds a bridge to the empowerment of future entrepreneurs and peace builders.

Gayle Lemmon focuses on the roles female entrepreneurs play in rebuilding torn societies. To allow those roles to flourish, we must first confront the tainted soil of sexual violence. Throughout history, as La Neice Collins poignantly writes, sexual violence claims women and girls as the majority of victims. This leads to marginalization that repeats a vicious cycle, which endures over generations. If we do not protect the most vulnerable among us, what purpose do our governments serve?

Our intent in this section of the eVolume aims to raise awareness and lend direct credence to the need to end sexual violence in conflict. States and citizens alike must take responsibility for this recidivist crime against humanity. We place this overlooked tragedy in the human condition squarely on the map of transatlantic and global policy imperatives. We must include a “Women and Children Standard” when developing our policies. If our international policies negatively affect women and children, leaders and their staffers should modify those policies. We must monitor the standard and develop best practices to ensure compliance and evolution. It is an urgent necessity to end the culture of impunity. The transatlantic community must assess its own policies in this context with a direct view to the impact on gender and youth.

We must ensure to this end that all states sign and implement the [Declaration of Commitment to End Sexual Violence in Conflict](#). In the global campaign to Stop Rape in War, state action is necessary; moreover, civil society must hold governments accountable. The [London Summit in June 2014](#) holds promise in that regard.

Among other things, the Declaration calls for: 1) Adequate funding for sexual violence prevention and response efforts; 2) Comprehensive, improved, and timely medical and psychosocial care for survivors; 3) The exclusion of crimes of sexual violence from amnesty provisions in peace accords; 4) The full participation of women in all decision-making processes during conflict, post-conflict, and peace time; strengthened regional efforts to prevent and respond to rape in war; 5) Enhanced support for conflict-affected states for national security and justice reform efforts aimed at addressing sexual violence in conflict; 6) Military and police training on

prevention and protection obligations; 7) Improved collection and access to data and evidence of sexual violence during conflict; 8) Support and protect civil society's efforts to document cases of rape in war; and 9) Develop an International Protocol on the documentation and investigation of sexual violence in conflict.

The editors believe that despite the apparent chaos that characterized the post 11/9 and 9/11 worlds, including the recent crises discussed in this eVolume, opportunities then and now still exist for a shared vision of our transatlantic and global futures. That vision embodies constructing human progress, that spark of interconnectedness that empowers individuals to have and create hope for their and their children's future. Vaclav Havel helped set a moral compass for his generation. Joachim Gauck and Mary Robinson today have refocused our global sextant to remind us that human concerns ultimately drive our ability to build civil society. Robert Bosch Fellows then and now still play a role in this dynamic as transatlantic connectors, dare we say spark plugs, in the ongoing “distinctive relationship” between Germany and the United States.

In a globalized world, we also see more room for non-state actors that play an infinitely more positive role in driving civil society forward than those driving suicide trucks into the edifices of civilization. While our media will continue to focus on the latter, our policies should focus more on the former. Developing global networks that empower, including global network universities that enable those to learn – no matter their age, their gender, their religion, their income – to participate in the world economy and above all, infuse hope. Individuals, corporations, governments, and non-governmental organizations alike all have a role to play if we really want to develop a level playing field.

As we conclude, the editors return to constructivist and realist approaches in our policy analysis of the critical role Germany has to play as the Ukraine crisis evolves. In line with constructivist thinking, a country's security policy is more than “geographical and historically determined imperatives... or the differential in power among states.”<sup>7</sup> Rather security policy is “determined by perceptions, ideas, and identities articulated as “national interests” to be defended and promoted in the international arena.”<sup>8</sup> Germany's evolution as a “semi-sovereign”<sup>9</sup> state after World War II and its leadership role in European integration throughout the postwar era impact, in constructivist thought, on its perceived interests. Fundamental to the construction of German interests in this specific European context are “...its historical purposes, and its operative belief systems, as well as the discursive universe in which it operates.”<sup>10</sup>

The preceding chapters have identified factors that help to explain Germany's security policy in light of its postwar experience. First, the Bonn Republic in its early years sought a security anchor in the Western institutions of the European Communities, the European Coal and Steel Community (ECSC), the European Community (EC), and the European Atomic Energy Community (EURATOM), as well as the North Atlantic Treaty Organization (NATO). Second, as the country with the most neighbors on the Continent, Germany remained the land in the middle conscious of its need to contribute to peace at the height of the Cold War. Third, as an export-oriented state rebuilding its infrastructure from ground zero after the devastation of war, West Germany needed markets for its high quality products. Fourth, while the Third Reich under National Socialism and the former East Germany under Communism acted primarily along the realist lines of national interest defined in terms of power, West German leaders from Adenauer to Kohl relied on their "...ideas of history, and narratives about the past and future," (8) which influenced their perceptions of German interests, particularly *Ostpolitik* and eventual unification of East and West.

Germany's unique postwar security context as a divided country, defined by integration in European and Atlantic institutions, evolved in stark contrast to that of the former Soviet Union. Likewise, a united Germany in this 21<sup>st</sup> century, while striving to become a normal power, continues to define its broader economic, geo-political, energy, migration, and human security interests in the context of its European, post-modern identity.<sup>11</sup> In contrast, Russia under Putin aims to establish a sphere of influence in the post-Soviet space, otherwise known as the Russian "near abroad." Putin's military incursion in Ukraine and his annexation of Crimea illustrate classical realist thinking. His actions, like those of Soviet leaders in the last century, demonstrate the enduring relevance of Kennan's analysis. Russia fears encirclement and still exhibits fundamental insecurities regarding its neighbors to the East, China, and West, Europe. In other words, "... other interests such as increasing power vis-à-vis other states or becoming more prosperous are in the end explained by the underlying interest of survival."<sup>12</sup>

The fundamental reality of Germany after unification is still defined by culture, history, and discourse among its security elites and vocal citizens. The contributions in the Robert Bosch Foundation eVolume speak to the experiences anchored in thirty years of transatlantic fellowship and to the research findings of other scholars in the constructivist tradition: "... Interests are constructed through a process of social interaction."<sup>13</sup> Germany continues to be led by Chancellor Angela Merkel and her government in ways that "define," rather than simply defend, the national interest.<sup>14</sup> In other words, the German interest is defined in the European context Merkel's government must now vigilantly uphold as Putin defies the Helsinki postwar security framework.

In reference to Helsinki, the editors contend that Germany and America have a responsibility in their bilateral cooperation to define the transatlantic security interest with patient resolve building on decisions taken at the NATO Summit in Wales. German-American dialogue on such crucial matters of security, as Daniel Hamilton asserts, requires "... a compass, a guide, a frame of reference for the German-American conversation. Common strategic interests make our cooperation necessary. Common political values make our cooperation possible." As Hamilton reminds us, "... During the Cold War, we forged an alliance of necessity. Today, our alliance is one of choice, a *Wahlverwandschaft* - for those who haven't been reading Goethe lately - an "elective affinity." Whether Germans and Americans retain this affinity, however, depends on individuals who understand how and why we are relevant to each other's lives, and who actively contribute that understanding to the German-American conversation."

As the United States confronts those dangers just beyond Europe's borders in the Middle East and West Asia, America's national security policy is by definition realist in its reliance on military power to pursue global interests. Putin's realist strategy is to manipulate an increasingly divided Europe. The lever at his disposal is the popular discontent with integration inside member states whose youth face the future with uncertainty and fear rising unemployment. By cultivating allies on the Far Right in Western democracies, the Russian leader's focus remains to promote a wider Eurasian Union. Of more fundamental importance, Putin's goal may likewise derail further integration across the Atlantic, which TTIP promises in this century of Asia's rise. Germany and America must work through a constructivist-realist bilateral divide to design a "distinctive relationship" that helps steer a course ahead.

Our "elective affinity" is what makes the definition of mutual interests in economic, geo-political, energy, migration, and human security possible. A twenty-first century transatlantic partnership can be the enduring legacy Germany and America define together for successive generations in a global context.

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