

Think

new things

Make

new connections

Conference Summary

***Zeitenwende:* a new Germany for new times?**

23-24 March 2023

DITCHILLY

Conference Summary

EXECUTIVE SUMMARY

Immediately after the Russian invasion of Ukraine, Chancellor Scholz described the impact as a *Zeitenwende*, the end of an era, and set out measures to support Ukraine and defend against the wider assault on peace and democracy in Europe. Thirteen months later, this conference examined the effects of the change in German foreign and security policy in response to the *Zeitenwende* and what it means for Germany and its allies, now and for the future. The conference explored how a sense of *Zeitenwende* is having clear effect and where the German response is seen as falling short.

The impact of *Zeitenwende* was described as a revolutionary moment, but one that has, for now, resolved into an evolutionary pattern and gradual change. The current risk is that evolution loses pace. To make changes sustainable, there must be greater momentum.

Zeitenwende has brought important change but is it permanent and is it enough? A sense that new geopolitical challenges are arriving and quickly was crystallised by Russia's invasion of Ukraine and by the different responses from countries around the world: a united political West but an equivocal or even hostile majority of unaligned countries. This emerging geopolitical reality has been recognised politically within Germany. Ties with Russia are being cut, reliance on Russian gas has been stopped and weapons have been supplied to Ukraine. But the measure of success should be against the task faced now and in future, rather than against the need for a historical catching up. *Zeitenwende* was forward-thinking but stemmed from a defensive plan and from what many saw as a military baseline that was far too low. An effective *Zeitenwende* project has to encompass more than the military. To be permanent, change must survive elections, become part of a democratic consensus, and endure after Germany's special budget for defence runs out in a few years' time.

The geopolitical awakening brought by *Zeitenwende* extends to challenges in relation to China, the US and the growing recognition of overlapping economic and security interests. It includes Germany's role in the EU and the debate of a wider set of allied policies and relations with NATO. Other countries such as Japan and Australia were said to be pursuing similar courses of action but without giving it a name. What could be learned from these different approaches and what does *Zeitenwende* mean not just for Germany but for Europe, transatlantic and Indo-Pacific relations and for the UK?

If the recognition of *Zeitenwende* is a challenge to some extent for all democracies, how will it underpin the visions for progressive futures that democracies can offer? Are there new kinds of democratic and collective leadership?

This conference was a precursor to the launch of Ditchley Deutschland in June 2023 and the inaugural Ditchley conference in Germany: *Evolving alliances: how does coordination of democratic countries' interests need to evolve in response to geopolitical pressures?*

Context and why this was important

Chancellor Scholz committed to German support for Ukraine by supplying weapons, applying sanctions and defending European security with an unconditional commitment to NATO, more action within the United Nations Security Council and in providing greater international leadership. He set out an intention to secure more diversified energy supplies and reduce dependency on Russia. Significantly, he announced much more investment in security, including more funding for new and stronger capabilities for the Bundeswehr, Germany's armed forces. This amounted to what Scholz described as a major national undertaking with the goal to create a "powerful, cutting-edge, progressive Bundeswehr" that could be relied upon to protect the German people. This collection of measures, which marked a historic turning point in German foreign and security policy and in its approach towards Russia, has been subsumed into *Zeitenwende*, the German term for the end of one era and the beginning of another, which was originally Chancellor Scholz's description for the situation that Germany was facing, rather than Germany's response.

This conference considered how *Zeitenwende* might change the course of current German politics: what was the expectation and how believable was a practical delivery of the measures promised? How would it change Germany's position in relation to other kinds of future shocks, for example over cyber warfare and Germany's role within the EU and over EU wide energy and climate change policies?

More broadly, the conference asked questions about what kind of leadership Germany would provide and who Germany looked towards to provide leadership in the world, especially in the context of the strategic shift taking place in relations between the United States and China. Had there been a re-assessment of the value of Euro-Atlantic relationship? Of course, the questions at the heart of the idea of *Zeitenwende* call for answers from all countries not just in the political West but from new alliances with regions and countries in the global South. For the UK, there are questions of refreshed defence thinking with Germany post-Brexit.

People

Senior German political input was made to this conference that brought together senior diplomatic representation, military analysts, politicians from the UK, France and Germany along with journalists and analyst from strategic thinktanks from the UK, US and Poland, academics and business interests.

FULL REPORT

This conference explored *Zeitenwende* in all its dimensions: geopolitical, economic and national security and what it means for citizens and German society. Initial success was achieved such as the basic agreement amongst allies over military assistance to Ukraine and a strong degree of Western unity. The relationship between Russia and Germany was said to have fundamentally changed. There was agreement that there was no going back despite disquiet in some areas of business (over the loss of cheaper energy) and from parts of the German population with historical ties to Russia.

A distinction was made between an 'inner *Zeitenwende*' – a shift in thinking, a psychological and cultural challenge (a state of mind) – and an 'outer *Zeitenwende*' – observable and practical measures to transform defence, security and economic policy. The risk for some was that a more diffuse 'inner *Zeitenwende*' would come to dominate and detract from practical, material and lasting action. Both would be needed. Five dimensions were offered as the framework for measuring *Zeitenwende*: military assistance to Ukraine; a different policy towards Russia; a changed role for Germany in the EU and NATO; a diversification of supply chains; and a strengthening of the Bundeswehr.

Even within these more practical measures of military planning, there was a concern that the need for radical change in security policies is not well understood: was it a radical change of direction or

simply more of the same? Zeitenwende had to mean more than increased spending on Germany's current system. The tragedy of Zeitenwende was described as a recognition and a commitment to change but the realisation that it was still not enough. A crucial early test or proof of Zeitenwende will be seen in mid-term budgetary spending.

US, Germany – Germany, US

2024 will see a crucial set of elections the political West with the US elections as the most critical for longer term commitment to Ukraine and to the security of Europe. There was debate about the action that European countries could take to demonstrate to the US capabilities for independent action and the strength of a democratic Europe. Would this mean a particular leadership role for Germany within the wider EU system? The Germany-US relationship was seen by some as under some strain, others said that any tension was not over Ukraine but China. Spending 2%+ of GDP on its military would make Germany a key actor in European security. Wider afield would Germany and Europe be prepared to share the US's burden in the Indo-Pacific in a wider defence of the rules-based democratic order?

For some in the US, Germany is seen as a core ally, for others, multilateralism and allies, including Germany, are a drain on the US. These views broadly follow party lines but even internationalist Republicans are exasperated by Germany, due to Nord Stream I & II, the state of the Bundeswehr, the lack of military funding and the relationship with China. Germany has been seen to rely on Russian energy, Chinese exports and American security. The need is for a new international paradigm to include economic security. Could this be an allied industrial policy?

The conference split into three groups to consider: the impact of geopolitical events on Germany's capability and self-conception as a military and diplomatic power; Germany's economy and German approaches towards energy markets, trade and trading alliances; and the impact of Zeitenwende on Germany's people, culture and polity.

Recognition of geopolitical challenges for military and diplomatic power

The German military was described as prepared for missions of choice not necessity. The opportunity for Zeitenwende is for a radical rethink of the purpose of the German military, its mission and capabilities to deliver. Ambiguities are demonstrated by the current defence of the Lithuanian border and Eastern flank. The question of the readiness of German brigades on the Eastern border is not a second order question of NATO planning. Nor is it a new question, but one raised by the Pentagon a few years ago and still not answered even in the conditions of a hot war. Are the German brigades sufficiently integrated into allied action? What further preparation is taking place over Ukraine? What action will be taken in the Western Balkans?

Zeitenwende was said to have answered a 2018 need, not a 2023 one. The vision for the German armed forces has not been adapted enough. The task is more than a military one and to be permanent, change must survive an election and become part of the democratic consensus. There has been political reluctance to spell out to voters that Zeitenwende entails a long-term shift in budget structure, with no going back to the old status quo with Russia, and a recognition of the cost of reconstruction of Ukraine. Previous mistakes, such as the softening of sanctions just one year after Crimea, could not be repeated. Doctrine, structure and training have to be supported across political allegiances.

There should also be a Zeitenwende for diplomacy. The diplomatic service has been too narrowly framed and not enough has been made of broader geopolitical connections, for e.g., questions of influence in Africa and the global South. A Zeitenwende for the diplomatic mission must now follow

with greater understanding of diplomatic objectives across wider geographies to include Latin America and approaches to powers such as Turkey and Saudi Arabia.

What do allies expect?

There are key lessons to learn from Ukraine. Readiness is critical (with implications for training, spare parts and equipment). The role of technology has been pivotal. The quantities of military resources and who provides what for land and air defences should be a topic for much more allied discussion. The importance of enablers (Intelligence, Mission Data, logistics, space/satellite imagery assets, air to air refuelling etc.) is critical. Delivering on all these is a collective challenge but there is a big German part which requires discussion with allies.

The expectation from allies is for Germany to relax political caveats on engagement. How does Zeitenwende fit with NATO military planning and fulfil its commitment? Could Germany also change its framework to allow intelligence sharing? Much more must be invested in technology and along with allies. Europe must build its strength in technology.

Given the caveat that none of the European forces are at the right level in terms of troops, spare parts, stocks etc. and that collective past failures have contributed to a current lack of preparation, allies expect a credible war-fighting resource with German political will to use it wherever in the world it is needed (including beyond Europe). Allies want to be able to increase manufacturing capability with Germany, to build and export together without the German necessity to seek a multilateral license. Allies expect Germany to take an active role within the EU, for example helping to create an EU framework for military action when that is helpful and necessary, and not just leaving that kind of vision to France.

Germany needed to move away from denial over a range of threats and this includes a view on the way the US domestic debate is changing. European allies want Germany to push back on the US in respect of self-interest and to ask for more clarity on US action and specifically in relation to China and the risks of driving Chinese paranoia.

Impact on Germany's economy

Zeitenwende will affect Germany's economy and German approaches towards energy markets, trade and trading alliances. The emerging US view that market interests take second place to national security and that economic resilience comes before economic efficiency is not necessarily shared or recognised. And there is some business suspicion over the US position on de-risking. Would conforming to a US position put German business at a disadvantage? Removing foreign direct investment from China was also seen as a challenge. There was discussion about how Germany could better combine national security and business thinking to reach better strategic coherence. Instruments such as investment screening legislation would need some harmonisation. There is risk in creating uncertainty for investors and in a greater state role in approving investment decisions.

The trade-offs for de-risking as part of national security strategy were thought not well understood. While the German government has already begun to reassess its relationship with China, the same is not true of the German business elite. Certain leaders with investments in China have attempted to pursue a third way of engagement: not aligning with China but maintaining positive business relations. In the past the German business elite could take for granted that the national interest would be the same as the business interests of the largest companies.

The geopolitical implications of the Dollar, Euro, RMB and other currencies were said to be a source of tension within finance particularly in relation to inflation and interest rates. Germany has a large part to play in determining the role of the ECB and defining its credibility. The reform of pensions to

allow their use in investment is a necessary step for western economies. Permissions, licensing and infrastructure spending is all too slow. The Inflation Reduction Act is a powerful example of state subsidies and one followed by Japan and Australia. European state aid infrastructure is overly complex in comparison.

The impact of Zeitenwende on Germany's people and culture

In terms of peoples, culture and society, Zeitenwende was said to have some revolutionary characteristics which have not been well internalised amongst the German population. Is Zeitenwende the journey, the process of change or the destination and a description of the desired end state? History is a core influence. The end of the Cold War was an intense period of German history and shaped the relationship with Russia. It was noted that there is less public support for Zeitenwende in Eastern Germany and pushback on a simplified black-and-white western narrative of Russia and Ukraine, with more recognition of the extent of corruption in Ukraine and its democratic imperfections. Friendship with Russia, especially in the eastern parts of Germany, has a long history. Germany was said to have experienced previous 'Zeitenwenden', such as post-1945 and 1989. It is too soon to judge the sustainability and impact of this Zeitenwende.

Zeitenwende and Germany's relations with Asia

The relationship between Germany and Asia had been evolving long before the call for Zeitenwende. The imperative to diversify supply chains as part of economic security measures were seen as more to do with insurance and resilience, rather than any kind of decoupling. The war has also made clearer the attitudes towards the West. Countries like Indonesia are not only ambiguous in their views on Russia's invasion but are rooted in anti-western sentiment and doubts about Europe's abilities to affect change on the global stage. They are also concerned about being forced to make a costly decision between the US and China. Could the change inherent in Zeitenwende be a spur to engage with these countries on a more equal footing?

Aware of the need for economic security before most other countries, Japan's approach was thought to provide pointers for a successful Zeitenwende. Its new defence and foreign policy was said to be a radical shift from the past with an increase in spending and investment.

Calls to decouple from China, cut ties to focus on a Western-led economy were opposed by voices who saw this as driven by hysteria and unrealistic perspectives that risk destroying the world economy. Instead, the case for a more detailed approach to understand the different interests, experiences and concerns of various sectors in their relationship with China was made. Adequately assessing the risk in each area and seeking to drive innovation with substitute technologies should be the way forward.

Leadership

The impact of this first phase of Zeitenwende can be assessed in terms of its effects across a range of policy areas, for example security, defence, trade and climate change. To what extent has the change been made sustainable, strategic and understood by the German people and populations elsewhere? How quickly have these changes been made? There was agreement that although significant change has taken place it has not been made 'at the speed of relevance'.

What kind of power should Germany be? Is it a leading power or a convening power? The fundamental question now is whether Germany is willing and able to lead. And who is willing to follow Germany? If Germany is wary of leading, who is Germany willing to follow? How will relationships with Poland and Eastern European countries develop and with North and Central European countries and how will Germany work through its relationship with the US?

The conference discussion repeatedly called for Germany to articulate its national interests, a vision for Europe and for progressive democracies. Where will future sources of prosperity come from? This is a question for all democratic countries. There must be better understandings of the cracks in democracies and how they will be filled. There must be more leadership over ideas for how societies can offer a positive future – a driving force of western politics for the last 200 years.

Dealing with the climate crisis is a vital part of Zeitenwende and its connections with the energy transition. Long-term there is no alternative to the transition that began in response to the war and an energy supply based on renewables could be more resilient.

Not discussed enough:

There was not enough discussion on technology futures and shared technology strategies.

Relations with NATO were not discussed sufficiently. It is changing shape and learning new skills of hybrid warfare, and could Germany work more closely with Britain and help Britain to define its post-Brexit role in European security?

The connections with climate policies needed further discussion. The US Inflation Reduction Act is seen as a potential model for creating incentives for climate change policies whilst also investing in the industrial base. What is to be Europe's response?

Is it possible to collectivise the leadership over issues such as:

- Ukraine's reconstruction and the size of the associated financial challenge;
- China: can the German China strategy find the line between de-risking and de-coupling?
- Defence of the western Balkans.

This Note is a summary of the conference. No participant is in any way committed to its content or expression.

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