

Germany Needs to Finish the Job – and Think Bigger

Action Group Zeitenwende

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Germany's security transformation remains incomplete. On its world – and of Germany. To prepare for the future, however, the c

After more than a year's work exploring and evaluating Germany's 'epochal shift' proclaimed by Chancellor Olaf Scholz, the message from DGAP's 'Action Group Zeitenwende' is clear: The Zeitenwende has yielded change, but it remains both unfinished and insufficient for Germany to defend against the threats it faces and ensure that it can thrive in the future.

Much has *happened* in German policy since February 2022. Germany has been part of the coalition of countries that have delivered weapons to Ukraine in sufficient quantity to help stave off defeat, even if Berlin (and others) have stopped short of giving Kyiv what it needs to win and blocked its invitation to NATO. Like Germany's increased, but still inadequate defense spending, this clearly shows both the change that has been made – and its limits. Much of the frustration internally has been focused on the [failure to follow through](#) on Scholz' [promise of February 2022](#), including in the June 2023 National Security Strategy (NSS), leading many experts and policymakers to question the extent to which things have really *changed* at the strategic level.

Even so, politicians from the four main parties and officials from various ministries, including those in the Action Group, insist that the *Zeitenwende* remains a useful political framing. They see it as helpful in pushing change through heavily bureaucratic institutions – and for holding the government, especially the Chancellor, to account. Likewise, many allies may have been irritated by the slow and stuttering nature of German policy change, as well as the ways it has been communicated, but they still have hope that the *Zeitenwende* will deliver forward movement in Germany's ability and willingness to act.

Yet, while most Action Group members still see the *Zeitenwende* as it was initially conceived as being necessary, they are also clear that it is insufficient for Germany to master the challenges of the world emerging from the proclaimed epochal shift. Thus, the Action Group calls for the development of a genuine geopolitical vision and a serious strategy, which will require clear prioritization. Moreover, Action Group members argue that Germany must find the money to back up this plan and work out how to become a better team player with its allies.

Germany's task is, thus, two-fold: finish what it has started and use this process as a base for the bigger change that will need to come. This will require improved assessment of both threats and opportunities but also an honest self-assessment rather than the self-congratulatory complacency that, according to many Action Group experts, is becoming increasingly and dangerously common in Berlin.

Assessing the *Zeitenwende*

While much discussion of the *Zeitenwende* still focuses – not unreasonably – on defense (see below), taking an integrated look across policy fields is an important part of any honest assessment. This is because of the [knock-on effects](#) from the [security](#) shift that quickly became apparent regarding energy and [climate](#), as well as [economic and trade](#) policy and attitudes to [technological change](#), which all affect German competitiveness. For the Action Group *Zeitenwende*, the failure to pursue a truly integrated approach across these fields (and the tensions this has created) show the strategic deficit that still pertains to much German policymaking.

Energy and Climate Policy

One of the first spillovers to become apparent, as was acknowledged in Scholz' initial *Zeitenwende* speech, was the need to get off Russian gas – and fast. This imperative gave fresh impetus to the discussion on Germany's energy mix, putting it firmly in geopolitical as well as ecological and economic context. It also showed what *can* be done when there is sufficient political will. Building two large Liquefied Natural Gas (LNG) terminals within nine months saw Scholz boast of a 'new German speed' although there is less evidence of this in other policy fields.

Some experts, including in the Action Group, have argued that the problem was not sourcing energy from authoritarian regimes (such as Russia) but, rather, a [lack of diversity in supply](#). They may be encouraged by the new mix of providers, which includes Qatar and Azerbaijan as well as Norway. Yet, others see dealing with authoritarians and enriching autocrats through such trade as inherently problematic and, for this as well as for ecological reasons, they advocate accelerating the country's green transition from fossil fuels to renewables.

Even more uncomfortably, that transition – particularly in solar and wind, Germany's main sources of renewable energy – is itself dependent on materials and technologies from China. As a result, it is subject to significant geopolitical risk, which has [not yet been properly factored in](#). Moreover, these are fluctuating renewable sources (compared to hydro-electric or geothermal power) which leaves gaps that need to be filled with stable provision. Resorting to high-polluting coal rather than revisiting the decision to abandon [nuclear power](#) put some of Germany's political dogmas under heightened domestic and international scrutiny, including by the Action Group.

Economy, Trade, and Technological Change

There is concern among many of the group's experts (including many of those coming from the country's allies) that Germany has not moved on sufficiently from its previous

[\(geo-\)economic approach](#). The country's [China strategy](#) emphasized risk monitoring and management, and Berlin certainly puts a premium on de-risking (rather than decoupling), but this may leave it geopolitically and economically exposed should the Taiwan contingency come to pass.

The degree of alignment between the interests of the German state, the German people, and smaller and larger Germany companies is unclear. With some of the latter widely considered 'too big to fail' and heavily entangled with China, there is a danger of private profit-making giving rise to socialized risks. The Chancellery's continued promotion of doing business and investing in China has not dispelled the impression that [big business](#) is over-represented in the government's approach.

For allies such as Czechia with little dependence on China of their own, which find themselves dependent nonetheless thanks to their deep integration with the German economy, this is concerning. This is particularly true as Germany's coalition government has proved difficult to deal with, including because the plurality of its voices means getting a straight and consistent answer is difficult. When the Chancellery did take decisive action, it has often seemed somewhat [deaf to the concerns of allies](#).

Germany's standing has also taken a hit as it is no longer seen as a cutting-edge and technologically advanced as well as wealthy society. Action Group experts regret that state support and industrial policy have so far mainly involved picking winners in the tech sector. They believe the government would do better to concentrate on the difficulties that fragmented and risk averse capital markets represent for the scaling-up of successful startups. Several Action Group members have noted that in digitalization and bureaucracy, the German state seems stuck in the past, even if it eventually delivers high levels of welfare. This has frequently been the experience of Ukrainian refugees, too.

Security and Defense

Despite moving painfully slowly, and seemingly aiming for [stalemate](#) rather than [victory](#), Germany *has* come a long way on providing weapons for Ukraine. Even if there is serious doubt over its medium-term commitment to meeting NATO's two percent target, Germany *has* allocated more money for defense spending. Perhaps most significantly, Germany has agreed to provide a permanently stationed brigade of troops to bolster the NATO Enhanced Forward Presence in Lithuania, which will be hugely valued on the ground when it is in place. This is universally praised by Action Group members who are keen to see the commitment realized as soon as possible.

Yet discussions in the group highlight concerns that all of these changes are the work of yesterday; making up for old failings and still only partially at that. The Sondervermoegen 'special fund' for defense is being used to pay for items on an old shopping list. It plugs some, but far from all, of the Bundeswehr's myriad capability gaps. The two percent target was set almost a decade ago, and [accounting fixes](#) and pension payments deter no one. The forward presence is being bolstered because it was not even up to its [previous task](#) of reassuring Baltic allies – let alone the present need to actually defend alliance territory against an aggressively revanchist Russia.

The consensus in the group has been that, contrary to Scholz's stated aim, Germany is manifestly not ready to become a [security guarantor](#) for Europe, nor make good on the NSS' claim that Germany has a '[special responsibility](#)' for European security. As recent DGAP analysis noted, Germany still needs to take a '[quantum leap](#)' to get its military in the kind of shape that could deter and defend against Russia. The authors see the danger of Russia re-arming and redirecting its attention to NATO states within six to ten years after the end of intensive fighting in Ukraine, while [Eastern allies](#) put that time frame closer to three years.

Assessing Opportunities and Threats

The aforementioned DGAP report concurs with Action Group analysis that Germany needs to develop a societal mentality that supports and underpins such a quantum leap. The recent public controversy over making the German military '[ready for war](#)' illustrates the work to be done.

Here, however, the *Zeitenwende* does offer a platform on which to build because, as Action Group members generally concur, it has opened new horizons of possibility and started new conversations among experts but also the wider public. That genie cannot be put back in the bottle.

A matter of discussion within the Action Group is the extent to which foreign policy matters in elections. Yet, as the group's integrated approach – and analysis such as that presented above – has shown, the *Zeitenwende* was never only about foreign policy. It raised expectations of a change in Germany to better engage the emerging world and equip itself, materially but also mentally, to face the future. Moreover, the last two years have brought home to many people the interconnections between foreign and domestic policy and thus the need to care about the way the country manages these linkages.

And [Germans do care](#) about geopolitics and geo-economics, even though they may not use those terms. They are seeking leadership that would better align Germany's position on the two and make them complementary to its green transition. The feedback the Action Group has got from serving politicians is that the German public genuinely appreciates the efforts that they make to link issues and provide guidance on how to deal with them in an integrated way.

There is, thus, a significant opportunity for leadership that would clearly communicate the challenges but also set out how government can act, with allies, to work through them. This means patiently going step by step from what is necessary to how it will affect people and why it matters for Germany's values as well as interests.

To seize this opportunity – and for it to be translated into actionable policy – German politicians need an accurate assessment of Germany's key challenges and threats. After all, the original *Zeitenwende* speech was motivated by a faulty threat assessment – that Kyiv would fall in days and that a triumphant Russia would then turn its attention to new targets even closer to Germany. As the threat felt so close, the need to re-arm, fast, seemed apparent.

Then the Ukrainians bravely fought back the Russian invaders, and the clear, present, and direct danger *to Germany* seemingly dissipated. This took the air out of the transformation which became mocked as a "[Zeitlupenwende](#)" (slow-motion change).

Now, there is another faulty threat assessment, but it errs on the side of [complacency](#) rather than panic. Action Group members have expressed concern that Scholz and others who are slow-rolling Germany's change are not acting on the danger of Ukraine failing to fully win the war, and Russia thus being rewarded for its aggression. A lack of strategic thinking is often blamed for this approach. As the recent defense analysis shows and the Action Group *Zeitenwende* concurs, this will likely come back to haunt Germany in the near future.

Yes, Germany Needs a Real Strategy – But it Needs a Vision First

It is true that Germany urgently needs a genuine 'grand strategy' that can align its approach across the policy fields noted above, marshalling the sources of its power and working with allies to get the country where it needs to go. But the bigger problem is that the vision, that desired destination, is still missing.

The goal defines the means. Setting a vision for Germany and the kind of world it wants to shape would allow Berlin to determine how to go about it and bring the German public on board. It would facilitate the prioritization of both opportunities and threats to the way Germany wants to protect and project its values as well as how it seeks to pursue and defend its interests.

This is the essence of grand strategy, and it would offer a lodestar against which to evaluate policy options. It would also help ensure that, for example, Germany's approach to the green transition would not run counter to how it is handling geopolitical and geo-economic shifts. And it would help Berlin to fashion a more clearly legible foreign policy identity, which would help its [teamwork](#) with allies.

The vision can – and should – be simple. For example, Germany could strive for ‘a world safe for democracy in which free societies can thrive.’ That may not end up being the goal that Germany’s politicians and people choose but the discussions in the Action Group Zeitenwende clearly point to settle on *an* objective, whatever it may be, with the aim of generating a grand strategy, as the country’s most urgent task beyond completing the Zeitenwende. The experts in the group agree that this means being honest with Germans about the state of their country and the state of the world. And that it will mean making choices by setting priorities. This may seem politically expensive, but the costs of not doing so are far higher.

There are not only costs, however, and the politicians revered as historic leaders are generally those who have been able to understand the greatest fears of their people and offer ways to overcome them. There is considerable opportunity for those German politicians willing to be honest and methodical in explaining Germany’s challenges and bold in outlining how to address them. Fostering these processes is a key task of the Action Group Zeitenwende in the coming year.

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