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# Germany's Role in the East Asian Security Architecture: Towards More Proactive Diplomatic Engagement?

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## GERMANY'S ROLE IN THE EAST ASIAN SECURITY ARCHITECTURE: TOWARDS MORE PROACTIVE DIPLOMATIC ENGAGEMENT?

#### **Executive summary:**

In light of the current geopolitical turmoil and the entering of a new era in Germany's security and defense policy (Zeitenwende), questions arise regarding Germany's future role in the East Asian security architecture. Regional as well as geopolitical tensions in the region have increased over the course of 2022, fueled by China's continued military build-up and assertive stance on Taiwan, Japan's recently announced new National Security Strategy that foresees increases in defense spending, and the rising US-China tensions. Starting off from the launch of Germany's 2020 Indo-Pacific strategy, Chancellor Scholz's controversial visit to China in November 2022, and the new German strategy paper on China, this policy brief discusses current security challenges in East Asia and their implications for German foreign and security policy, and develops concrete policy recommendations for German policymakers. It argues that a more proactive German role is needed and that the shift

in Germany's security and defense policy-making offers a window of opportunity to recalibrate its role in the East Asian security architecture.

#### 1. Introduction

Since the release of the 2020 Indo-Pacific guideline paper "Germany - Europe - Asia, Shaping the 21st Century Together"<sup>1</sup>, Berlin has committed itself to playing a more active security role in the Indo-Pacific. Reacting to China's increasing clout in the area but also in light of the mounting economic importance of the Indo-Pacific for the EU, the guideline set out strategies to reduce the risk of conflict in the region and proclaimed a more active German role. Interestingly, "peace and security" are named first on a list of several interests Germany pursues in the region<sup>2</sup>. Two years later, in light of the Russian invasion in Ukraine, Germany has increased its military spending substantially, entering a new era in its security and defense policy-making, as proclaimed in Olaf Scholz's notion of a Zeitenwende<sup>3</sup> and the plan to compose a firstever National Security Strategy.

At the same time, tensions are rising in East Asia. China's increasing military build-up in the region, Japan's recently announced defense policy, and rising tensions between the US and China<sup>4</sup> have exposed the existing geopolitical divisions in the region<sup>5</sup>: East Asia has become the center of regional power struggles. This

en/news/policy-statement-by-olaf-scholzchancellor-of-the-federal-republic-of-germany-andmember-of-the-german-bundestag-27-february-2022-in-berlin-2008378.

<sup>&</sup>lt;sup>1</sup> The Federal Government (2020) "Policy guidelines for the Indo-Pacific: Germany - Europe - Asia, Shaping the 21st Century Together", <u>https://www.auswaertiges-</u>amt.de/blob/2380514/f9784f7e3b3fa1bd7c5446d27

<sup>4</sup>a4169e/200901-indo-pazifik-leitlinien--1-data.pdf. <sup>2</sup> Ibid: 9.

<sup>&</sup>lt;sup>3</sup> The Federal Government (2022) "Policy statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and Member of the German Bundestag", https://www.bundesregierung.de/breg-

<sup>&</sup>lt;sup>4</sup> Hoang Hai Ha & Lena Le (2022) "ASEAN Centrality and Regional Security in the Context of Great Power Rivalry", <u>https://cms.apln.network/wpcontent/uploads/2022/11/PB-91-Ha-Le.pdf</u>.

<sup>&</sup>lt;sup>5</sup> Christian Wirth & Nicole Jenne (2022) "Filling the Void: The Asia-Pacific Problem of Order and Emerging Indo-Pacific Regional Multilateralism", *Contemporary Security Policy* 43(2): 213–42,

brings to the fore questions regarding Germany's role in the East Asian security architecture and how to anchor the principles set out in Germany's Indo-Pacific policy in its foreign and security policy in the new era. Chancellor Olaf Scholz's controversial visit to China in November 2022 and the publication of Germany's first ever national strategy paper on China later in the month<sup>6</sup> offer a starting point for a discussion on a German grand strategy in the post-liberal world order<sup>7</sup>. This policy brief argues that despite the vibrant threats at Europe's borders, it's inevitable for Berlin to realize the strategic importance of East Asia to its national security interests as that region's geo-strategic and geo-economic circumstances are vividly linked to Europe. It further points towards potential avenues for an increased yet also more cautious approach by Germany in navigating the turbulent waters of East Asian security, against the backdrop of persisting dependencies on China. Key to this approach is seeking closer cooperation within European frameworks and among other likeminded partners.

The brief is structured as follows. First, it briefly sketches the current security challenges in East Asia in light of the military build-up and rising tensions. Subsequently, it analyzes the implications of these challenges for Germany and its security policy. The brief concludes with a set of policy recommendations for German foreign policy makers. The main argument of this policy brief is that Germany needs to play a more proactive role in the East Asian security architecture. albeit within European frameworks and with a clear focus on diplomatic and political action.

### 2. Current security challenges in East Asia: Military build-up and rising tensions

As noted earlier, East Asia has become the center of regional as well as global power struggles. Not few of them are fueled by the rise and increasing assertiveness of China, in particular in the South China Sea, as well as the mounting tensions between the US and China which overshadow regional security. Among the main tensions that bear the risk of escalation is the unsolved Taiwan issue as well as maritime disputes in the South China Sea.

Maritime disputes that have heated up and crucial lines anxieties over sea of communication, such as the Strait of Malacca, have increased. As a consequence, East Asia is riven with half-frozen conflicts and a host of territorial and maritime disputes. Not only is China expanding militarily in the region, but Japan's defense policy is also facing a critical juncture. In December 2022, Japan announced a new National Security Strategy (NSS) with a plan to double defense spending over the next five years. Driving this change is a shifting regional security environment which is more tense than ever. With the ongoing modernization program of the Chinese military and increasing maritime pressure on Japan in the East China Sea, Chinese military exercises near Taiwan in August 2022, and North Korea's continued proclamation to expand its nuclear weapons and missile program, tensions are rising and all major powers in the region are building up militarily<sup>8</sup>.

<sup>&</sup>lt;sup>6</sup> Liana Fix (2022) "Germany's China Policy: Has It Learned From Its Dependency on Russia?", *Council* on Foreign Relations, 14 November, <u>https://www.cfr.org/in-brief/germanys-china-</u> <u>policy-has-it-learned-its-dependency-russia</u>.

<sup>&</sup>lt;sup>7</sup> Rafał Ulatowski (2022) "Germany in the Indo-Pacific Region: Strengthening the Liberal Order and

Regional Security", *International Affairs* 98(2): 383–402.

<sup>&</sup>lt;sup>8</sup> Christopher B. Johnstone (2022) "Japan's Transformational National Security Strategy", *Center for Strategic and International Studies*, 8 December, <u>https://www.csis.org/analysis/japans-transformational-national-security-strategy.</u>

In a 2022 white paper<sup>9</sup>, China mentioned the resolution of the Taiwan question as "indispensable" for the rejuvenation of the Chinese nation, causing increased anxiety among other regional powers as well as the US regarding a potential escalation of tensions towards a full-fledged military conflict. Moreover, China is rapidly developing the military capabilities of the People's Liberation Army (PLA) and its navy (PLA-N). So far, tensions between the US and China over Taiwan amount to a classic security dilemma.

## 3. Implications of these challenges: Is Germany caught between a rock and a hard place?

Potential military conflicts in East Asia, albeit taking place way beyond Europe's borders, are prone to have consequences for Germany as well. Given the existing geopolitical rivalries and festering border disputes, however, the region remains at risk of instability. Yet, the challenge of maneuvering its relations with China while at the same time engaging in the East Asian security architecture puts Germany between a rock and a hard place; even more so given how Germany is caught in a geopolitical playing field between China and the US, between whom tensions have escalated drastically in the past years<sup>10</sup>. To understand what is the rock and what is the hard place, we need to go back in time.

Germany's pivot to the Indo-Pacific, exemplified through the 2020 strategy, has been partly motivated by Berlin's changing stance on Beijing<sup>11</sup>. Hence, the 'China factor' deserves particular examination in this context. The 2020 strategy can be interpreted as a delicate balancing act, a strategy of maintaining substantial cooperation with Beijing while at the same time containing its military assertiveness in the region<sup>12</sup>. Although China is not (yet) a direct combatant in Asia's active armed conflicts, its influence is felt through the stature of its economy and its regional presence. Beijing prefers to deal bilaterally with conflict-affected countries through diplomatic and economic engagements to further its national objectives rather than decisively influencing the course of the conflicts - while offering only limited support to international conflict responses by multilateral organizations such as the United Nations <sup>13</sup> .The 2020 policy reflects this in various text passages, mentioning "numerous disputed boundaries" that are affecting security and stability in the region, pointing towards potential dangers of hegemony and the need for diversified, politically deeper and security-intensive partnerships while insisting on fair competition<sup>14</sup>.

<sup>&</sup>lt;sup>9</sup> Taiwan Affairs Office of the State Council (2022) "The Taiwan Question and China's Reunification in the New Era", <u>https://english.news.cn/20220810/df9d3b8702154b</u> 34bbf1d451b99bf64a/c.html.

<sup>&</sup>lt;sup>10</sup> Julia Gurol (2022) *The EU-China Security Paradox: Cooperation Against all Odds?* Bristol University Press.

<sup>&</sup>lt;sup>11</sup> Irene Ezran & Joseph Vaughan (2022) "Sino-German Relations in the Era of Global Interdependence", *Center for Strategic and International Studies*, 4 November, <u>https://www.csis.org/blogs/new-perspectives-asia/sino-german-relations-era-global-interdependence</u>.

<sup>&</sup>lt;sup>12</sup> Feng Liu (2020) "The Recalibration of Chinese Assertiveness: China's Responses to the Indo-Pacific Challenge", *International Affairs* 96(1): 9–27.

<sup>&</sup>lt;sup>13</sup> IISS (2022) "The Armed Conflict Survey 2022: Asia Regional Analysis", 18 November, <u>https://www.iiss.org/blogs/analysis/2022/11/acs-</u>2022-asia.

<sup>&</sup>lt;sup>14</sup> Lukas Müller & Mark Beeson (2022) "From collective security to the construction of regional security communities: regional security governance in a global context", *Handbook on Global Governance and Regionalism*, J. Rüland & A. Carrapatoso (Eds.), Edward Elgar Publishing: 307–322.

Since 2020, the situation in East Asia has changed significantly, fueled by China's continued military build-up and assertive stance on Taiwan, Japan's recently announced new National Security Strategy that foresees large increases in defense spending, and the rising US-China tensions. At the same time, discussions about Germany's overall China strategy have taken center stage, kicked off by debates about Germany's dependencies on Russia. As noted, how Berlin chooses to engage with more assertive China while а maneuvering these dependencies and close economic ties has put Germany between a rock and a hard place.

One potential future scenario makes this very clear: in case of an escalation of geopolitical tensions over Taiwan - militarily or otherwise - the entanglement of German corporations with the Chinese market raises economic and political risks for Germany. The country's dependence on the Chinese market could hinder its ability to team up with the US and other Western allies to respond to potential threats China makes towards Taiwan. Sanctions, for example, as imposed on Russia following the invasion in Ukraine would harm the German economy more than they would serve the purpose of containing China. At the same time, military action on the part of Germany seems far-fetched. Yes, the German Bundestag has approved the creation of a 100 billion Euro special defense fund that shall top up the regular defense budget of around 50 billion euros to revamp the neglected German military. However, Germany's strength as an actor on the global stage still lies in its mediation and civilian capacities, not its military position<sup>15</sup>. Following France in military actions in East Asia may seem logical but would

<sup>15</sup> Jakub Eberle & Vladimír Handl (2020) "Ontological Security, Civilian Power, and German Foreign Policy Toward Russia", *Foreign Policy Analysis* 16(1): 41–58. also bear the risk of escalating tensions with China. But still, ramping up not only Germany's army but also investing in increased naval capacities would be a step in the right direction in light of current tensions in the region.

But there is also a third factor putting Germany in an uncomfortable position regarding its regional policy in East Asia: the US. The prospect of deepening competition between the US and China in geopolitical and (geo)economic terms is bad news for Germany, which highly values its trading and investment relationships with both countries<sup>16</sup> but needs to balance its ties to its traditional ally (the US) while still seeking a new policy on China, which Germany considers as both a partner and a systemic rival.

#### 4. Conclusion and recommendations

This policy brief set out the importance of East Asia for Germany and outlined potential roles Germany could play in the regional security architecture. It scrutinized the delicate balance between supporting the build-up of a rulesbased security order in the region and softbalancing against China in light of growing geopolitical tensions. It also discussed the foreign and security policy challenges Germany faces in its East Asia strategy.

Maneuvering its China policy remains a daunting task for the current German government. At the same time, the entering of a new era in its security and defense policymaking opens certain windows of opportunity to rethink Germany's role in the East Asian security architecture and strive towards a more active role for Berlin. The following steps could be taken to ensure some form of engagement to enhance the capacity of

<sup>&</sup>lt;sup>16</sup> Markus Jaeger (2021) "Germany Between a Rock and a Hard Place in China-US Competition", *DGAP*, <u>https://www.ssoar.info/ssoar/handle/document/735</u> <u>13#</u>.

regional actors and build a rules-based security order in the region.

- Political action: Diversify German • security partnerships in the region to uphold/foster a rules-based security order. Given the importance of East Asia for the future international order, Germany's foreign policy should be committed to diversifying its partnerships in the region to avoid unilateral dependencies. This includes seeking cooperation on security matters with partners other than China and jointly striving towards multilateralism and a rules-based security order.
- Diplomatic action: Achieve a common Western position on regulatory and security policy matters vis-à-vis China. far, there are significantly So conflicting interests and positions on how to deal with China's behavior in the region. Germany should strive towards a more coherent European position and also, in terms of trans-Atlantic relations, seek to achieve a common position on regulatory and security policy matters. In this regard, the leap in Germany's strategic culture caused by the war in Ukraine might result positive effects in on nonmilitary trans-Atlantic areas of cooperation. Only through a unified

EU policy and coordination within the trans-Atlantic partnership is cooperation with mutual benefits possible.

 Strategic action: Strategically foresee future scenarios. Germany needs to think farther ahead and formulate a long-term strategy to strengthen the variety of tools it has at is disposal in the realms of foreign and security policy. This particularly implies fostering nonmilitary tools of security policy, mediation strategies, and cooperation with non-governmental actors.

Overall, Germany should play a more active role in the East Asian security architecture, yet most likely it will strive to do so within a larger European framework and not as proactively as France. Moreover, this brief has made clear that Germany's role lies primarily in diplomatic and political actions, and less so in military engagement or cooperation. Regardless of this fact, the current *Zeitenwende* has opened a window of opportunity to rethink German foreign and security policy in and towards East Asia and should be taken as a chance to recalibrate the so-far rather hesitant German approach.

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