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SECURITY & COMMUNICATION

GERMANY
STRATEGIC SURVEY

AS A NATION AT THE CENTER OF THE EUROPEAN CONTINENT, GERMANY AND ITS IMMEDIATE VICINITY HALT THE WORLD'S DENSEST CONCENTRATION OF WEALTH IN THE WORLD. ITS EXTENSIVE NAVIGABLE WATERWAYS AND ARABLE LANDS GIVE THE COUNTRY AN EDGE IN TRADE AND COMMERCIAL ACTIVITIES. YET FOR ALL ITS ADVANTAGES THE COUNTRY IS UTTERLY EXPOSED TO NEIGHBORING POWERS. FOR THE PAST TWO CENTURIES, THESE CONDITIONS HAVE DETERMINED THE GEOPOLITICS OF GERMANY.

INDUSTRIAL GEOGRAPHY:
UNDERSTANDING THE GERMAN GAME

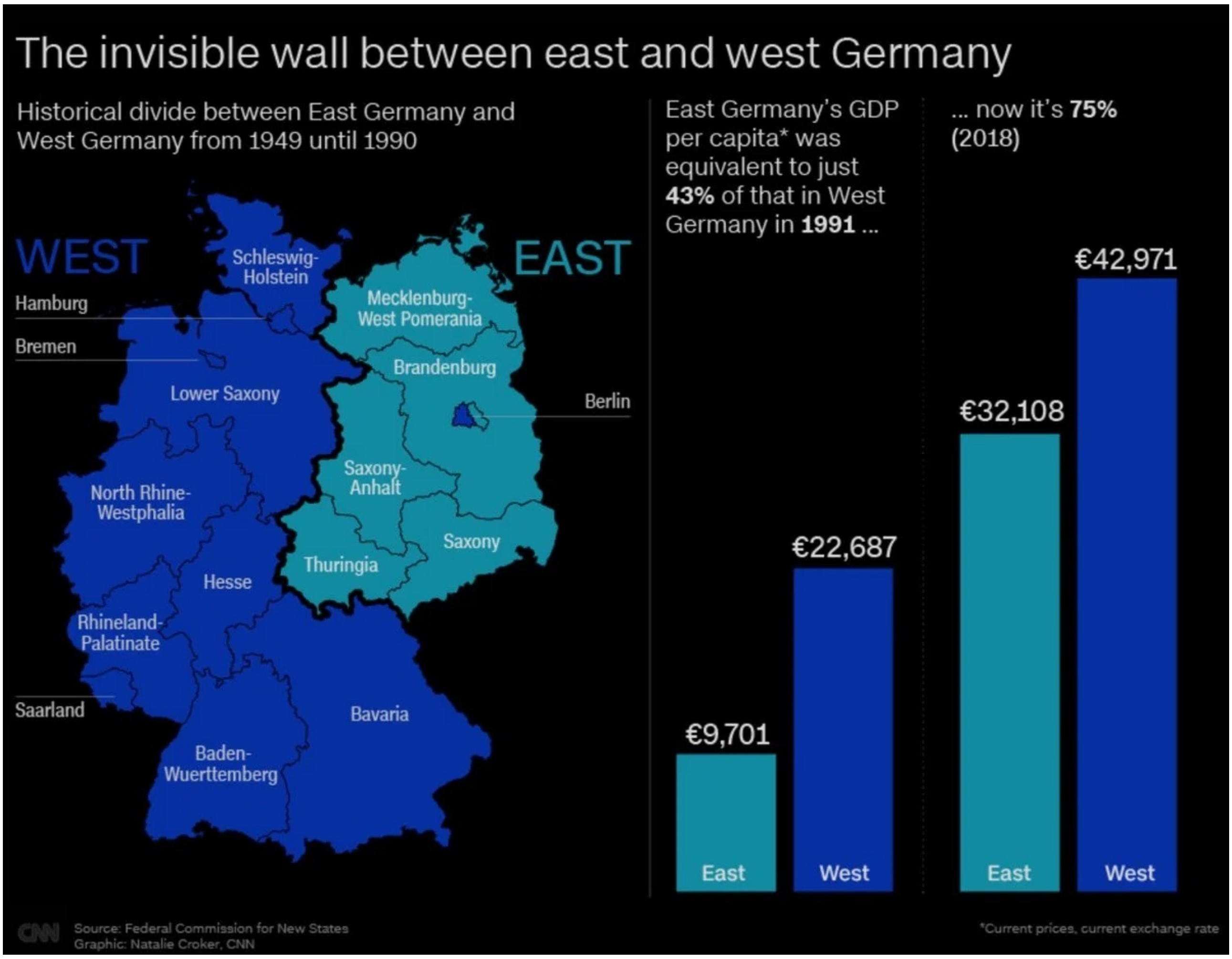
Located in the center of the European plain the Federal Republic of Germany enjoys some of the best and worst of geography at the same time. The south of the country is defined by its mountainous terrain that is partially dominated by the Alps, while the north exists of flat terrain and borders the Baltic- and North Seas. In addition, spread interchangeably throughout Germany are vast fields of arable plateaus and rich forests yet perhaps the most distinguishable geographic feature is the dense concentration of navigable waterways. Germany hosts at least seven major rivers that are commercially navigable and they play an enormous role in the geo-economic prospects of the country. For instance, the Rhine which empties into the North Sea is north Europe's longest navigable river and the world's busiest internal waterway. The Rhine allows for the cost-effective transportation of goods into the german inlet. Along the river, and its smaller tributaries, are a host of major cities and commercial hubs like Cologne, Dusseldorf, Essen, Dortmund, Frankfurt, Stuttgart, and many more. Other examples of navigable rivers include the Weser and the Elbe. These waterways and their tributaries link major population hubs like Bremen Hannover and Hamburg to the North Sea. While the other rivers in the East allow the Germans to reach the Baltic Sea. Then there is the Danube in the south which connects the industrial city of Munich to the Black Sea. There are dozens more navigable rivers and canals but the large demographic clusters along the Rhine, Elbe Weser and Danube formed Germany's heartland. However much like the rivers, the Heartland does not form a single unified compartment. There are instead multiple seats of power. For most of their history, the German heartland territories developed separately until the country unified in 1871. Even then national unity remained a fragile concept.

Thyssen-Krupp 1942 vs 2022

INDUSTRIAL HISTORY:
FROM KINGDOMS TO STATE

Germany is the largest economy in all of Europe by a significant margin and the fourth largest in the world falling just behind Japan. The economy of Germany is so interesting not just because of its sheer size but more because of its tenuous and surprisingly short history. Germany is a hugely influential economy in the world today and even more so among the other European economies. It has been a stabilizing force in the eurozone and its prosperity has overflowed into other nations that have been less stable. Germany is today home to a system called the social market economy or Rhine capitalism, an economic system thought up by the German government during the reconstruction of the nation after World War 2. This is a unique system that has been the guiding policy of the nation for over 70 years. But it wasn't something that was just dreamt up out of thin air - it was the product of the history of the nation. Up until that point, something that is often forgotten about Germany is that it is a very young nation in the grand scheme of things. The United Kingdom, France, Spain, the Netherlands, and even countries like Greece and Italy have been around for hundreds of years and they had a chance to build up wealth through Imperialism and technical innovation. These other nations by extension were far wealthier than the Germanic states that would later form the German Empire when they came together in 1871, which was 151 years ago as of 2022. And as is the case with all great powers it was born out of the aftermath of a war. In this case, it was the Franco-Prussian war. Prussia was one of the more prominent states that would go on to form the German Empire and Franco was France, who for the first time in over a century was starting to lose the undeniable influence it had over the European continent. The newly founded German Empire then went on to go through its own Industrial revolution building factories and ports and mines and laying down railroads wherever it could. Germany was a bit of a late comer to this whole business but because of this, it was able to import the technical knowledge of nations that had already gone through the whole process. They were able to innovate and develop their economy at a mind-blowing rate. By the turn of the new century, the German Empire had surpassed both America and the United Kingdom in its steel production which at this time was a very strong measure of industriousness. The new German Empire was growing and modernizing its economy at such a rate that the whole turnaround was dubbed the German miracle and it was a bit of a big deal at the time. Nowadays of course every country that is rapidly industrialized gets dubbed a miracle. The Chinese miracle, the Japanese miracle, and the time era called the South Korean miracle. One has to wonder if these really are miracles at all but in Germany's case, it was probably fair enough to call this turnaround a miracle. At some point overall German potential was high enough, open conflict with its neighbors over the influence of the region seemed affordable. World War I was declared and Germany was taught better. From this, the German Empire was dissolved. The Kaiser was abdicated and the Weimarer Republic was formed and as with all other great nations, it was born out of the aftermath of a war. To make these less than ideal circumstances even worse for the newly founded Republic, a massive economic burden was placed on Germany in the form of war reparations by the victorious Allies. The massive cost that they had ensued fighting in this war was unprecedented and they decided that it was up to Germany to pay them back. This hast put an extremely heavy burden on the already crippled economy and the nation was beaten down over and over again given the destruction of productive infrastructure. After hyperinflation and one of the worst economic recessions in history, things were overall not going well for Germany, and as you know these kinds of conditions were a hotbed for nationalist leaders like Adolf Hitler to rise to power. Now, this period of German history was of course horrendous but once again the nation was making progress towards getting back on track. Infrastructure spending was hugely increased leading to almost full employment. This was something that was widely praised at the time but it wasn't without its issues. Even if we ignore the catastrophic social problems of the country at this time, first of all, full employment is usually a positive thing for an economy. But there were a few considerations to be made here: The Nazi Party kicked almost all women and any individuals that they considered unworthy out of working for the government and a lot of large companies followed the lead of the government on this issue, either because of the ideology of their leadership or simply to curry favor with the government. What this meant was, on paper employment was nearly at 100%, but this was only because white men exclusively were counted as employable. Resulting in a blurred two-dimensional snapshot of the situation hence in reality not all of the potential in human capital was taken into the formula. Surely the industrial sector of services, where today a lot of female labor is employed, was not as big of a factor back then, since most of the producing industries managed almost everything orbiting a chain of production, documentation, administration, and wholesale trade in house, but still. Another big consideration was that this economic growth came about through a huge fiscal stimulus fueled by debt. The nation was literally buying its way out of its economic situation, which is not necessarily a bad plan in general. An anti-cyclical fiscal policy calls for strong government spending and low taxation during times of economic stagnation. The problem here was how the nation planned to repay this skyrocketing debt. Normally governments repay their debt by taxing their citizens more and spending less during good times. But in contrast to that, to Germany, again it seemed that conflict can be lucrative on the macroeconomic level in a long term, therefore affordable. Instead of repaying their debts, the nation went after the creditors. This of course was not a particularly popular economic policy amongst other nations and once again Germany found itself in another world war which it lost – again. From this disaster, Germany once again found its fate decided on by the victorious Allies. The nation had been divided into two, split between the western powers in the West and the Soviet Union in the East. West Germany, officially the Federal Republic of Germany, later becoming the senior partner in a unified Germany, was the half of Germany that was allied with the Western bloc powers. Now unlike in the aftermath of World War I, the victorious Allies decided that beating a country while it was down was probably not the greatest idea. They decided instead to enact the Marshall Plan which meant that the victorious nations paid to rebuild the infrastructure of Germany from the rubble that was left of it from the war. This did three things: Firstly it meant that the citizens of West Germany were given a good quality of life meaning that they were less likely to support nationalist leaders all over again and bring the world back into another world war. It also meant that the allied nations would have a new strong trading partner and a source of cheap export goods. And of course perhaps most importantly: It meant that West Germany would not be enticed to embrace the communist ideologies of the Soviet Union. West Germany was of course given a lot of assistance early on by nations like France, England, and above all the USA. But it still prospered under its own merit: It introduced a new currency, Deutsche Mark, which stemmed the issues it was having with hyperinflation and got down to building cars and consumer goods and exporting them all over the world. It created a state-of-the-art banking system at the time, called the KfW (Kreditbank für Wiederaufbau / Creditbank for Reconstruction). In contrast to its neighboring nations, which just consumed the money they received from the Marshall Plan, through the KfW system money the government received from its curators, was lent out to key businesses with an interest rate. Meaning that those businesses could rebuild and restart production and supply to the domestic and foreign markets, but the moment they made profit they had to gradually pay back their credit to the KfW. This led to a disproportional growth of the new German economy compared to their neighboring countries, hence the money of the Marshall Plan could be quantified over time and reused to build more than it was intended to by the Allies.

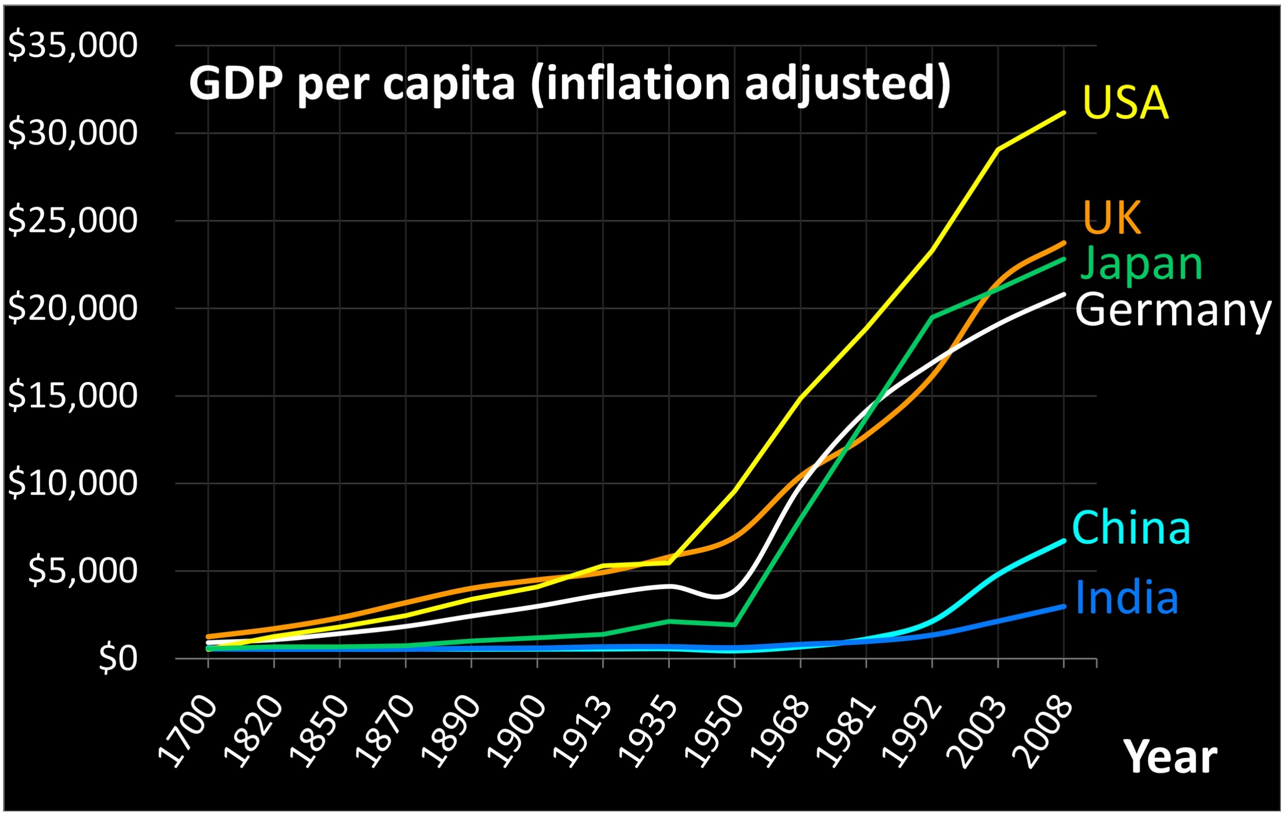
Up until today the KfW basically recycles the assets from the Marshall Plan by lending, cutting an interest rate and relending. The raise from the ashes after the European disaster was a very similar story to what we saw in Japan, Nazi Germany's axis ally to the east. This all goes to show that Germany just really wanted to be a prosperous and industrious nation but it kept getting beat down over and over again. The story was a little bit different, though, for the second Germany, the one that was formed in the East. East Germany, officially the German Democratic Republic, was the half of Germany that became part of the Eastern Block under the control of the Soviet Union. And it can not be underestimated how this was a tale of two Cities. It was the best of times and worst of times at once. As West Germany underwent its economic miracle giving rise to household, brand names, and some of the best living conditions the world had seen at that point, East Germany lagged behind. Typical Soviet economic plans were enacted, industries were nationalized and rations were established. The artificial quasirepublic did not officially label itself as a communist state, instead branding itself as a Socialist Worker's State. But it was still heavily influenced by the Soviet Union and its economic systems. In fairness: East Germany did not have many of the same blessings that West Germany had. The Ruhr, the industrial zone that France invaded in 1923 to call in its debts because it housed a good majority of German industry, well, that region was in West Germany. On top of this East Germany is just geographically more disadvantaged than West Germany: It was smaller, it didn't have the same access to oceans for trade, it was colder and therefore couldn't produce as much food. Despite this East Germany was put on a pedestal amongst the eastern bloc nations. It was kind of the showpiece for the world to demonstrate how great life was under communist rule. While behind all the publicity it still wasn't good enough. Nowhere was this divide more evident than in Berlin. Berlin was a special case of weird borders. It technically fell within the borders of socialist East Germany, but West Berlin was still controlled by the West. This was a point of much contention and the Soviet Union tried to flex its economic might in East Berlin because it was one of the few places in all of the Soviet Union that the Western Empire could see beyond the Iron Curtain. And perhaps more importantly one of the only places where Soviet citizens were able to see into the West.



The latter was seen as a major problem by the Soviet leadership who tried pumping lots and lots of money into East Berlin to make it the crown jewel of living standards in the Soviet Union, the envy of every other city in the world. Living conditions however still weren't great. It then tried cutting off West Berlin from supplies from abroad which it could do because it was an ocean around a little capitalist island. The West got around this by basically flying in all of the supplies that they needed in a program known today as the Luftbrücke (Air Bridge). In response to that, the Soviets have built a giant wall and that wasn't great but it kind of did the trick for a little while. About a year before the total collapse of the Soviet Union, East and West Germany were reunified into a single nation and as with all other great nations, this was born out of the aftermath of a war, this time a cold war. The new nation, all under the banner of the Federal Republic of reunified Germany or today simply Germany, re-established its national capital in Berlin, moving governance from Bonn. A few months later the Berlin Wall came down and everything was great and everyone lived happier than ever. Well, not exactly... West Germany at this point was a thriving economic powerhouse exporting world-class products all over the globe, East Germany could barely feed itself. Reunification, therefore, didn't go flawlessly. Strangely enough, though, a lot of these problems didn't come from East Germany's inability to embrace the free market economy but rather the social policies already built into the system in the West. A major part of the modern German economy is a socio-economic model called Rhine capitalism. The idea of this model is that it provides the best aspects of capitalism: Things like entrepreneurship, incentives to work harder, innovation, and such, but also combines this with the best parts of a social democracy: Things like strong social safety nets, universal access to education and health care, strong workers rights and very stringent controls on business.

GERMANY ADORES ITS BUSINESSES.

Today it is home to some of the largest companies in the world. Think of things like Mercedes, Porsche, Volkswagen, Allianz, Deutsche Bank, Schwarz Group, etc. They are all in the light, very profitable companies that operate all over the world. But Germany also makes sure it keeps them in control. If a company gets too big to the point of forming a monopoly Germany, will take aggressive action to keep it in line. If a company is causing environmental damage or abusing workers it will be taken care of. This has done a lot of things but above all else, it has made Germany a very competitive marketplace. No German company can be complacent because they know that they must compete. And if they are not competing with anybody, the German government will emit subventions to smaller market participants emerging into the big game and make them compete. Now all this is fantastic and Rhine capitalism is very similar to the economic ideologies we have explored in countries like Norway before, though in this instance Germany is fueling this prosperity through hard cash industriousness rather than through bare ambitions of exclusivity. This all had to be adjusted to new realities when Germany unified and the strong social aspect of Ryan capitalism had to pick up the slack of the weak industrial capacity of the east. The birth hour of a new form of subvention – the federal financial balance sheet or Länderfinanzausgleich in German. This was a necessary tool to distribute potential equally over all of its territories but led to a long period of stagnation as the West struggled to make up for the burden of the East they had to pull along with them. Industrial infrastructure left over by the Soviet Union was obsolete and decades behind world standards, and industrial output from this tooling and machine parks was non-competitive, neither domestically nor abroad. This all needed replacement while producing little to finance the effort. Getting the east up to speed wasn't as simple as just setting up factories either. Decades of separation meant that they had separate electricity grids, different industrial standards, partially even different mapping, managing, and measuring systems, and had become very different places culturally. Though through a lot of hard work the East and West have today blurred the lines of past separation and industry has found a foothold in the East which has led to prosperity for the nation overall. Getting East Germany up to speed was by no means the last time that Germany had to carry its steam and and make up for economic deadweights. Many EU supporters today note that without Germany, Italy, and France the European Union would not be nearly as stable as it is today. Relatively speaking Germany is a truly remarkable nation and a brilliant economic case study purely just because of how resilient its culture of industriousness is. There are lucky countries that do much wrong, think of oil-rich African nations. We have seen lucky countries that do much right, think of Norway. But it is hard to think of a nation that was as unlucky and simultaneously smart as Germany: Becoming one of the leading economies in just a few decades after it was destroyed into a ground zero twice and divided by competing and conflicting philosophies in the same century. It was formed after a war, industrialized, and then found itself in the greatest armed conflict in the world. After World War one it tried to pick itself back up and rebuild its crippled infrastructure and then it got hit with crippling war reparations. Once again it tried to pick itself back up and rebuild and the world markets devalued its economy into hyperinflation. It again tried to pick itself back up and rebuild and then France invaded the most productive region of the nation. It tried to pick itself back up and rebuild only to run into the Great Depression. It tried to pick itself back up and rebuild now betting on a totalitarian national socialist approach and learned quickly that extremism can not be the response to disaster. It tried to pick itself back up and rebuild and was now split into two mutually hostile sectors. It went through reunification with a bankrupt, ideologically antagonist socialist half in its east, survived the global financial crisis with little exposure, bailed out the eurozone crisis with little stagnation, navigated the corona crisis with a largely intact economy, and is now finding ways to readjust its energy market to diversification in the Russo-Ukrainian war. Germany has really not been able to catch a break. Despite all of this Germany is still the fourth-largest economy in the world. It has the world's largest export surplus and its products are universally recognized as some of the finest quality goods in the world. It is hard to think of a nation that has been so prosperous despite such adversity and it is hard to say that Germany has been anything other than prosperous. The social market economy system has been a strong guiding force and the mixture of the best parts of a lot of economic systems has potentially meant that Germany has maintained a certain level of flexibility to work around all the adverse issues it is often presented with.



THE GOLDEN MIDDLE
CURRENT AND COMMING ECONOMIC CHALLENGES

Navigating all of these hard times, Germany, as it sometimes seems, forgot how to enjoy good times. In its very competitive business environment, it oftentimes profited through diversification, cutting costs by outsourcing its national security capabilities to NATO and the United States, its prefabrication and below-high tech industrial capabilities to China, its food production to the former soviet block neighbors, and its energy supply to Russia. Yet as remarkable as the German economy recovered, diversified, and grew, the nation's wealth, more precisely its assets are not evenly distributed across its population: According to the German central bank the wealthiest 10% own 63% of the country's assets. Scaling more precisely, the discrepancy becomes even more dwarfing: The richest 1% of Germans own more than 35%, while the bottom 50% own 3% of the German everything. This staggering difference is cemented in the so-called German legacy capital, a form of quasi-oligarchy that ascended with the nation from the ashes of World War 2. Businesses of the German middle class that operated in the fields of heavy industry like steel mines and metal processing factories were considered 'Kriegswichtig' (decisive for the War effort) between 1939 and 1945. Those companies were given special subventions, rights, and protection during this period. But above all else, they were factually granted access to the central German fiscal resource, as soil for the creation of new production facilities was distributed for free among these enterprises, and interest-free credits and subventions were approved on a scale never seen before. Within relatively short periods, these firms achieved exponential growth that would have need decades, in some cases even close to a century to achieve given the average growth rates for these branches under normal microeconomic conditions at the time. After the demise of the Nazi rule, these fiscally financed and often family owned corporations were factually privatized, hence on paper all of the infrastructures the business operated belonged to it in the first place. Production facilities the size of major villages, and small neighboring towns, solely created to house three shifts of workers of the factory itself. Now forced labor facilities like concentration camps and public infrastructure like the worker's cities were of course not privatized but beyond that all together after the war, many businesses were left over with productive capabilities far exceeding their same capabilities before the war and much bigger than those of competing businesses in neighboring countries. This same legacy capital, modernized and passed on through heritage over generations until today, forms the backbone of the German economic elites. The legacy capital still incorporates the vast majority of Germany's productive means and even a part of its interregional logistics and communications, such as railroads, power grids, communication cable networks, and harbors. Germany's housing market is yet another telltale of tight control but also a tight monetary concentration. More than 50% of German households do not own any real estate. Almost 80% of Germans rent their home. A vast majority of the residential and commercial property is owned by banks, pension funds, people's trusts (Genossenschaften), foreign investment funds, and real estate developers. Rent is the name of the game in Germany, featuring one of the most sophisticated lending and renting legislations in the world. A German landlord has very few tools to free a residential unit given the rent is paid on schedule by the tenant. The maintenance of the facility itself though is also a centrally institutionalized process, so changes, modernizations, and reparations of the facility as a whole need to go all the way up to the oftentimes foreign operating enterprises for approval, which in itself is time- and cost consuming. Germany's bureaucracy, necessary to keep individuals and businesses at check in a tight grid, creates an at times seemingly reactive and dysfunctional state. Strategic or even regional decisions take rarely less than years to be made, court trials months to start from the moment of report. New real estate is close to impossible to errect since the average work hour for a craftsman is somewhere in the vacinity of 80 euros and the market itself critically short on craftsmanship alltogether. Multiply that with expensive logistics, high taxation on building materials through protectionist measures and the dimension of paperwork needen plus time it takes to recieve construction permits. Germany, growing in population through immigration, is in the middle of a deflational housing crisis. The nation builds too little to late to flat. On the other hand, the strong grip of German legislation and execution creates one of the highest trusted banking systems on earth. Individuals and enterprises investing in Germany can be sure with a probability close to certainty that their assets are safe, given they make economically logical decisions. Money lend out will be paid back, no matter what, whether venture capital lent for commercial means or a small bank credit for private consumption. A company operating to the best of its knowledge and beliefs is sure to achieve stable, controlled growth with very little risk of default, even if outer factors outside of control tilt the playing field like during the 2008 financial crisis or the 2020 corona pandemic. If you are an honest business, chances are good that you will be bailed out of bankruptcy at least partially. Like always though, there is a dark side to it all as well: Emerging corruption scandals, uncovered economic cartels including mutual pricing, market share, and output negotiations between competitors, and an artificially inflated pacifism create friction between the nation and their commercial and state-level partners all around the world. Prominent cases of offshoring, tax fraud, and market manipulations came to light, orbiting such schemes as Cum-Ex, Cum-Cum, the Wirecard scandal, and money laundering through institutionalized real estate trade. Oftentimes these businesses work on minimal margins in competition with foreign market participants, who through tax evasion create extra paychecks abroad, those checks, that they had to roll back previously in a price battle for a market share. Competing domestic businesses are forced into offshoring themselves as they can not catch up with the tiny margins the tax-evading businesses achieve. Through economic espionage, the bigger competitors then often find proof of tax evasion or the violation of norms by the smaller market participants and report them to get them out of the market. A disproportionally high share of independent investigations into tax evasion, offshoring, and market manipulation, interestingly enough, was opened against businesses and individuals who are counted into the group of the so-called legacy capital. The category of corporate bodies that hold wealth and market positions through heritage after 1945. Another remarkable symptom of Germany's overwhelming corporate hegemony is a strong lobbying sector along with very prevalent consulting services for government and leading businesses. Studies find that policies favored by leading businesses are disproportionally often approved even if a majority of private citizen was skeptical or disapproving of the same. Policies finding approval by a majority of average citizens are often disapproved if the nation's leading businesses and wealthy class are skeptical or disapprove of them. A strong correlation can not be ignored.

'...If pacifism is real, anarchy must work...'

Alex Jag at a security summit 2021.

We know today that with a probability close to fact, anarchy does not work because people simply tend to force other people whenever they can profit from it. German pacifism, promoted after the devastating two world wars, though, is likely unmatched by any other nation on earth. Germany was very prudent during the global war on terrorism from 2001 and even more so during the Ukrainian crisis, later ensuing in the Russo-Ukrainian war. Even then, when active hostilities were taking place on a scale not seen since the last World War, Germany struggled to participate in the aid for Ukrainian defense. Giving up its principal position only after months of major international pressure from high ranking officials and the nations they represent. Pacifism in itself is not a bad human quality, but to ignore a fire makes your closest allies doubt if you are interested in extinguishing it at all. This created friction between Germany and its neighboring EU and NATO-Members in the east, with at some point the concept of mutual defense and Germany's role in it being questioned altogether. This, combined with a heavy reliance on possibly soon inaccessible Russian hydrocarbon exports, necessary for the German economy to function, made furthermore investors question if the accustomed stable growth of Germany's markets is survivable in the foreseeable future.

The year 2020, a time when the macroeconomic effects of the corona pandemic effects caught up on Germany in full force, must be seen here as a total exception from the nation's usual performance, as with many countries around the world during this time period. 2021 though, after a notably quick recovery, is a good indicator of how Germany actually performs in normal, domestic macroeconomic and exoeconomic conditions (namely conditions presented by the nations involved in the chain of value extraction of Germany's enterprises, be it f.e. prefabrication of components or procurement of the finished goods). The prognosed 3.6% growth rate Germany pursued for 2023 before the aggression against Ukraine (yellow in the graphic below), is now, again through the coming inaccessibility of Russian hydrocarbons corrected down to just 2.2% (blue), with more corrections likely to happen as the conflict develops. Now the United States and other Western powers do present contingency strategies to buffer the fall, to what extent Germany will be able to take advantage of those solely depends on how relevant the country remains to the Western community during this very crisis in order to achieve the desired results.

SWORDS MADE FROM FEATHERS

SECURITY & GEOPOLITICS:

Today Berlin is the most populous city and wields the most political power. However, in addition to the capital, there are political and economic seats of power in Frankfurt, Munich, and Hamburg. To maintain unity Germany as a whole is a federal entity. The result is that political power is widely decentralized and distributed across the country. This brings forth Berlin's first and most basic geopolitical objective which is to ensure its territorial integrity by maintaining a complex political balance between the federal states within the country. More often than not political unity is easier when there is an abundance of wealth and Germany's extensive navigable waterways combined with its access to seaports and the country's central location in Europe supported by a sophisticated infrastructure network practically guarantees that German industrial and agricultural surpluses enjoy much lower transportation costs. Ultimately this gives the government in Berlin a competitive edge in trade which is why Germany is the third-largest exporter in the world and as a result a prosperous nation. Taken together Germany's geography grants an impeccable advantage in terms of trade, technology, and communication, as well as the accumulation of massive amounts of capital from those activities. As such Germany and the North European Plain is home to the densest concentration of wealth in the world. This is why the Germans have always been able to swiftly recover from military conflict. But as stated a stark economic disparity is especially noticeable between the west and east of the country. For instance, in 2015 the state of Hamburg enjoyed a GDP per capita of nearly 73 000 USD while that of Saxony was only $31 000. The disparity is most notable in East Germany. In fact, the 16 million Germans in the East, including the capital, contribute to 15% of the country's total GDP, while the western province of North Rhine-Westphalia on its own accounts for 21% of the economy. The stark contrast between West and East Germany is only partially due to the communist past and partially due to the layout of the rivers. More specifically: Waterways in the West have better access toother capital-rich ports and hubs in Western Europe whereas the rivers in East Germany mostly have access to the economically less capable Eastern European region. So the layout of the rivers makes the development of East Germany slightly more complicated than that of West Germany. This complex situation is Berlin's next objective: It must mitigate the regional inequalities to prevent social unrest. The government fulfills this task by distributing economic resources through a wide selection of social safety nets. As a result, the public doesn't necessarily feel the financial disparities. However, since nearly half of Germany's GDP derives from exports Berlin's generous social policy is only sustainable as long as it can maintain access to those markets.

And this is where the European Union comes into play. Roughly a third of Germany's exports head for member states within the eurozone. Should these markets collapse it would trigger a massive internal crisis within Germany because its economic and social well-being is inherently linked to the existence of the European Union. This unique predicament brings forth another geopolitical objective: Regardless of the banking and fiscal disputes, the bailouts, the austerity measures, the flow of refugees, and the erosion of the free movement in the Schengen zone, the government in Berlin has to do whatever it takes to maintain the eurozone as a market for German goods and services. For the sake of domestic stability, it must ensure the survival of the European Union. In this context, the European block also fulfills another geopolitical objective: Which is Germany's relationship with regional powerhouses. For all its advantages Germany finds itself in between present and historical powers including the Dutch, French, British, Italians, Austrians, Danish, Swedes, Poles, and Russians. Basically, Germany sits in the worst geopolitical area in the world. South Germany is relatively secure but in the north, the country is exposed to multiple fronts in the flat terrain of the European Plain. Although Berlin's tactics to deal with the dilemma have changed over the course of the 20th century, the modern objective to keep Paris and Moscow at bay has remained the same. Modern Germany and France have dealt with their mutual problem by interlocking themselves into European institutions. Just six years after World War two ended, the European Coal and Steel Community formed a bond between the industries of France and Germany. The succeeding institution, the European Economic Community improved upon those ties by adding a diplomatic layer and when Germany reunified in the 1990s, policymakers from both nations rolled out a common European monetary policy. Headed by the German central bank, when the eurozone came out in full force in 2002, it quickly became an indispensable market for German industries. This dependency reassures France and Germany of their security concerns in the European Plain and this understanding is a geopolitical objective that must be maintained because it allows Berlin to secure its eastern side while Paris secures its western flank. However, this functional status of the European block brings forth new challenges for Berlin and Paris, and while German politicians act as a voice of unity and reason, behind the scenes Berlin is working on a contingency plan for the collapse of the European Union. In November 2017 a leaked defense policy paper called the 'Strategic Perspective 2040' revealed that the German government is working on measures to deal with the collapse of the European bloc and a resurgent Russia. The document is the first German defense policy since the end of World War Two. The fact that it even exists sends a chilling message it indicates that Berlin considers the collapse of the European bloc and its disastrous consequences as a likely event. Regardless of the fate of the EU for now the western flank of Germany's borders is secure. The east side, however, which faces Russia is a more complicated matter. Here NATO has proven to be of great value for Germany. While the EU has allowed Germany to deal with France, NATO has allowed the German leadership to reduce hazards from the Russian side. This distinct situation explains why Berlin has traditionally operated as a strong advocate of the expansion of the EU and NATO into the former Warsaw Pact nations and the Baltic States. The more the EU and NATO expand the more secure Germany gets because by encouraging European integration Berlin gains political, legal and economic leverage across much of the European plain. This, in turn, creates an effective buffer zone between Germany and Russia. Having said that, the EU and NATO expansion have damaged relations with the Kremlin because the Russian objective is to push westwards for the same reasons. The result of this collision of interests is a prolonged crisis and ensuing war in Ukraine, mutual sanctions and an overall breakdown of diplomatic relations between Berlin and Moscow. This stalemate is unlikely to change anytime soon. Russia and Germany may not border one another but the fact that both of their heartlands occupy the same lowland plain means that they must seek to extend their buffer zones west and east, respectively. An ideal situation for Germany, hence a relationship with Russia that benefits both sides much like the German-French pact, is now very unlikely, would be a change of strategic policy in Moscow, possibly in the face of regime change. But how such an understanding would be formulated at this stage is uncertain. The final objective of Germany is to secure its maritime access in the North- and Baltic seas. In this regard, the Kiel Canal in North Germany by the Juetland peninsula is particularly important because it links the Baltic Sea to the North Sea through German territory thereby bypassing the Danish Straits. However, guaranteeing the security of its strength in the north and Baltic seas is beyond the ability of Berlin since it requires a capable blue water navy which is one of the costliest endeavors a nation can undertake. In the western world, the solution usually comes down to an alliance with the global maritime power, the United States. However German-American relations are complex: As a nation that was partially defeated, occupied, and rebuilt by the Americans, Berlin has mixed feelings toward Washington. This is visible in the past friction between Merkel and Trump which concerned Germany's large trade surplus. While the Biden administration has decreased the tensions, politicians in Berlin remain anxious because their export-driven economy has a lot to lose in a trade dispute over energy sources. In the past, maritime rivals managed to shift the balance of power in the European plain by siding with coalitions against Germany. To avoid a repeat of history Berlin has to remain on friendly terms with Washington so it can continue to dominate its environment through economic and diplomatic means. Such an alliance, however, will not be without costs, as such Berlin will have to find ways to remain relevant to the United States. Because with a push of western influence eastwards, the center of Europe could be pushed east as well. With initiatives like the intermarium strategy, Poland is willing to share or cease Germany's dominance on the European continent through economic, diplomatic and other soft power means. As such, Germany's lacking enthusiasm towards aiding its most eastern ally in Europe is a trump in Poland's cards for hosting current and future US economic and military activity in Europe. In essence, the geopolitics of Germany stems from its immediate surroundings. The extensive waterways form the backbone of the country and give German industries a competitive edge over their rivals. But for all its strengths, Germany has substantial vulnerabilities. To fully secure its interests Germany must maintain unity among its seats of economic and political power, it must ensure domestic stability by reducing financial inequalities through its social safety programs and it can only sustain such social policies by maintaining the Eurozone as a market for German goods and services. At the same time, Germany must secure its western and eastern flanks along the European plain by encouraging EU integration to deal with France, and NATO integration to bolster its buffer zone against Russia. Furthermore, Berlin must also work closely with Washington to secure its maritime access to the Baltic and North Seas, and overall security for its trade ships in international waters. Ultimately the tactics may have changed over the course of history but the objectives stood the same.

The coming years will show if Germany will be able to regain a critically necessary portion of energy independence, fulfill its military commitments to its closest allies (out of urgency most importantly Ukraine and NATO), and bring low- and intermediate tech production, which is critical for the creation of added-value endproducts back home, or at least into its closest neighborhood.

BECAUSE IN THE CASE OF GERMANY THE CHAIN OF THE EUROPEAN SOLIDARITY IS ONLY AS WEAK AS ITS STRONGEST LINK.

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