

Germany's Soft Power 2030: Scenarios for an Unsettled World

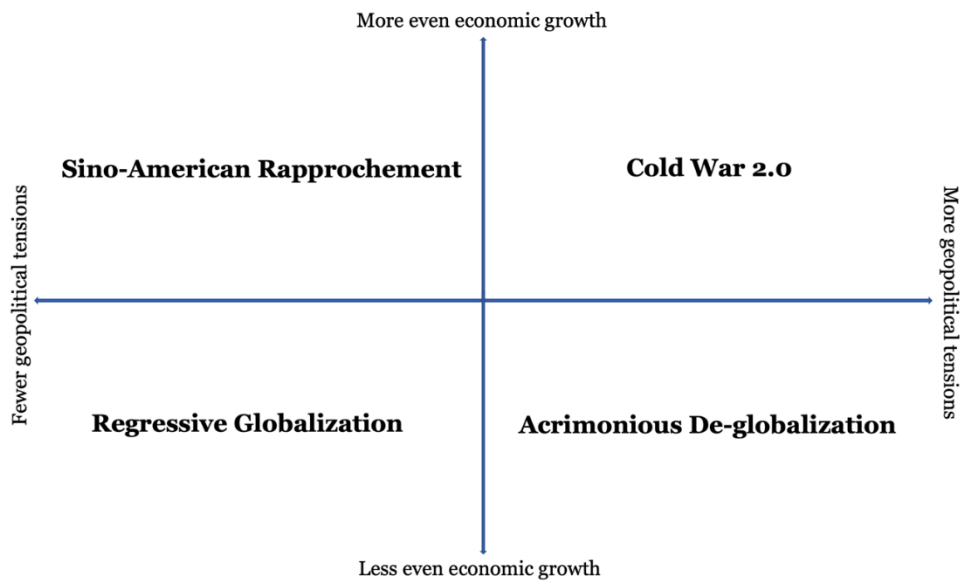
Executive Summary

This foresight project focuses on a key question for the future of Germany's foreign policy: Given changing geopolitical and economic relationships among major powers, what possible futures can be foreseen soft power approaches or external cultural policy (ECP) in terms of narratives, strategies, goals, policies, and programmatic activities?

To address this question, we place Germany in a comparative framework of international relations that considers soft power approaches in the context of prevailing geopolitical and economic relations between the European Union, the United States of America, and the People's Republic of China as well as other global players. In each case, we consider soft power approaches relative to hard and sharp power options.

The time frame for the future scenarios is the year 2030, anticipating likely and potential developments and events from 2022 onward. The scenarios are based on a series of brainstorming and validation sessions, literature reviews, personal interviews, and an online survey fielded among experts and representatives of leading institutions.

We identified two major drivers of future developments: the state of the world economy and the state of the world's security situation. Exploring the interaction between these two drivers yielded four distinct scenarios:



Under **Sino-American Rapprochement**, China and the US have agreed on some minimal common ground, leading to a world characterized by lower security tensions and increasing cooperation and economic growth. It presents a positive-sum world, with lower inequality and more regional stability. While the US and China are nonetheless in a race to enhance their economic and technological capabilities, they actively cooperate, in close coordination with the EU, in fields like climate change to build their international reputation and credibility.

Under **Cold War 2.0**, tensions between the US and China have reached an all-time high. War has not broken out, but distinct geopolitical blocs have emerged, and there is intense technological, economic, and ideological competition between them. Trade between blocs is reduced, but supply chains have reoriented themselves within blocs. Heavy state intervention in the economy is necessary, increasing sovereign debt but also boosting equality and prosperity within countries even as the world is constantly haunted by the prospect of large-scale war.

Acrimonious De-globalization describes a world of security tensions and uneven economic growth. Multilateralism and attempts to solve pressing global challenges such as climate change are largely abandoned. Instead, we find two competing blocs roughly along the lines of NATO and the Shanghai Cooperation Organization. Although all-out war has not materialized yet, hybrid warfare is common. Economically, trade between the blocs has declined as has trade with non-aligned countries, many of which are hesitant to choose sides. Geopolitics has led to a zero-sum game, in which some countries are better off compared to 2022, but most are not.

In the **Regressive Globalization** scenario, China and the US have failed to devise a workable cooperation model to manage global public goods, but neither has taken major steps to provoke the other to escalate global and regional tensions. The world economy is fragmented, characterized by multiple trade blocs and uneven economic growth due to domestic tensions and international uncertainties. The various blocs are often divided by national interests, bringing high uncertainty in terms of international relations.

Implications

Each scenario offers a different set of challenges and opportunities for the demand and supply of German soft power, which in turn imply different approaches. In the world of Sino-American Rapprochement, Germany continues its current soft power approach as collaboration between the West, China and Russia has become possible again. Hard power is still relevant, but less so. Under Cold War 2.0, Germany's soft power becomes instrumentalized solely as a tool of geopolitics. It is wielded to support ties with allies and appeal to non-aligned countries even as initiatives between blocs have all but disappeared. Under Acrimonious De-globalization, Germany's soft power approaches are tied to hard and sharp power, serving primarily national security and economic interests. In Regressive Globalization, soft power is closely tied to economic interests, especially in efforts to boost trade and bolster the domestic economy.

In all four scenarios, Germany can continue to spread liberal values and seek to create a positive image of the country abroad. However, the role as well as the scale and scope of such activities will very much depend on prevailing security, economic, and trade considerations.

Specifically:

Sino-American Rapprochement. This scenario means more continuity than change for Germany's ECP. By making science diplomacy 'an integral part of the EU's foreign climate policy and Green New Deal', Germany can strengthen its position as a green technology and manufacturing economic power. In addition, the PASCH network of German schools abroad is set to expand considerably as is language training, both measures aiming at attracting international talent to the German labour market.

Cold War 2.0. The geopolitical logic of opposed blocs strains many of Germany's earlier foreign policy assumptions, challenging the role of ECP in creating pre-political spaces. With such spaces rapidly disappearing in countries within the China-led bloc, German soft power is instead used to shore up existing alliances, appeal to non-aligned countries, and breach the information wall in rival ones. External and internal cultural policy are increasingly linked in an effort to counter external efforts to influence the German public.

Acrimonious De-globalization. In this unstable and competitive international environment, ECP is fully integrated into Germany's foreign, defence and trade policies. ECP's normative foundation is frequently compromised by security and economic priorities. Acrimonious political and economic relations among powers implies a dual role for soft power: externally, to make new friends, keep old ones, and isolate enemies; and internally, to fend off the hostile influence of systemic and economic rivals.

Regressive Globalization. This scenario requires a more ambidextrous approach with varying regional emphases, objectives, and activities. Indeed, being pushed by strong economic interests, German ECP may have to depart, at least partially, from its normative, value-driven stance. Within the EU, Germany can implement a more ambitious ECP, but will find it harder going in other regions such as the Middle East and South-East Asia, and next to impossible in the case of systemic rivals and economic competitors.

Recommendations

What policy recommendations do these implications suggest for each scenario?

Sino-American Rapprochement. In order to build its reputation and credibility as the US and China try to do, Germany needs to make major investments especially in a well-rounded and robust digital infrastructure to become a central node of global scientific cooperation and to lead in shaping norms in AI, green energy and biotechnology. Germany should also initiate more joint ECP partnerships with EU member states, expand its education and language training programmes, and use digital platforms to reach wider audiences.

Cold War 2.0. To negotiate between two hostile blocs and fend off unfriendly influences, Germany must use ECP tools to defuse tensions, but also continue to build and re-build bridges and offer protection and safe spaces. Science diplomacy and educational exchanges should be used to maximize high-tech output in strategic sectors. ECP should be part of friend-shoring strategies that target specific regions and countries that are highly relevant for security considerations.

Acrimonious De-globalization. As in the Cold War 2.0 scenario, Germany must employ ECP tools to defuse international tensions and encourage dialogue and mutual trust-building. Beyond this, Germany should establish a joint council with the relevant ministries (Defence, Economy & Trade, and Foreign Office) to coordinate priorities, strategies, and programmatic implementation across hard, sharp, and soft power options.

Regressive Globalization. Where regions are competing primarily for economic advantage and market control, Germany should establish joint programmes with EU member states in competing regions and countries, expand selectively and strategically in the fields of arts and culture, education, and language outside Europe, based on geopolitical and economic interests, and promote high-level talent exchanges to build and link regional networks, especially outside the EU.

There are also more general issues of ECP governance capacity that need to be addressed, regardless of which scenario ultimately comes to pass:

Analytic capacity. To instil a high level of astuteness, Germany should develop plans for alternate futures, anticipating geopolitical discontinuities and considering what different futures would mean for soft power approaches and how they relate to hard and sharp power to achieve smart power. To feed those plans and keep decision-makers informed, Germany can gather and share information among the intermediary institutions that already have expansive and diverse networks in host countries.

Regulatory capacity. To support its soft power, Germany must step up norm-setting in cyberspace and AI, as well as intellectual property and patent rights. With regard to social media, Germany (and the EU) must regulate providers so that users are protected from ills such as identity theft, slander and misinformation. Also, red lines must be established in relation to external influences in Germany's internal affairs via social media.

Delivery capacity. Especially considering heightened geopolitical challenges, ensuring that funding is commensurate with ECP goals is only the first essential task. Overcoming the discordance between annual budget allocations and multi-year plan commitments is as important. Our proposal is to set an annual core budget linked to medium-term objectives, attach conditionalities only to supplementary short-term projects, and ensure that performance indicators differentiate between (short-term) activity/ output and (longer-term) impact.

Coordination capacity. The existing siloed structure of ministries and intermediary institutions is no longer suited to meet current geopolitical challenges. We propose the establishment of an interstitial standing committee to make sure that ECP is adequately coordinated with Germany's own security, economic and trade interests and with relevant EU institutions, NATO, and UN organizations. At the EU level, special efforts should be made to strengthen European science diplomacy, media cooperation, and cultural institutions.

We view a hybrid of two scenarios—Acrimonious De-globalization and Cold War 2.0—as the most likely outcome, with slightly more elements of Cold War 2.0. This means that tensions will increase between the US and China, with some signs of distinct rival blocs emerging. Yet they will not become completely separate from each other and not all cultural exchange will stop. Industrial and innovation policy will also become increasingly important, but not to the extent envisioned in the ideal-type Cold War 2.0. Evidence for this is the increasing animosity of the 'chip war' between the US and China, Europe's growing military dependence on the US, and closer alignment between Russia and China. Some elements of Acrimonious De-globalization will also be present, such as slightly uneven economic growth, with states unable to comprehensively redistribute and provide middle-class jobs. Industrial policy will be somewhat limited by outdated trade rules and economic dogma, as we have seen recently with EU responses to US legislation.

In conclusion, Germany must be prepared to match its soft power approaches to new geopolitical realities and become willing to leverage its soft power tools for harder geopolitical ends, in particular in relation to security and economic policies. This sort of thinking has long been anathema to German policymakers, who prefer the term 'foreign cultural and educational policy' to the more assertive notion 'soft power'. Given the results of our scenarios and validation exercises, however, this may have to change. We suggest that Germany embrace the notion of smart power—the skilful diplomatic combining of hard, sharp and soft power approaches to advance its geopolitical position in close cooperation with the EU. The notion of smart power complements that of smart sovereignty that Germany has long practiced by pooling its national sovereignty with European member states to achieve a positive-sum power potential that is greater than its parts.

The results are of interest to parliamentarians, policymakers, diplomats, staff members of relevant ministries and agencies, political party leaders, representatives of major public and private cultural institutions engaged in soft power, executives of transnational corporations, especially in communications and media, and the academic and policy analysis community.

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