Germany and the Gulf: On the Way to a Policy?

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Germany has so far neither defined its interests nor its policy towards the Gulf states, or the Middle East at large. Trade and economic interest have formed the strongest basis of Germany's relations with the Gulf states (the GCC in particular). Only with regard to Iran has Germany developed its own political initiatives in the Gulf. Otherwise, even limited security engagements have been perceived as part of transatlantic commitments rather than in the context of bilateral or multilateral relations with the Gulf states. Due to a combination of factors, the image of Germany as a politically largely disinterested actor with regard to the region may change, though. European geopolitics, expectations on the part of regional actors, and demands by the US to engage in a transatlantic project for the Greater or Wider Middle East all play a role.

This paper will begin with a brief examination of Germany's so far rather limited political and economic engagement with the Gulf. According to the general line of this workshop, the focus throughout the paper is on relations with the GCC countries; Iraq and Iran are only dealt with in passing, or to highlight differences or particularities in the German approach. We will then discuss the factors that are likely to increase German interest in the Middle East and the Gulf; and finally sketch some possible features of a more clearly defined German approach to the region.

The Gulf on Germany's political map

Not only has Germany – we are speaking of the Federal Republic of Germany before as well as after re-unification – in the past failed to define its interests towards the Middle East. Moreover, up to the early 1990s at least, it was widely accepted across the political spectrum that Germany did not, would not and indeed need not have a Middle East policy. There existed what could be seen as a distinct German policy towards Israel, and perhaps towards Iran and other individual countries, but policies with regard to the region at large – the Middle East and North Africa – or the Gulf were never explicitly defined or conceptionalised. A priority of

[1] Thanks to Tobias Koepf for his help to find sources and references for this paper.

French, British or American interests in respective parts of the region was somehow taken for granted – the Gulf in particular was largely perceived as an American *chasse gardée*. Also, in contrast to Britain and France, Germany had no colonial past in the Gulf or the wider Middle East that would have created lasting political, security or economic ties.

In the 1990s, with Germany being reunited and achieving full sovereignty, calls for a clearer policy, or a "concept", for Germany's relations with the Middle East became more frequent. Those demanding a more active German engagement in the Middle East left no doubt that the Gulf countries as well as the Maghreb would have to form part of a policy towards the region. This meant two things: First, a German Middle East policy worth its name could not, despite the immense importance of German-Israeli relations, focus on Israel and on Arab-Israeli relations alone. The Maghreb was becoming a major concern for the EU's emerging common foreign and security policy; and developments in the Gulf, so the argument went, should concern Germany as much as other industrialised nations – if only for the importance of Saudi Arabia, Iraq, Iran and the smaller Gulf states for the world's energy supply,[2] as well as for security risks – missile proliferation in particular – that might emerge from the Gulf.[3] Second, the Gulf at the time was not (and largely is not) conceived as a geopolitical (sub)region in itself for which particular policy approaches would have to be developed, but instead as part of a wider Arab-Middle Eastern region stretching from Iran in the East to Morocco in the West.[4] At the same time, not a few German pundits held that while Germany could and should become more active with regard to the region at large, the Gulf should not become a main focus of such an engagement. According to the director of Germany's Orient Institute, "the scope for German action in the Persian Gulf is limited" – particularly so with regard to "the Arab Peninsula, where the US is the dominating power."[5] The call of one parliamentarian for Germany to function as a "broker" between the GCC

[2] See, for example, Hans Krech, „Die Bundesrepublik vor neuen Herausforderungen im Nahen Osten / Perspektiven einer deutschen Golf-Politik", *Das Parlament*, 29 January 1999.

[3] See, for example, Christoph Moosbauer, „Relations with the Persian Gulf States", in Volker Perthes (ed.), *Germany and the Middle East. Interests and Options*, Berlin: Heinrich-Boell Foundation and Stiftung Wissenschaft und Politik, 2002, pp. 108-128.

[4] This is clearly reflected in the structure of the German Foreign Office: The sub-division for the Near and Middle East consists of two departments: "Near East" (Israel, Palestine, Egypt, Syria, Jordan, Lebanon, and Sudan), and "Middle East/Maghreb" (Iran, Iraq, the GCC countries, and the countries of the Arab Maghreb Union).

[5] Udo Steinbach, „German Foreign Policy and the Middle East: In Quest of a Concept", in: Haim Goren (ed.), *Germany and the Middle East. Past, Present, and Future*, Jerusalem: The Hebrew University Magnes Press, 2003, pp. 85-114 (97).

and the EU[6], did certainly not represent mainstream opinion within the foreign policy establishment.

Not a strong basis: German commercial interest in the Gulf

Practically, Germany's political class has perceived relations with the Gulf states, and especially with the GCC countries, as primarily commercial in nature. Even high-level political visits have generally been seen as promotional tours for the intensification of economic co-operation.[7] In this respect, Germany's approach (or lack of approach, as some might say) to the GCC states has not been very different from that of the EU at large. Individual EU states, particularly Britain and, to a lesser extent, France have maintained a tight web of relations with the Gulf monarchies in both the political and security realms. In Brussel's – the EU's common – relations with the GCC, however, as a recent policy document put it, "the focus has so far been on trade and economic relations".[8] Little wonder that regular meetings between EU and GCC officials have been dominated, in substance at least, by ongoing negotiations for a free trade agreement and related issues. Germany has given its support to such endeavours, but it has not pushed for them within the EU context.

While trade has been on the forefront of German-GCC relations, the importance of German commercial interest with these countries should not be exaggerated. On the import side, only oil and oil products are worth mentioning, and Germany receives only a small fraction of its oil and gas imports from the Gulf countries.[9] Germany has never been particularly worried that the oil exporting countries might want to cut off their oil supplies; the trade dependence is mutual, after all. Rather, what is of concern to German industry is the stability of world oil prices, the prospect of increasing oil imports from the Gulf in the future, and, of course, the ability of the oil exporters to import German products and services and thereby recycle what Germany pays for its fuels into the German economy. In that respect, German

[6] Moosbauer, „Relations with the Persian Gulf States", p. 125. Moosbauer was the Middle East rapporteur of the SPD parliamentary group in the 1998-2002 Bundestag.

[7] This is, notably, not only the case for German high-level visitors travelling to Saudi Arabia or other GCC states. Witness that Saudi Crown Prince Abdallah was accompanied by a huge business delegation during his 2001 visit to Germany, and business issues dominated his schedule.

[8] Javier Solana/Romano Prodi/Christopher Patten, "Strengthening the EU's Partnership with the Arab World", Brussels, 4 December 2003 (D [2003] 10318).

[9] The main source for crude oil imported by Germany is Russia, followed by Norway and Great Britain; the three countries cover close to two thirds of Germany's imports of around 105 million ton (2001 figures). Some 20 per cent (22.6 millon ton in 2001) originate from OPEC countries; mainly from Libya (9.8 million ton), Syria (7.2 million ton), Algeria (4 million ton) and Saudi Arabia (3.9 million ton); imports from other Gulf countries are marginal. Source: Federal Statistical Office.

business has few reasons to complain: trade with the Gulf countries shows a substantial balance surplus for the German side and the ups and downs of Gulf state imports largely follow oil price developments.

The weight of trade with the Gulf countries, as a percentage of Germany's overall foreign trade, is rather low, though – 0.8 per cent for the GCC, 1.05 per cent for the GCC plus Iran and Iraq. After a low at the end of the 1990s, largely due to low oil prices and, consequently, a general decrease of Gulf country imports, German trade with the Gulf countries has picked up again since 2000; only the UAE have steadily increased their imports from Germany over the last decade (see table). Trade with Iran has been steeply increasing over the last three years or so. Saudi Arabia, Germany's most important trading partner in the Gulf, ranks as number 34 on the list of its trade partners world wide (countries that import from Germany), followed by the UAE (no. 36), Iran (43), Kuwait (56), Iraq (77), Qatar (78), Oman (80) and Bahrain (85).[10]

[10] Data for 2002, source: Federal Statistical Office. Among the countries that Germany imports *from*, Saudi Arabia ranges at no. 50, followed by Iran (69), UAE (84), Kuwait (106), Qatar (131), Bahrain (134), Oman (141) and Iraq (155).

Table 1: German exports to the Gulf region by country (USD millions)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Bahrain	147	139	139	155	144	178	121	142	176	232
Iraq	42	12	12	10	25	87	77	127	301	383
Iran	2,488	1,579	1,647	1,478	1,722	1,380	1,193	1,435	1,720	2,062
Kuwait	537	502	504	497	522	561	509	515	668	755
Oman	188	191	199	226	238	256	242	187	240	257
Qatar	133	255	297	210	227	225	160	218	284	294
Saudi Arabia	2,342	2,559	2,472	2,554	2,115	2,411	2,378	2,420	2,683	3,222
United Arab Emirates	1,333	1,640	1,611	1,442	1,700	1,911	1,880	2,384	2,580	2,879
Gulf region total	7,210	6,877	6,881	6,572	6,693	7,009	6,560	7,428	8,652	10,084
GCC total	4,680	5,286	5,222	4,915	4,946	5,542	5,290	5,866	6,631	7,639

Source: IMF *Direction of Trade Statistics Yearbook 2000 / 2002 / 2003*.

Table 2: German imports from the Gulf region by country (USD millions)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Bahrain	28	27	47	25	29	46	35	26	23	14
Iraq	-	-	-	-	7	79	90	43	-	5
Iran	795	828	815	723	685	496	499	526	363	302
Kuwait	38	152	116	149	99	80	96	131	34	50
Oman	7	9	7	11	13	12	10	9	12	9
Qatar	9	6	4	4	5	7	6	12	4	10
Saudi Arabia	1,313	948	877	932	863	579	651	1,007	857	793
United Arab Emirates	152	135	174	141	167	205	197	238	171	176
Gulf region total	2,342	2,105	2,040	1,985	1,868	1,504	1,584	1,992	1,464	1,359
GCC total	1,547	1,277	1,225	1,262	1,176	0,929	0,995	1,423	1,101	1,052

Source: IMF *Direction of Trade Statistics Yearbook 2000 / 2002 / 2003*.

German direct investments in the Gulf countries are limited. Business opportunities are increasingly explored, but German business is risk-averse and continues to harbour doubts about the reliability of the business environment and the rule of law, particularly in Saudi Arabia. Joint ventures – with German technology and expertise, and a strong domestic capital participation – may therefore actually be the most promising model. A truck-production joint-venture with Mercedes Benz, which constitutes the largest German investment project in the country, and a joint venture with Siemens to produce medical equipment, both led by the Juffali Group of Saudi Arabia, seem to provide successful cases in point.[11] Thus, while not a major outlet

[11] Other joint ventures include ceramics production, electronic parts or a recycling plant for used batteries; the total number of such ventures hovers around 100. See Sefik Alp Bahadir, „Stand und Perspektiven der wirtschaftlichen Zusammenarbeit zwischen der Bundesrepublik Deutschland und dem

for German exporters or prime location for German investments, the Gulf states certainly form an interesting market for specific branches of German industry. This is particularly true for automobiles, as well as other machinery and parts (including electronics, electric appliances and machine tools), which top the list of goods exported to the Gulf states (only in Iran, which has its own automobile production, other machinery ranges before road vehicles).[12] On this basis, one might assume that German corporations in the above industries would exhibit a particular interest in furthering relations between Germany and the Gulf. While this might be true for some, it certainly lags behind what one might expect. In fact, the CEOs of major German corporations have hardly been more active travellers to the Gulf or the Middle East than Germany's top politicians. Many complain that such trips are bothersome, time-consuming, and not very effective – and wouldn't customers in the Middle East enjoy a Mercedes regardless?

In sum, German business interest in maintaining, and probably increasing their market share in the Gulf countries can be taken for granted. However, commerce can hardly be said to drive German policies with regard to the Gulf, and the business community has not been particularly pushy with regard to Germany's political relations with these countries.

A story of benign neglect

Nor have other strong interest groups lobbied for a more active or elaborate German Gulf policy, or, for that matter, for a tougher line in conducting relations with the GCC countries. While matters related to Iran and Iraq have drawn quite some attention in *Bundestag* debates, the German parliament has rarely discussed developments in the Gulf monarchies, or Germany's relations with them. Most of the limited number of parliamentary interpellations (questions from deputies to be answered by the government) related to any of the GCC states have focused on German arms sales, a few on human rights issues. Bilateral political or economic relations have hardly figured at all.[13] German human rights groups, as reflected in some of these interpellations, have grave concerns particularly with regard to Saudi

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Königreich Saudi Arabien", in: Ghazi Shanneik / Konrad Schliephake (eds.), *Die Beziehungen zwischen der Bundesrepublik Deutschland und dem Königreich Saudi Arabien*, Berlin: Edition Shanneik, 2001, pp. 58-66; see also the website of the Gulf Research Center with its database on GCC-Germany relations (www.grc.to).

[12] Source: *OECD International Trade by Commodity Statistics*, 2002/4.

[13] Of a total of 50 interpellations in the 14th and 15th legislative period (1998-2002; 2002 to time of writing/end of 2003) dealing in one way or other with GCC member states 20 have focused on (and usually critically questioned) arms exports to Saudi Arabia, the UAE or others, 21 on the presence of German military personel in the region, mainly in the runup to the Iraq war, two on human right issues, only one on a problem pertaining to bilateral economic relations.

Arabia, but the Kingdom has never figured very prominently in the attempts of these groups to influence government policies – their policy-oriented pressure campaigns mostly focus on German government relations with countries like Turkey, Israel or Russia. Disagreements over human rights issues – this applies mainly to German-Saudi relations – and environmental policies (carbon tax) aside, there were also no major political problems between the German government and their counterparts in the GCC. Rather, there has been broad agreement on major regional and international issues, including strategies for the stabilisation of post-Taliban Afghanistan; the need for a two-state solution to end the Arab-Israeli conflict; the wish – officially at least – for a peaceful solution of the Iraq conflict and, after the war, for a stronger role of the United Nations in Iraq's economic and political reconstruction.[14]

Controversies between the German and particularly the Saudi government that could have seriously tested bilateral relations have mainly been about what citizens or institutions of one country are supposed to do, or to refrain from doing, in the other. Recent examples include the public debate and conflict in Germany over extremist teachings and teachers in a school run by the Saudi embassy in Bonn (the King Fahd Academy), as well as dubious activities by a Saudi diplomat suspected of entertaining close relations with militant Islamists and terrorist groups in Berlin and Hamburg. While the German police was unhappy with the lack of Saudi co-operation in their investigation, both governments have so far tried to deal with such incidents in a way that does not endanger mutual relations.[15]

Thus, ironically perhaps, a lack of major contentious issues contributed to the lack of political interest on the part of German policy makers: there were few bilateral crises to tackle or wounds to heal, no need for German mediation between the GCC countries and any of Germany's friends or allies – and thus no specific urgency for increased diplomatic activities. Also, in contrast to the rest of the Middle East and North Africa, two issues have never figured as problems in German-GCC relations: migration, particularly illegal migration, which Europe fears and which has formed a major incentive for EU countries to support economic and social development in the region; and financial demands: the GCC countries are themselves major donors of development aid. Where they have used the services of German development consultants at all (mainly the *Gesellschaft für Technische*

[14] See, e.g., Hans Monath, „Gemeinsamkeiten in Riad", *Der Tagespiegel*, 24 October 2001; Rainer Hermann, „Operation ‚Schutzwall' geht weiter: Saudi-Arabien unterstützt Fischer-Plan", *Frankfurter Allgemeine Zeitung*, 16 April 2002; Günter Bannas, „Überschattet vom Nahostkonflikt: die Reise Bundeskanzler Schröders nach Arabien", *Frankfurter Allgemeine Zeitung*, 7 October 2003.

[15] See David Crawford, „How a Diplomat Spread His Faith Shows Divide Within Saudi Society", *The Wall Street Journal*, 10 September 2003; David Crawford and Ian Johnson, „Do Saudi Funds Fuel Extremism Across Europe?", *ibid.*, 30 December 2003.

Zusammenarbeit (GTZ), the quasi-monopolist in the field of publicly financed development co-operation), they have paid for it.

To generalise matters somewhat, one may say that Germany has dealt with the Gulf as a foreign-policy field that concerned its allies more than itself. More often than not, therefore, steps taken by Germany in regard to these states have been the outcome of transatlantic policy considerations rather than of a specific German – or, for that matter, common European – agenda with regard to the Middle East. This was particularly so with regard to matters of international security. Germany's relations with Iran provide a different picture; but generally it is certainly correct to characterise German policy towards the Gulf as a policy of benign neglect.[16] Chancellor Gerhard Schroeder admitted as much, implicitly at least, by promising to improve on the existing record during his visit to the region in fall of 2003. It must not take another twenty years, he said, before the next visit of a German Chancellor to Saudi Arabia.[17]

Foxes to Arabia: A case of transatlantic considerations

The deployment to Kuwait of a *Bundeswehr* nuclear, chemical and biological warfare detachment – equipped with six "Fuchs" (fox) contamination detection and protection tanks – offers interesting insights into the German debate and the considerations of Germany's political class with regard to German engagements in the region. The unit was sent to Kuwait in February 2002 within the context of "Enduring Freedom", i.e., the fight against international terrorism, and it remained there until mid-2003. When it was first dispatched, some opposition deputies demanded its withdrawal lest Germany be drawn into a conflict – a US war on Iraq – not covered by the German parliament's endorsement of a military contribution to Enduring Freedom. The government response was that, to the best of its knowledge, there were no operative plans on the part of Washington to attack Iraq, and that the mission was part of a manoeuvre aimed at protecting the population and US troops in Kuwait against "terrorist" threats with biological or chemical arms.[18] Calls on the government to withdraw the unit increased – this included Schroeder's conservative challenger in the 2002 federal elections – as the option of war became more realistic. After some internal discussions, the government decided that the unit would remain even in the event of a war and regardless of its own strong opposition to US war

[16] Steinbach, „German Foreign Policy", p. 100.

[17] The last visit before had been by Chancellor Kohl in 1983. See „Zusammenarbeit mit Saudi-Arabien", *Frankfurter Allgemeine Zeitung*, 12 December 2003.

[18] See „Einsatz der KSK im Rahmen des Bundestagsmandats", *Frankfurter Allgemeine Zeitung*, 25 February 2002.

plans. In fact, the number of military personnel in Kuwait was increased from about 60 to 200, and the unit came into operation when the war began, examining Iraqi missile hits for traces of radiation or chemical or biological agents. Militarily, this made a lot of sense, and the unit's soldiers left no doubt that they saw their mission as supporting both the Kuwaiti population and US troops in case of a possible Iraqi WMD attack – rather than attacks by international terrorism. For some media and political actors, however, all this raised doubts about the consistency of Schroeder's "No" to the war. Hadn't he, somehow, accepted German participation in the war?[19]

Schroeder had not, and the government tried to make clear that there was no contradiction between its opposition to the war, and its humanitarian obligation to help protect Kuwaitis or Americans from immediate risks – regardless of the origins of such risks. Even before the first shots were fired, however, the Chancellor had left no doubt that his decision to keep the unit in Kuwait was not a matter of bilateral German-Kuwaiti or German-Arab relations, but clearly fell into the framework of Germany's transatlantic relations: "If I were to withdraw the *foxes*", Schroeder was quoted as saying, "no German Chancellor will need make the effort of travelling to Washington for the next fifty years to come."[20]

German "Fuchs" tanks have played a role in relations with other GCC countries as well. In 2000, the purchase of some seventy of these vehicles was negotiated with the UAE. German arms exports are a sensitive issue domestically, and German arms export regulations are quite restrictive. In practice, they leave ample room for interpretation. In principle, however, arms exports into "areas of tension", to countries involved in armed conflicts or suspected of serious human rights violations are banned under German law. In not a few cases over the last decades, requests from Gulf Arab countries to acquire German arms have therefore been rejected – including, prominently, the case of the planned purchase of German Leopard main battle tanks by Saudi Arabia in the early 1980s. Due to domestic, Israeli and US opposition, it never materialised.[21]

"Fuchs" detection tanks are obviously not an offensive weapon, they will hardly be used to quell a riot, and the UAE are not party to any armed international conflicts. There were some objections to that deal from within the ruling social democratic/green coalition government, mainly due to the fact that the UAE had not signed up to the Chemical Weapons Convention (i.e., it had not renounced the right

[19] See Eckart Lohse, „ABC-Einsatz als ‚humanitäre Hilfe', *Frankfurter Allgemeine Zeitung*, 22 March 2003

[20] Karl Feldmeyer, „Aufgedrängte Füchse", *Frankfurter Allgemeine Zeitung*, 12 June 2003 (Author's translation).

[21] See Udo Steinbach, „Germany and the Gulf", in: Shahram Chubin (ed.), *Germany and the Middle East. Patterns and Prospects*, London: Pinter Publishers, 1992, pp. 210-225 (215).

to acquire chemical arms). Eventually the legal hurdles were overcome, similarly to other arms deals with the UAE.[22] The Emirates, after all, are seen as a responsible and reliable regional player, and as a potential partner for bilateral security co-operation with the Gulf.

An earlier story of German "Fuchs" sales to the region is also instructive even though it developed into an embarrassment for the German government. Between the fall of 1990 and the spring of 1991, that is between Iraq's invasion of Kuwait and the beginning of "Desert Storm", 36 of these vehicles were delivered to Saudi Arabia. The Saudis got the material they had asked for, and they got it quickly, but they were obviously cheated: Almost half of the DM 446 million that the Kingdom paid for the vehicles were booked as "commission payments" – *not* to Saudi officials, as German observers would easily have assumed, but to a group of German managers, arms dealers and their political friends.[23]

While the deal shed light on corruption and illegal enrichment among members of Germany's business and political elite, its significance – for our story at least – lies in a different realm. Reportedly, then Chancellor Kohl and his minister of defence had originally decided to follow German arms export regulations and *not* license the sales – Saudi Arabia obviously was located in an "area of tension" and the Gulf "crisis" was about to develop into an international war. What made the government overcome their objection against the deal was neither bribes nor German-Saudi friendship, but an explicit request to do so by US Secretary of State James Baker. The head of the foreign-policy division in the Chancellor's Office at the time was quoted as saying "that if the American foreign minister expresses such a wish, the tanks will go to Saudi Arabia."[24] Evidently again, Germany's transatlantic relationship formed the framework in which bilateral relations between Germany and the Gulf states were defined.

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[22] The tanks have not been delivered, however, as to the time of writing. This has been due to attempts on the USA side to strike a better deal for similar vehicles with other suppliers. On German arms exports to the Gulf and related legal questions see, among others, Douglas Barrie/Gopal Ratnam, „German Defense Chief Pushes Exports to Gulf", *Defense News*, 29 November 1999; Udo Ulfkotte, „Islamischer Waffenbasar", *Frankfurter Allgemeine Zeitung*, 23 March 2001; Thomas Wiede, „Saudis wollen bei Rheinmetall einkaufen", *Handelsblatt*, 19 October 2003; Christian Sterzing, „German Arms Exports: A policy caught between morality and national interest", in: Perthes (ed.), *Germany and the Middle East*, pp. 172-186.

[23] Apparently, payments to politicians had no direct relation to the purchase or its licensing. Still, one then under-secretary in the German ministry of defence has been charged with pocketing DM 3.8 million out of the deal has been on the run since. See, among others, Hans Leyendecker, "Saudi-Arabien wurde beim Panzergeschäft betrogen", *Süddeutsche Zeitung*, 24 March 2003.

[24] „Teltschik stützt Aussage Kohls: Amerikaner wünschten die Panzerlieferung", *Frankfurter Allgemeine Zeitung*, 17 November 2000 (Author's translation).

A counter-case? Germany and Iran

The case of Germany's relations with Iran diverges somewhat from the general picture of German relations with the Gulf. Therefore, and although we will not study this relationship in detail here, highlighting some of its particularities may be worthwhile.

German-Iranian relations have a long history that precedes not only the births of both the Islamic Republic (1979) and the Federal Republic (1949) but actually goes back to the 19th century. These relations only gained specific significance, however, and came into the global limelight, after the Iranian revolution, i.e., when Iran's relations to the rest of the West, and particularly to the US, cooled or were broken off altogether. Quite in contrast to its overall policy of benign neglect with regard to the Gulf, Germany has put emphasis on its relationship with Iran: Bonn maintained high-level contacts with Tehran all through the Iraq-Iran war, and the then German foreign minister was practically the only high-ranking Western politician to declare that the war had been begun by Iraq. Germany made more than one attempt at mediating between the warring parties, and these efforts may actually have contributed to Iran's eventual acceptance of the UN cease-fire declaration.[25]

Germany also took the lead in developing bilaterally what became know as the EU's "critical dialogue" with Tehran from 1992 onwards: a conscious policy aimed at re-integrating the country into the international community and convincing this important regional power that, as one German scholar has put it, "it harms its own interests by crossing the limits of internationally recognized civilized behavior."[26]

In response to both domestic and American criticism to the effect that this "dialogue" had contributed little, if anything, to changing Iranian behaviour,[27] the German and European approaches to Iran were later re-baptised. From 1998, Europeans would speak of a "constructive dialogue", from 2003 of "conditional engagement". Practically, however, a more or less "critical" engagement with Iran was maintained by both Germany and the European Union at large. Significantly, this was so in spite of major disagreements with Iran on crucial international issues such as the role of Israel in the region and the Middle East peace process, Iran's domestic policies and its sponsorship of acts of terrorism abroad. In 1997, a Berlin court ruled that the Iranian government had been directly responsible, five years

[25] See Steinbach, „Germany and the Gulf", pp. 218 f.

[26] Johannes Reissner, „Europe, the United States, and the Persian Gulf", in: Robert D. Blackwill and Michael Stürmer (eds.), *Allies Divided. Transatlantic Policies for the Greater Middle East*, Cambridge: MIT Press, 1997, pp. 123-142 (138).

[27] See Johannes Reissner, „Europe and Iran: Critical Dialogue", in: Richard W. Haass and Meghan L. O'Sullivan (eds.), *Honey and Vinegar. Incentives, Sanctions and Foreign Policy*, Washington, D.C.: Brookings Institution Press, 2000, pp. 33-50.

earlier, for the murder of exiled Iranian opposition figures in Berlin. Following the court-ruling, the EU states withdrew their ambassadors from Tehran, but this remained a temporary signal. The policy of dialogue was maintained in essence, especially after Iran seemed to enter a new phase of its internal development at that particular juncture with the election of Muhammad Khatami.

It is also significant that Germany maintained its active engagement with Iran both under conservative and social democratic-led governments, and that it did so in the face of occasionally strong American and Israeli objections. Germany for its part, as well as most other EU states, saw no wisdom in the US policy of dual containment (also later re-baptised but essentially maintained with regard to Iraq and Iran).[28] German leaders view Iran as a problematic partner, but they have little use for the "rogue state" concept often used in the American discourse and its policy implications. Rather, there is a wide consensus across the German political class that the West should try to support peaceful change, and try to strengthen reform-oriented forces within Iran. Ostracising Iran would only serve to strengthen its "theocratic hard-liners".[29]

As a result, German-Iranian relations have indeed been somewhat special, particularly in comparison with Germany's relation with other states in the region. Among other things, Iran is to this date the only Gulf country with which a bilateral human-rights dialogue has been conducted. This dialogue, basically a series of seminars in the early and mid-1990s, was a rather cautious undertaking, and it has subsequently been criticised as being too soft and certainly not sufficient for actually triggering changes in Iran.[30]

Relations to Iran have also, again in contrast to relations with other GCC countries or Iraq, included a cultural dialogue.[31] This has not always been unproblematic given both Iranian policies that Germans regarded as utterly reprehensible – particularly the long-enduring maintenance of the quasi official death threat against British writer Salman Rushdie – and attempts by Iranian exile opposition groups to embarrass German organisers of political-cultural exchanges with their native country.

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[28] See Philip H. Gordon, „The Transatlantic Allies and the Changing Middle East", *Adelphi Paper 223*, 1998.

[29] Rupprecht Polenz, „Für eine aufgeklärte Iran-Politik des Westens", *Internationale Politik*, vol. 57 (March 2002), pp. 39-40. Polenz is a front-bench member of parliament of the oppositional CDU.

[30] Anna Würth, „Menschenrechtsdialog mit islamisch geprägten Ländern nach dem 11. September", in: Deutsches Institut für Menschenrechte (ed.), *Jahrbuch Menschenrechte 2004*, Frankfurt/Main: Suhrkamp, 2003, pp. 138-146.

[31] See Steinbach, „German Foreign Policy", p. 107 f. and „Germany and the Gulf". Meanwhile, even the Goethe Institute, which has closed down in 1987 (as the last of all foreign cultural institutions) has resumed its activities.

More importantly, there is an ongoing bilateral security dialogue between German and Iranian officials, which according to participants has reached an unprecedented level of trust and openness, both regarding the assessment of regional developments and the open discussion of Iran's own risk and security perceptions.[32] The trust built up in this context has enabled Germany to function on occasion as a conduit for relations between Israel and Iran, or even as an active mediator between the two sides.[33]

Today, many issues of political concern are discussed in a European-Iranian rather than a bilateral German-Iranian context. Not least, this applies to the human-rights issue, which forms part of the subjects tabled during the so-called "enhanced political dialogue" that accompanies the EU-Iran negotiations about a trade and co-operation agreement launched in 2002. When the issue of Iran's nuclear programme appeared on the international agenda in 2003, the trade negotiations practically became an instrument through which the European side put pressure on Iran to disclose its programme and co-operate with the IAEO.

Both the trust that had been built bilaterally and the interest in preserving and developing the relationship with Europe may have facilitated the October 2003 Tehran mission of the German, British and French foreign ministers which resulted in Iran's commitment to sign the additional protocol to the Non-Proliferation Treaty. This particular mission has been regarded as a precedent for a higher level of European integration in the foreign-and-security policy field in turn,[34] and it tells us two further things. Firstly, that the Gulf and the wider Middle East are regarded as *the* geopolitical scene of the next decade or decades by an increasing number of European actors, and secondly, that Germany is viewed as an indispensable player by its European partners for policy actions in parts of the region at least.

The specificity of Germany's relations with Iran may, in sum, be characterised as representing a mixture of: long-term stability interests (economic interests, as mentioned above, have not been predominant here); a general preference in international relations for approaches relying on engagement rather than coercion or

[32] A number of bilateral political dialogues involving think tanks from both countries are also more or less regularly held. This is nothing that would be special to the Iranian-German relationship, as Iran conducts such second-track exchanges with partners all over the world, including the United States. However, as far as German activities in the Gulf are concerned, such an intensive exchange does only exist with Iran.

[33] Most notably, in 1996 and 2004, German mediation helped to reach an understanding between Israel and Lebanon's Iran-backed Hizbullah to swap prisoners and bodies. It was clear that such negotiations would not take place witout a green light from Tehran; in the almost three-year long negotiations that led to the swap in January 2004, Tehran even seems to have been a direct partner. See „Im Basar der Menschenhändler", *Der Spiegel*, 17 November 2003.

[34] See the contribution of French Foreign Minister Dominique de Villepin, „Die Lehren von Brüssel", *Frankfurter Allgemeine Zeitung*, 20 December 2003.

punishment; and comparative advantage (i.e., the ability to put one's contacts, knowledge and trust into the service of what are regarded as common European and Western objectives). The fact that EU has had a common perception of and a common policy on Iran – in contrast to intra-European differences over Iraq – has certainly helped to raise the self-confidence needed to ignore US objections and pressures, and wait for America's own reassessment of its policies towards Iran.

After Iraq: Will Germany develop its own agenda for the region?

The Iraq war certainly represents a turning point, not only for the Middle East, but also for Germany and – probably – for its relations with the Middle East. Even twelve years earlier, during Gulf War II (the Kuwait war of 1990/91), Germany had not actively participated with troops, but it had not opposed the US-led operation: Rather, at that time, the decision not to send troops was based on constitutional reasons, and Germany "made up" for that failure by supporting the logistics and supply of the American and allied troops and, most importantly, supporting the US war effort financially.[35]

In the run-up to the 2003 Iraq war, Germany took on a much more active role, signalling that it would not follow the US lead and trying, by way of its presence in the Security Council, to find a solution that would not involve war and invasion. This is not the place to analyse Germany's stance and performance in the crisis. In short, the German government's position derived partly from domestic, electoral considerations, and has been criticised on that ground. Did not the Chancellor, some critics asked – as well as, notably, his conservative challenger in the 2003 general elections – play politics at the expense of Germany's long-term interest in maintaining a strong transatlantic relationship when he simply fell in line with the public mood that so clearly opposed any German contribution to a war? Fact is that the German position, particularly in the Foreign Office, was based on considerable uneasiness about the regional and international implications of a war. There was little difference between the German position on the one hand and the American and British ones on the other with regard to the nature of the Iraqi regime, but respective positions were far apart with regard to the legitimacy of the war and the rationale

[35] Not a few German observers argued that this effectively cost Germany much more, politically and financially (the total sum of German payments and deliveries was calculated at DM 17.2 billion), than a limited troop deployment would have done. See Helmut Hubel, *Der zweite Golfkrieg in der internationalen Politik*, Bonn: Deutsche Gesellschaft für Auswärtige Politik, 1991; Steinbach „Germany and the Gulf", pp. 220-2. In that, Gulf War II, together with European and German developments (the breakdown of the Soviet bloc, Germany's achievement of full sovereignty) certainly contributed to a reassessment of Germany's international obligations and a constitutional revision that now allows, under certain conditions, „out of area" missions of German military forces.

that the US administration offered. Politicians and pundits in Germany were not convinced that there actually was an immediate threat from Iraq and its assumed WMD potentials; they doubted that the occupation of Iraq would reduce the threat of terrorism and instability, or help to bring about peace and democracy in the Middle East. Finally, they warned that winning the war would be much easier than winning the peace once an invasion and occupation of the country had taken place.[36]

The significance of the German position in the crisis lay not so much in the fact that German policy-makers disagreed with their US counterparts, or that Germany felt uneasy about certain US policies towards the region. This had occurred before. The difference was in the qualitative change in Germany's behaviour expressed in its active stance against the US on a major international policy issue or, more precisely in its abandonment of the usual balance between its Western allies, in case of conflicting approaches: between a EU-oriented and a transatlantic policy direction.[37] Consequently, much of the post-Iraq war activities of the German government were directed at healing the rift with Washington – witness, to give but one example, Germany's quick consent to forgive a substantial part of Iraqi debts once President Bush sent a special envoy for that purpose. While this underlines that transatlantic relations will remain one important factor in defining Germany's policy to the region, there is ample reason to assume that Germany will eventually develop a more elaborate policy of its own with regard to the Gulf and the Middle East in general. The main factors that seem to influence such a change of approach are discussed below.

The changing geopolitics of Europe

The first factor may be referred to as European geopolitics. With a dynamic perspective of EU enlargement that developed in the post-Cold War world, the European Union will eventually have common borders with Iraq and Iran, and the gradual emergence of a common EU foreign-and-security policy is likely to have a bearing on European and, in that context, German policies towards the Gulf at large.

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[36] See among others, Michael Hedtstück and Gunther Hellmann, „'Wir machen einen deutschen Weg.' Irakabenteuer, das transatlantische Verhältnis und die deutsche Außenpolitik", in: Bernd W. Kubbig (ed.), *Brandherd Irak. US-Hegemonieanspruch, die UNO und die Rolle Europas*, Frankfurt/New York: Campus Publishers: 2003, pp. 224-234; Volker Perthes „Postwar Scenarios in Iraq and Regional Re-ordering", *The International Spectator*, 37 (October-December 2002) 4, pp. 21-26. In February 2003, in an exchange on the Munich Security Conference, German Foreign Minister Fischer publicly told US Defence Secretary Rumsfeld that he was „not convinced" by the US line-of-argument with regard to the upcoming war. See Stefan Kornelius, „Zeit der Einsamkeit", *Süddeutsche Zeitung*, 10 February 2003.

[37] See Wilfried von Bredow, „Auf leisen Sohlen zur Weltpolitik", *Frankfurter Allgemeine Zeitung*, 8 May 2003.

Germany as a key member of the European Union has also been an outspoken supporter of a common foreign and security policy worthy of its name. It has thus been in favour of endowing the office of a Secretary General/High Representative of the CFSP with credible competences, of allowing majority decisions on foreign-policy issues, of eventually appointing an EU foreign minister, and also of developing common defence structures under what now is called the European Security and Defence Policy. Consequently, the German armed forces are undergoing rapid restructuring into a force prepared to participate in joint European or NATO interventions far away from home, as opposed to mere territorial defence. Such a commitment to a common EU foreign and security policy does not imply, however, that Germany or any other EU member state would simply deliver certain files to the High Representative of the CFSP (currently Javier Solana) or other EU institutions. What it entails, rather, is the need to deal more intensively with, and develop a sense of responsibility for, issues that might have been seen as special interests of other countries before – such as the Mediterranean, the Near East or the Gulf.

More importantly even, such a commitment entails , the development of a deeper interest in and concern for problems and developments in possible areas of joint European action, including Petersberg missions (humanitarian and rescue tasks, peace-keeping, tasks of combat forces in crisis management and peace-making), or other military operations that would involve German personnel and resources. Contrary to the "Fuchs" deployment to Kuwait, such missions would need a UN mandate and key decisions and planning would take place in the multilateral frameworks of the EU and/or NATO. The fact that NATO command of an international peace-keeping force in Iraq is being discussed has already brought home to German policy makers that these are not scenarios for a distant future but realities the current government may have to deal with.[38]

Regional expectations

The second factor influencing German policy changes may be perceived as a historical irony. Germany's position on the Iraq war and its differences with the US have been partly misunderstood by regional actors and created the impression that Germany actually had a policy towards the region. If Germany, they were thinking, that normally politically silent economic giant, suddenly decided to withhold its

[38] If NATO was to take over the command of foreign troops in Iraq after the hand-over of sovereignty from the CPA to an independent Iraqi government, and even if Germany does not send troops to Iraq, German staff officers will be involved in various positions within the NATO structures. In January 2004, Chancellor Schröder also alluded to the possibility of „humanitarian support" to a UN-mandated NATO mission to Iraq, namely the deployment of one of the Bundeswehr's „flying field hospitals".

support for, or even thwart, an American policy with regard to Iraq – didn't this mean that Berlin was preparing its own, or at least a Franco-German or "Old European", project for the region?

The immediate answer to that question – raised by a number of observers from the region in the months that preceded the Iraq war – is negative. However, Germany's visibility as a political actor has increased – an actor, notably, that did not, if need be, shun a conflict with its main ally. So have expectations, particularly in the Middle East, that Germany seek a more active role in the region. Many German pundits were anything but happy with that kind of image – critics of Schröder's course in the crisis did not so much disagree with the government's decision not to support the US war plan, diplomatically in the UN or practically by committing German forces, but chided the Chancellor for what they saw as poor management of transatlantic relations, and endangering relations with the US in the pursuit of domestic popularity – for an issue that after all was not really worth the risk of a conflict with Washington.[39]

On his visit to the Gulf in October 2003, Chancellor Schroeder was directly exposed to such heightened expectations with regard to Germany and a possible German "role" in the Middle East. Schröder did not make a commitment in that respect, restricting himself to alluding, in a guarded way, to a somewhat larger German involvement in the region as well as German support of reform processes, free media, and regional co-operation. The only more tangible outcome of the visit was the agreement with the UAE to co-operate in training Iraqi police and military personnel. In general, however, German foreign-policy officials and much of the political class have begun to realise that staking political power plays on a regional issue, as they did with the Iraq war, will eventually necessitate the development of a clearer political approach towards the region.

The American factor

A third factor that will continue to inform German thinking and planning with regard to the region (as much as that of other EU states) are US policies and designs for the region – not so much for the GCC, in fact, as rather for what now is often referred to as the Greater or Wider Middle East. For the administration of George W. Bush, the overthrow of Saddam Husein's regime may have been a goal in itself. But US policy towards the region, particularly since the September 2001 terrorist

[39] See, i.a., a January 2003 speaking-point paper by Wolfgang Schäuble, Friedbert Pflüger and Christian Schmidt, „Argumente im Hinblick auf den Irak" (www.wolfgang-schaeuble.de/reden/pdf/030114irak.pdf, accessed January 2004), p. 4. Schäuble, Pflüger and Schmidt are respectively deputy president, foreign-policy speaker and defence-policy speakers of the CDU/CSU parliamentary group in the German Bundestag.

attacks on New York and Washington, aims at much farther-reaching change throughout the region at large. This has been reflected in President Bush's call for a "forward strategy of freedom in the Middle East",[40] as well as the prospected take-off, in June 2004, of a US-led Greater Middle East Initiative (GMEI).[41] While the details of this approach have yet to become clear, American officials have left no doubt, in talks with their EU colleagues as well as bilaterally with German counterparts, that they expect the Europeans to support it. According to the US timetable, the topic will likely dominate the forthcoming meetings of the G8 and NATO, as well as the annual US-EU summit. The Bush administration finds itself in good company with that initiative: Significantly, even liberal quarters opposed to the current President and his conservative or neo-conservative aides have been arguing that the democratisation of the Greater Middle East should be seen as a (or even *the*) transatlantic issue for the next decade or so.[42] Thus, regardless of the outcome of the 2004 presidential elections, German and European policy-makers will have to prepare themselves for dealing with a quite assertive American agenda for the region.

This comes as a challenge as well as an opportunity for European and not least for German policymakers. There is a wide-spread feeling among officials in Berlin that Germany and the EU share many of the goals of US policy towards the "greater" or "wider" region, but that one should remain wary of the means the United States may want to use, and may ask the Germans and other Europeans to support. There is also the feeling that Europe should have done much better in finding a common approach in the Iraq crisis.

Few policymakers would deny that Europe, if it does not develop its own perspective on political, economic and social change in the Middle East, could easily be outmanoeuvred and split apart again should the US seek to change the regime of another country of the region.[43] Even fewer have taken on the task of working on such a perspective. For German officials and policymakers at least, Washington's urge to develop a grand design for the Greater Middle East has served as a wake-up

[40] See his speeches at the National Endowment for Democracy, 6 November 2003, and at Whitehall Palace, 19 November 2003; see also *al-Hayat*, 1 December 2003.

[41] See Jim Hoagland, „U.S. Europe Differ Politely Over Middle East", *The Wall Street Journal*, 15 January 2004.

[42] US liberals have made a conscious effort to carry their project into the public debate in Germany and other EU countries. See for example Ronald D. Asmus and Kenneth M. Pollack, „Transformation des Mittleren Ostens: Das neue transatlantische Projekt," *Blätter für deutsche und internationale Politik*, vol. 47 (2002) No. 12, pp. 1457-1466; idem/idem, „Werte statt Waffen", *Die Zeit*, 4 September 2003.

[43] For a more detailed argument on this point see Volker Perthes, „Europe needs its own plan for the Middle East", *The Financial Times*, 21 March 2003.

call, and made them aware of the need to organise their own ideas for a transatlantic dialogue on the issue.

Policy Contours

One should not, against this background, expect the sudden emergence of an explicit German policy or "strategy" towards the Gulf or the Middle East. It is more likely that the chancellor's office or the foreign ministry will come up with something resembling a set of ideas, a broad conception of Germany's view of the wider Middle East, German interests in the region, and possible German contributions to multilateral plans and programmes.

To avoid unrealistic expectations, two things should be made explicit. Firstly, any such conception or policy-paper will place Germany's interests and possible contributions firmly within a European context and emphasise multilateralism. Especially after the bitter experience of intra-European disagreement over the Iraq war, Germany's political class is by and large aware that European policies towards the region will only be effective if presented and implemented as part of a common European policy, which ideally would also be co-ordinated with the United States. A joint European approach will be able to build on common European strategies or policies which have so far been developed with regard to the Mediterranean, the Arab-Israeli conflict, Iran, and – in the field of economic and trade policies – the GCC, as well as the European Security Strategy that was adopted by the European Council in December 2003. That document already defines a framework for central questions that may come up – including the conditions for a possible use of force under EU command –, it considers a "broader engagement with the Arab World", and it defines a "resolution of the Arab/Israeli conflict" as "a strategic priority for Europe" in the absence of which "there will be little chance of dealing with other problems in the Middle East".[44] Any German participation in potential future co-operative security arrangements in the Gulf would most probably be considered only under a European or EU/NATO umbrella.

Secondly, there will be no conception for a specifically "Gulf policy". Relations with the Gulf states will still be understood as part of a "policy" towards the area in general. Similarly, German interests in the region will likely be loosely defined. Post World-War Germany has shied away, for most of its existence, from speaking much about vital or national interests in other areas of the world. In practice, however, the essence of German interests in the region is hardly in doubt. Economically, there is a vital interest in a secure supply of the world economy with energy from the region.

[44] *A Secure Europe in a Better World. European Security Strategy*, Brussels, 12 December 2003, p. 8.

Security-wise, German interests boil down to preventing the "export" of Middle Eastern conflicts into Europe – be that through terrorism, arms proliferation, or refugee movements. Politically, Germany's prime interest in the region lies in a peaceful solution of the Arab-Israeli conflict – which would, notably, solve a dilemma for Germany in its dealings with Israel and the Arab states.

On a general level, any German policy conception for the Middle East, will remain driven by functionalist or institutionalist approaches: It is likely to involve a commitment to political and economic reform in the region and to the support of modernisation efforts; an interest in the furthering of Euro-Middle Eastern co-operation in the security field, particularly the fight against terrorism; and a strong emphasis on the principle of political dialogue, regional co-operation and the institutionalisation of regional co-operative structures as a means to reduce conflict potentials. It may also involve ideas for what German policy-makers like to call the "dialogue with Islam" – i.e., multi-level and multi-faceted dialogues with various actors from Muslim societies.

As concerns relations with the Gulf in particular, the GCC is certainly seen as a partner, and Germany would therefore most probably support the idea of linking Europe's economic partnership with the Gulf states to the Euro-Mediterranean Partnership. Eventually, this may include the prospect of establishing a larger Euro-Middle Eastern free trade area, rather than two separate free-trade areas with the Mediterranean and the Gulf states. Such a link would also contribute to the removal, or at least the reduction of obstacles to inter-Arab trade flows.[45]

Given that Germany's and Europe's need for oil and natural gas from the Middle East will increase, one should not exclude the involvement of German companies in major regional pipeline projects. A gas pipeline from the Northern Gulf, for example, that would pass through Iraq or Iran and Turkey and then link up with the European network is not unthinkable, particularly if one assumes that post-Saddam Iraq will gain domestic stability in the foreseeable future. Considering distances and topography, such a pipeline should not be more difficult to construct than already planned or proposed gas lines from Turkmenistan through the Caspian Sea, Azerbaijan and Georgia. This kind of infrastructure would contribute to the diversification of energy supplies for Germany and other EU countries, and at the same time establish reliable customer-producer interdependencies.

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[45] See Hermann Gröhe, Christoph Moosbauer, Volker Perthes, and Christian Sterzing, „Evenhanded, not Neutral: Points of Reference for a German Middle East Policy", in Perthes (ed.), *Germany and the Middle East*, pp. 11-28 (22); see also Felix Neugart and Tobias Schumacher, „The EU's Future Neighborhood Policy in the Middle East: From the Barcelona Process to a Euro Middle East Partnership," in: Christian-Peter Hanelt, Giacomo Luciani, and Felix Neugart (eds.), *Regime Change in Iraq: The Transatlantic and Regional Dimensions*, San Dominico de Fisole: European University Institute, 2003, pp. 169-191 (188).

It is also likely that Germany will seek to promote more trilateral projects whereby German technology and expertise and Gulf-state capital plus area knowledge where needed, would form the basis for joint ventures either in Germany, in the GCC, or in third countries: Iraq would certainly come to mind as a location for such investments, as would Afghanistan.

Academic and university co-operation could emerge as another field of common interest. The German university in Cairo inaugurated in 2003 could become a model for certain Gulf states – it is a private Egyptian school that has been established and is run in co-operation with two German universities. Given specific expertise, needs, and interest on both sides, applied scientific co-operation would have a real chance of emerging in fields like energy preservation, sustainable energy use and ecology.[46]

Regarding bilateral relations to individual states in the Gulf, Germany's special relationship with Iran stands a good chance of persisting. This is so in spite of the prospects of a US-Iranian rapprochement which should be expected at some point in not too distant a future. Such a rapprochement with the world's number one will probably weaken the interest of the Iranian elite in maintaining "enhanced" political dialogues – rather than concentrating on trade and economic issues – with the Europeans, who emphasise human rights issues far too much for the liking of the regime's conservatives. Given their history, depth, scope and reliability, German-Iranian bilateral relations will probably be less affected by such an expected political devaluation of the European dimension of Iran's foreign policy. Apart from economic interests, German-Iranian relations will therefore also preserve their political dimension.

Iraq, in contrast, will probably be seen as – mainly – an economic partner. Trade and other forms of economic co-operation with Iraq are bound to increase with Iraqi sovereignty. German industry is rather confident that it will gain its share of reconstruction contracts, particularly when it comes to rebuilding or repairing industrial infrastructure, the electricity sector, and telecommunications. Politically, Germany can and will contribute to Iraqi state-building: The training of Iraqi police certainly falls into this field and training of military personnel may also be considered. Support for state-building may also include, to mention just two fields where German expertise could come in handy, the analysis and sensible usage of the files of the old regime's agencies of repression,[47] as well as establishing the legal infra-

[46] Notably, according to *al-Hayat*, 18 January 2004, the founders of a projected European University in Bahrain recently signed an agreement with the University of Hannover, Germany, on co-operation in ecological sciences.

[47] Germany's agency for the documents of former east Germany's State Security Service (officially: The Federal Commissioner for the documents of the State Security Service of the former German Democratic

structure of a workable federalist system. Some political and social forces in a new Iraq will see Germany as a favoured partner for economic as well as political and cultural relations. The notion of Iraq as the Prussia of the Middle East is not entirely off the mark – and Prussian values, this little excursus may be allowed at this point, encompass much more, and more positive elements, than just military discipline. If the historical lesson holds true, though, that newly independent countries tend to develop particularly privileged relationships with their former colonisers or occupiers (almost regardless of whether those powers gave up their control voluntarily or under the pressure of national liberation movements), a newly sovereign Iraq will likely cultivate good relations with Germany, but consider the United States, Britain and some of the smaller EU states as its principal partners in the international system.

While Germany's relations with the individual GCC states, as outlined above, are mostly unproblematic, only the UAE seems at current to be a candidate for a deeper and more intensive contacts that go beyond the economic realm. This is partly a question of economic weight – the UAE being Germany's second most important partner in the region –, but it is also one of political and cultural environments that characterise individual countries in the region. The relatively liberal cultural atmosphere in the Emirates, experiments like the media free zone, and the general economic and intellectual freedom all make it easier for Germans to consider forms of co-operation that go beyond the export of German goods. Notably, the UAE is also the only GCC country with which Germany has established some tradition of a bilateral security dialogue in the form of regular high-level military staff talks. Issues of common interest no doubt exist, not least so the exchange of assessments on developments in the Gulf, the Arab-Israeli conflict and peace process, or the wider Middle East. Little wonder therefore that the UAE was the natural candidate for the planned co-operation to train Iraqi police. For Germany, it is hardly imaginable that similar co-operative schemes could be established with Saudi Arabia, for example, without raising serious domestic opposition with regard to the human-rights situation in the Kingdom.

At the same time, there is little doubt that Saudi Arabia will remain Germany's major trading partner in the Gulf, and that Germany will remain one European player whose friendship Riyadh values highly. It is also quite possible that Saudi Arabia, in order to avoid a singular dependence on the US protector, will seek a greater diversification of its international ties.[48] In this case, the EU as well as

Republic) can offer support in this field. Contacts between the agency and the Iraq Memory Foundation which wants to take charge of the documents of Iraq's former *mukhabarat* have already been established.

[48] See Iris Glosemeyer and Volker Perthes, „Anti terror reforms. A snapshot on the situation in Saudi Arabia", *SWP Comments* (January 2004), No. 1 (http://www.swp-berlin.org).

Germany may well agree to increase the frequency and scope of existing political dialogues with the Kingdom. For more intensive political, inter-societal or cultural exchanges, however, Saudi Arabia would probably have to undergo deeper domestic change. For Saudi-German relations to develop into something akin to the multi-faceted and multi-layered, official as well as transnational relationship between Germany and Iran, Saudi Arabia would probably need a similar, and similarly visible, level of cultural and political pluralism. It is quite unthinkable, to give but one example, for a Goethe-Institute to operate in a country where its possibly female director would not be allowed to drive her car, or teach male students except by means of closed-circuit television. One should not assume, of course, that everybody in Saudi Arabia would wish such a level of exchange in the first place. Parts of the Saudi religious and political establishment would certainly not appreciate the idea of allowing foreign cultural institutions into their country and might be as content with the mainly economic nature of bilateral relations with Germany as many German actors are. However, even an intensification of economic relations would demand progress in terms of rule of law and legal security. Anything that relates to a higher level of political or security relations would, as mentioned, most probably raise serious questions with regard to the Kingdom's human rights record.

Not as a sum-up, but to conclude with a historical reference, one may say that large parts of the German public would still regard the Gulf as somewhat outside Germany's area of interest, and happily subscribe to Bismarck's oft-quoted saying that conflicts in and over the Orient aren't worth the "bones of Prussian grenadier." Germany's minister of defence, in contrast, has been on record saying that Germany's security is to be defended as far away as the Hindukush.[49] For most of its history so far, and with the exception of its relations to Israel and, to some extent, Iran, post-World-War Germany has followed Bismarck's more sophisticated principle according to which "Oriental questions" come to concern German foreign policy only where they have an impact on the European (read today: international) balance of power and European (international) peace[50] – and has thus placed its own policies towards the region squarely into a transatlantic framework. What has changed, or begun to change, are the structures of Europe and Germany's responsibilities as part of a European Union with a gradually emerging "common" foreign, security and defence policy. Germany's political class at least has become aware that political, security, or energy-related developments in regions such as the Middle

[49] See Jean-Paul Picaper, „L'armée allemande peaufine sa capacité de ‚projection'", *Le Figaro*, 6 December 2002.

[50] On Bismarck's Oriental policy see Friedrich Scherer, *Adler und Halbmond. Bismarck und der Orient 1878-1890*, Paderborn: Schönigh, 2001.

East concern us, directly or indirectly, in any case, and that they may necessitate a display of interest that exceeds that of a trader.