While We Were Planning
Unexpected Developments in International Politics
Foresight Contributions 2018
How might we have to imagine the Middle East if there were a political thaw between Iran and Saudi Arabia? Could Turkey leave NATO in the near future? What would happen if security-related EU databases were successfully hacked; if South Korea were to arm itself with nuclear weapons; or if an American woman were to head the United Nations?

Of course, these situations, as explored in the SWP’s latest Foresight research paper, are only hypothetical. Why address them? Because unexpected events have abounded in international politics in recent years. Brexit; the election of Donald Trump as US President; and Russia’s annexation of Crimea are only the most striking examples. Science and politics should therefore ready themselves for likely future surprises. The Foresight research paper aims to assist with this.

We cannot and do not want to predict the future. However, with the help of systematic foresight we can better prepare for unplanned situations. This means improving our view of conceivable — albeit unlikely — developments that would seriously impact on German and European foreign and security policy. It also includes reviewing previous expectations — as this research paper likewise tackles. What actually happened to the battery revolution that was supposed to secure our power supply? Did the negotiation process on the UK’s withdrawal from the EU unfold as experts had anticipated? Such reviews are instructive, and can be used to gain insights for the future.
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This study is the fifth SWP publication to present foresight situations. It should be emphasised from the outset that, despite this considerable experience, we still do not claim to know what will happen in the future. We interpret foresight as dealing with hypothetical future situations from a scientific basis so as to better survey the broad spectrum of possible developments. SWP thereby practices a scientifically based or grounded foresight of possible future situations or developments that would be highly relevant to German and European foreign and security policy.

In its practical application, this entails describing the development of each foresight situation so carefully that the story is in itself plausible and consistent. Then it involves analysing, according to scientific standards, the initial assumptions and interrelationships that characterise the situations — in as far as this is feasible for hypothetical cases. Thus, the most important factors that would significantly influence the situation are identified and examined, wherever possible with reference to general or specialised literature. We are particularly interested in situations which — although not necessarily at the centre of the forward-looking analysis of German and European policy — we assume could have a considerable impact on their foreign and security policy should they occur unexpectedly. Thus, we aim to provide a specifically valuable insight by describing the possible consequences of these situations and developments, and to give corresponding recommendations for action, particularly in situations that we believe deserve greater political attention despite a small chance of being realised. This applies both to any nasty surprises and to events that would certainly have positive effects.

**Political Surprises and Scientific Innovations**

Unsurprisingly, various unforeseen developments have shaped international politics since the last two SWP research papers with foresight contributions were published in 2015/2016. From the current perspective, the biggest and possibly most significant surprises were the British vote for EU withdrawal and the election of Donald Trump as President of the USA. As with comparable situations in the past, for example the Arab uprisings in 2010/2011, they provoked intense soul-searching, both in politics and academia. Why were these serious events not anticipated? Could we have prepared sooner and/or better for them? How could similar future events be detected earlier?

Such questions are fiercely debated in science as well as in politics. The scientific approach to future
developments — future studies — aims to achieve higher quality research about the future through improved collection and evaluation of data. As well as quantitative aspects — more and better data — qualitative questions are also at stake. What individual and collective dispositions and abilities contribute to the gradual improvement of the quality of research on the future, and how can these be used and further developed?\textsuperscript{4} The aim is to discover which characteristics and working methods distinguish those analysts who make more accurate statements about the future. Methodological innovations such as greater transparency concerning the degree of accuracy of previous statements on the future are another example.

It would certainly be desirable to know more about which methods and procedures facilitate particularly good statements about the future. This is undoubtedly useful, not least to politicians. The government and administration of the Federal Republic of Germany have openly expressed their intention to act effectively and with foresight.\textsuperscript{5} In recent years, almost all ministries have devoted more attention to future-oriented analyses so as to be able to react better to surprises.\textsuperscript{6} This becomes apparent institutionally with the setting up of units dealing, for example, with early crisis detection and scenario planning. Corresponding statements can also be found in the major strategy papers of the departments primarily responsible for international affairs.\textsuperscript{7} To ensure that these declarations have operational consequences, investments have also been made to develop the skills necessary for forward-looking governance. For example, civil servants can broaden their training in strategic foresight. Such opportunities are in great demand throughout the government.

In order to further political acceptance for innovative approaches to foresight, the quality of the underlying research must be assured. Standards and quality criteria, which are developed and applied by the scientific community itself, are an important benchmark for policymakers.\textsuperscript{8} However, there is still a considerable distance from enhanced future studies to a policy that actually translates greater foresight competence into operational action. If, on the demand side, politics remains attached to traditional patterns of organisation and bureaucratic action, even the best supply of foresight would be of little use. Within politics, this means thinking about a shift in organisational cultures and working methods beyond the approaches described above. This is necessary to ensure that the overtures do not remain mere lip-service towards more forward-looking governance.\textsuperscript{9}

At the same time, it is important not to inflate expectations of the scientific study of the future. Even with the most elaborate concepts and methods of foresight it would not be possible to fully anticipate future developments — which is not the claim made by our foresight contributions anyway.\textsuperscript{10} After all, there are fundamental scientific limits to knowledge about the future. Moreover, preventive political action can produce unintended side effects and thus 

\begin{itemize}
\item[4] See Tetlock and Gardner, \textit{Superforecasting} (see asterisk note, p. 3).
\item[5] See coalition agreement of 2013: “The coalition accepts the task of increasing the effectiveness of the government’s actions in a targeted manner and, for this purpose, it will work out an interdepartmental strategy for ‘governing effectively and far-sightedly’. [...] We will strengthen the skills and capabilities for strategic forecasting in the ministries, the better to detect opportunities, risks and dangers of medium- and long-term developments”, quoted in \textit{Shaping Germany’s Future, Coalition treaty between CDU/CSU and SPD (Non-Official translation by Konrad-Adenauer-Stiftung), February 2014}, p. 98. The coalition agreement of 2018 also calls for strengthening the strategic analytical capabilities of foreign, security and development policy.
\item[10] From a political perspective, this would also only be somewhat desirable, as it would inevitably curtail their room for manoeuvre. See Lars Brozus and Oliver Geden, “Experten, Politik und Populismus”, \textit{Wirtschaftsdienst} 97, no. 4 (2017): 239 – 42.
\end{itemize}
new surprises, as can be readily seen in some regions of the world, such as the Near and Middle East. Expectation management must therefore be pursued particularly by scientists. Nevertheless, this does not legitimise the policymakers’ refraining from forward-looking analysis nor planning on a scientific basis. Against this backdrop, the present foresight contributions invite us to adapt to conceivable developments and situations that are highly relevant for foreign and security affairs.

Overview of Contributions

The contributions in this research paper deal with very different situations, both thematically and geographically. They therefore highlight the many issue areas dealt with at SWP. The contributions are briefly introduced in the chronological order in which the hypothetical situations might occur.

Turkey’s departure from NATO in the near future is the assumption of Rayk Hähnlein, Markus Kaim and Günter Seufert. They describe the growing alienation between long-term partners in the alliance, which is a prerequisite for such a step, and discuss possible consequences and counter measures.

Matthias Schulze, Raphael Bossong and Marcel Dickow examine the political and social impact of the sabotage of databases relevant to the EU’s internal security. Their starting point is a massive cyber-attack in the spring of 2020, the origin of which cannot be determined.

Stephan Roll and Azadeh Zamirirad describe a hypothetical rapprochement between Iran and Saudi Arabia. Accordingly, far-reaching agreements would be reached between the two countries in the summer of 2020. The motives and prerequisites for this development are analysed, as are the associated regional implications.

A comprehensive reform of the United Nations, culminating in the nomination of the first female UN Secretary-General in 2022, forms the background to the foresight scenario of Lars Brozus. Surprisingly, the new Secretary-General is an American citizen, who is supported by China and Russia.

How might Germany and the EU react if South Korea were to develop nuclear weapons? Hanns-Günther Hilpert and Oliver Meier describe a situation whereby Seoul withdraws from the Non-Proliferation Treaty in the summer of 2022 and establishes its own nuclear deterrent capacities.

Foresight Review

The contributions by Kirsten Westphal and Nicolai von Ondarza discuss foresight situations that had been developed by them in 2013. Kirsten Westphal describes the intermediate stage towards the “beautiful energy world of 2021”, in which the storage capacities of batteries have been expanded to such an extent that renewable energy sources meet the demand for energy. Nicolai von Ondarza considers the actual path of the negotiations between Great Britain and the EU concerning Brexit, which he took as a hypothetical starting point in his 2013 contribution.

This kind of review serves to further ameliorate our approach of a scientifically grounded foresight from both methodological and practical perspectives. Our aim is not to make more accurate predictions. Nevertheless, it makes sense to deal with past statements in order to increase the quality of assumptions about the future. Analysts should therefore regularly reflect on how their previous view of potential future developments measure against reality. This includes questioning one’s own assumptions about relevant influential factors and causal relationships. The starting point for this is the current view of earlier descriptions of the situation. What were the fundamental statements at that time? Where is there continuity with the present, where are the differences? Have new factors been added, have others lost importance? Taking these issues into account can improve the quality of future studies.

The foresight review also makes it possible to amend statements about the future to shifting contextual conditions in the real world. The context of the two foresight reviews presented here include the sharp drop in fossil fuel prices since 2013, and the

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11 See von Bomhard, “Schwarzer Schwan und Vogel Strauss” (see note 2).
13 See Tetlock and Gardner, Superforecasting (see asterisk note, p. 3).
political marginalisation of UKIP, the party that championed Brexit most vehemently in the UK. This is another important step towards improving both the method and practice of foresight. Both reviews therefore dare to update on possible future developments — against the backdrop of what has happened in the meantime.

Scientifically Grounded Foresight: Conceptual Background and Methodical Approach

In SWP’s interpretation, scientifically grounded foresight refers to a process aimed at analysing conceivable future events and developments that would be relevant to foreign and security affairs. They are not forecasts, because we cannot predict what will happen. We maintain that it is even rather unlikely that developments and events will take place exactly as described in the contributions to this volume. However, we can draw attention to conceivable situations that — were they to occur — would be of great political interest to Germany and the EU. A forward-looking foreign policy should therefore pay them due attention.

Since the future cannot be predicted, such statements necessarily involve a high degree of uncertainty. Scientifically grounded foresight tries to master this uncertainty as far as possible, both conceptually and methodologically. Above all, this means explicitly disclosing the initial assumptions and cause-effect relationships characterising each hypothetical situation. This transparency is an essential prerequisite for the initial and eventual assumptions to be reviewed and problematized in retrospect from actual developments. It is an important benchmark for distinguishing careful foresight from speculative guesswork. The systematic foresight review, which is represented in this research paper with two contributions, is therefore an additional quality feature of scientifically grounded foresight.15


17 The individual criteria are defined as follows: 1. Consistency refers to the structure of the argument. Are the ideas stringently developed? Is the situation or development described coherent? 2. Plausibility refers to the persuasiveness of the sketch. This is an assessment of whether the situation described could occur — not whether it will actually occur. Is the described story plausible? 3. Originality and relevance of the case covers the political impact. Why should politicians deal with the situation described above? What options for action exist?
folding did not play a role in the assessment. From a foresight perspective, situations and developments with a high impact if they were to occur are particularly relevant, even if the probability of their occurrence is estimated to be low (high impact — low probability). The workshop concluded with an evaluation stage in which points were awarded for each sketch. The five highest rated sketches were subsequently elaborated into longer draft articles. The goal was to use a combination of critical analysis and unrestricted imagination to describe conceivable situations or developments that are in themselves convincing and plausible. Finally, the drafts went through two reviews, first by the editor or an expert researcher, and then by the director of the SWP.
During the jubilee summit meeting of the NATO member states, which is held in 2019 to celebrate the alliance’s creation 70 years ago, the Turkish president Erdoğan surprises the assembled heads of state and government. In the margins of the meeting he announces during a press conference with Turkish journalists that Ankara will leave the integrated command structure of the alliance. He reserves the right to take further steps, including a complete withdrawal from the alliance. In an interview with CNN a da

day later, Erdoğan explains the reasons. For some considerable time, Turkey’s importance and achievements have not been sufficiently acknowledged by the other allies. Instead, they have interfered in Turkey’s internal affairs and have not provided adequate support for the fight against terrorists. The direct military confrontation with the USA in Northern Syria in 2018, during which 24 Turkish soldiers died, was the last straw. While the capitals of some NATO countries receive the news somewhat fatalistically in the light of recent tensions, concerns about the political and military consequences dominate for other governments.

Since 2013, the Turkish government has seen the Western world as a threat.

Turkey has been a member of NATO since 1952. The training and equipment of the Turkish military is defined by Ankara’s close cooperation with Washington. Their cooperation has survived a number of serious conflicts. Serious fears that Turkey could leave the alliance have not arisen throughout these conflicts because important structural factors have secured cohesive relations between Ankara, the United States and NATO. Therefore, a fundamental break presupposes more than a specific conflict. Turkey would probably only do so after a fundamental reassessment of its security situation. Other prerequisites would be a tangible or supposed alternative option, and drastic upheavals in the military, in political parties and in public opinion. All these conditions exist today.

Alienation from the West

Since the protests around Istanbul’s Gezi Park in spring 2013, the Turkish government views the Western world as a threat. The demands of the young urban protestors received huge support in Western Europe and the USA. This left the government in Ankara with the impression that the West was going to question its legitimacy; it claimed that the protests were engineered from abroad to bring about a coup. When the Egyptian military overthrew President Morsi’s government in July 2013 and Western capitals tacitly accepted it, Ankara interpreted this as further confirmation that even moderate Muslim rule in the West was undesirable. The attempted coup of July 15, 2016, and in particular the reaction of Western governments, who were reluctant to condemn the coup immediately and who tended to place the Turkish government — not the rebels — at the centre of criticism, completed this picture.

Finally, the US does not extradite Fethullah Gülen, the “mastermind of the coup”, while Germany and other European countries grant political asylum to Turkish diplomats and military personnel suspected of belonging to his organisation. Although only the ruling AKP party believes that Western capitals are primarily targeting its power by supporting the rebels, when it comes to the Gülen movement all other parties represented in parliament are also highly suspicious, in particular of the USA and Germany.¹

¹ On the Western-Turkish relations and their geopolitical consequences see Kemal Kirişci, Turkey and the West. Fault Lines in a Troubled Alliance (Washington, D.C., 2017).
The fear that the Kurds could divide the country has reached unprecedented proportions with the events in Syria and Iraq.

In foreign policy, concerns about the preservation of the state’s territorial unity have affected almost all Turkish parties. This is triggered by the recurrent fear that the Kurds could divide the country — a fear that has reached unprecedented levels due to the events in Syria and Iraq. By rejecting Kurdish statehood in Iraq, the leading opposition party CHP and far right nationalists (MHP) are uniting with the government. The same is true of the endorsement of military actions preventing any form of Kurdish self-government in Syria. Since Washington arms the militias of the largest Kurdish party — a branch of the PKK — the current American policy is seen as an existential threat to the existence of the Turkish state. A large majority of the population shares this opinion: in 2017, 79 percent of Turks viewed the USA negatively; 72 percent regarded it as the greatest danger. In 2013, only 44 percent saw it this way.\(^2\) Approval of NATO is only at 23 percent, which is by far the lowest rate in the alliance.\(^3\)

Relations with the USA

The relationship with the United States is of crucial importance for Turkey’s future in the Alliance. After Washington decided in October 2017 to temporarily suspend processing visa applications in response to the arrest of Turkish employees of American consulates, bilateral relations have reached an all-time low. Never before had citizens of both countries been directly affected by conflicts between their governments. The consulate employees were arrested on the grounds that they were part of the network of Fethullah Gülen, the Turkish preacher living in the USA; Ankara has demanded his extradition. In early October 2017, President Recep Tayyip Erdoğan offered the USA the release of a Protestant pastor imprisoned in Turkey. In exchange, the USA should transfer Gülen. This raised concerns in the USA about the danger of US citizens being taken hostage in Turkey.\(^4\)

The fact that Ankara’s and Washington’s goals in the Middle East have long ceased to coincide is, of course, even more significant. Disputes over tactics in the Syrian civil war, the degree of military support for jihadists and the use of Kurdish militias close to the PKK have grown over the years into a political and (since January 2018) military conflict between the two NATO partners in northern Syria. In the USA, the predominant view is that Erdoğan not only wants to shape the state and society of Turkey in an authoritarian way, but also that he is determined to play an “anti-systemic role” against the West in foreign policy in the future.\(^5\)

Turkey’s Position in NATO

No member of NATO denies Turkey’s great importance for the Alliance, but in many places impatience with Ankara is growing. In recent years Turkey has repeatedly called for Alliance solidarity, and not without success: in 2012 with the deployment of US, Dutch and German patriot missiles, in 2015 in the conflict with Moscow following the downing of a Russian fighter plane and in 2016 with an increased NATO presence in the air to monitor the Turkish-Syrian border and Syrian airspace. NATO’s commitment to Turkey reinforced Ankara’s long tradition of using Turkish membership as leverage in bilateral conflicts, not always accommodating the Alliance’s broad interests. It has used this leverage against the Republic of Cyprus, Israel, Austria and most recently Norway.\(^7\)


\(^3\) In 2004, 67 percent of the population still considered NATO membership indispensable. In 2006, this figure had fallen to 41 percent. The current rejection is based on a resentment that has grown over time and is therefore consequent. [http://www.pewglobal.org/database/indicator/37/survey/all/](http://www.pewglobal.org/database/indicator/37/survey/all/).


\(^5\) Barkey, “How to Manage Post-Democracy Turkey” (see note 2), 3.


\(^7\) In the NATO exercise “Trident Javelin”, which was held in Norway in November 2017, according to President Erdoğan, he and the Turkish Republic founder Atatürk were listed in an overview as “enemies” and “targets”; Ankara then ordered the immediate withdrawal of the forty Turkish soldiers participating.
Approach to Russia

In Turkey, in Ankara's relations with the USA and the capitals of Western Europe, but also in NATO itself, certain dynamics are taking hold that undermine the mutual trust of the allies. Meanwhile, the government of Erdoğan is strengthening cooperation with Russia, the state that has been perceived by many NATO member states since the Ukrainian crisis as the biggest security policy challenge of the Euro-Atlantic region. The strength of Ankara's concerns over US policy in Syria, towards the Kurds and in the Middle East region becomes clear when you consider that Turkey usually fears Russian power projection in the Black Sea region and the Aegean. Furthermore, Turkey is heavily dependent on Russia in terms of energy, has no effective leverage against Moscow and should thus actually be wary of deepening this dependence.

The provisional high point of Turkish-Russian cooperation is the acquisition of the Russian S-400 missile defence system planned by Ankara. In Turkey, both government-oriented and opposition media see the decision to buy the system as proof of a strategic reorientation of their country. In many cases, Russia is no longer perceived as an enemy. The defence system is supposedly primarily directed against the “still-allies” from the West. Even those who do not share this view are worried that a greater number of Russian officers will be permanently stationed in Turkey in the future for the maintenance and operation of a system central to the security of the country. For Defence Minister Nurettin Canikli, the purchase of the S-400 is a major step on the way to an arms policy that is no longer unilaterally controlled by and dependent on the West. In this context, Ankara’s alienation is growing within NATO, and the willingness to pass on sensitive information to Turkey is declining.

Differing interests and a loss of mutual trust characterise the relationships.

Increasing isolation of Turkey in the Alliance, uncertainty in the capitals of Europe about Ankara’s intentions and the future extent of Turkish cooperation with Russia, but also with Iran, and an increasingly confrontational policy with the USA in the Middle East: all these indicate a deterioration in relations characterised by differing interests and a loss of mutual trust. The struggle for spheres of influence in Syria and Iraq — a region that Ankara regards as a key zone of its security interests because of the perceived “Kurdish threat” — could become a rupture.

Political disempowerment of the military and weakening of the “Atlanticists”

Erdoğan’s government has used the unsuccessful coup as an opportunity to finally bring the military under its control. In the run-up to a series of mammoth trials — the best-known were “Ergenekon” and “Sledgehammer” — some 50 admirals and generals were arrested in 2011 alone, and in the same year the heads of all branches of the armed forces resigned together. At the time, cadres close to Gülen in the police and judiciary had cooperated closely with the government and weakened primarily Kemalist circles in the military.

In response to the coup attempt, the government had fired several thousand soldiers by April 2017, and thousands more were detained. Although relatively few units took part in the coup attempt, 23,000 military personnel (6,500 officers and 16,500 military cadets) were dismissed. The adoption of emergency
laws ensured that the military lost its previous position as a “state within a state”. The Chief of the General Staff had to hand over extensive powers to the Minister of Defence, who since then now commands the armed forces, appoints their commanders and decides on the promotion of their officers. Military jurisdiction was abolished, the generals lost control of the political and ideological socialisation of the military juniors. The Coast Guard and Gendarmerie were placed under the Ministry of the Interior and the military was relieved of all police duties.

**Turkey’s withdrawal would fundamentally undermine the Alliance’s cohesion.**

During this period, not only “Gülenists” were dismissed, but also officers who could not be suspected of being close to Gülen, but who were critical of Erdoğan’s reconstruction of the Turkish state. Among them were many so-called Atlanticists who had completed parts of their training in the USA or in NATO and who have a positive attitude towards the alliance. Although many did welcome the fact that politics gained control of the military, the accompanying, targeted weakening of pro-Western cadres increased their concerns.

**Effects of Turkish Withdrawal on NATO and the West**

A withdrawal of Turkey from NATO would have far-reaching consequences. 

First of all, it would fundamentally undermine the political cohesion of the Alliance. Even if the withdrawal would ultimately lead to a consolidation of NATO, the Alliance would initially have to enter a phase of realignment which would result in a high degree of uncertainty. At a time when the Alliance has been called upon more than ever before in the last 25 years, NATO would become more inward-looking after such a withdrawal, which would paralyze the institution for some time. Of great politically symbolic value would be the fact that for the first time a member would have left the alliance, which until then had only recorded accessions. The alliance’s overall cohesion would also be weakened because the threat perceptions would drift further apart. Turkey is one of the few NATO states in which security considerations for both the eastern and southern flanks of the Alliance are important. This connects them to Germany, which because of its role in Europe and the fact that it is a target for refugee movements must also look to the east and south. In NATO, these states bring together particularly different threat perceptions, as can be seen time and again in the eastern and southern member states of the Alliance.

Secondly, the withdrawal would severely weaken the Alliance’s operations. Geostrategically, Turkey’s situation is invaluable to the Alliance. Viewed from Europe, Turkey forms a bridge to the Near and Middle East, to the Caucasus and indirectly to Central Asia, and is thus an important stationing area. The Bosphorus acts as maritime “hinge” to the Black Sea and its neighbours. As well as the Allied Land Command in Izmir, there are numerous other NATO facilities in Turkey. Allied troops can be moved with little administrative, diplomatic and logistical effort.

Thirdly, nuclear deterrence would also be affected. Like Belgium, the Netherlands, Italy and Germany, Turkey does not have its own nuclear weapons. However, like these states, it functions as a nuclear defence posture and serves in this context as a stationing ground of the USA’s nuclear weapons. Turkey’s withdrawal would render obsolete all potential and actual geostrategic advantages for NATO arising from its position. The Alliance would have to laboriously renegotiate with Turkey on how to re-secure these benefits.

Fourthly, Turkey’s withdrawal would weaken ongoing NATO operations and its overall defence capability: Turkey was involved, as part of its membership, in a dozen NATO missions. Currently (March 2018), the Alliance is involved in three major missions: “Resolute Support” in Afghanistan, Kfor in

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**15** See Sinan Ülgen, Nato’s Southern Strategy at a Crossroads (Brussels: Carnegie Europe, December 2017).

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Kosovo and “Sea Guardian” in the Mediterranean. Turkey, which after the USA has the most armed forces personnel in the alliance, contributes with significant contingents to all three. Nearly 700 Turkish soldiers are currently deployed in Afghanistan and nearly 400 in Kosovo.\(^\text{16}\) In addition, Turkey has the seventh largest defence budget (US$12.118 billion, 2017) and its defence spending also accounts for the seventh largest share of gross domestic product (1.48 percent in 2017) among the 29 NATO members.\(^\text{17}\) Although the Turkish armed forces cannot claim uniqueness in terms of quality, President Erdoğan is pushing ahead with an ambitious technical modernisation of the armed forces. This involves for example the medium-term equipment of the air force with F-35 jets or the national armament industry, which develops its own armed drones.\(^\text{18}\) If Turkey were to withdraw, its contributions would have to be absorbed by the other member countries.

Fifth, a withdrawal would politically strengthen the anti-Western camp, i.e. the group of states that reject “Western” ideas of domestic and foreign policy as alien to or actively opposed to their own cultural space. Turkey would be forced to compensate for the loss of strategic advantages offered by NATO by joining other alliances. Apart from the fact that the Shanghai Organisation for Cooperation (SCO), for example, would not give Turkey a similarly influential position in terms of either its degree of institutionalisation or its membership structure as that which Ankara has in NATO, it does not seem entirely impossible for Ankara to lean towards or even become a member of the SCO.\(^\text{19}\)

\(^\text{16}\) Turkish Armed Forces, General Staff, Contribution of the TAF to the Peace Support Operations, http://www.tsk.tr/InternationalRelations/ContributionToTafToPeace.

\(^\text{17}\) NATO, Information on Defence Expenditures (last updated 15 March 2018), https://www.nato.int/cps/ic/natohq/topics_49198.htm.

\(^\text{18}\) Turkey is not only a sales market, but also a cooperative partner of companies from other NATO member states for defence projects. One of the largest order volumes currently has the cooperation of Lockheed Martin and Turkish Air Industries. The Turkish company manufactures fuselage centre sections for the F-35 Lightning II fighter jet.


### Recommendations for action

1) The alliance should work, above all, to prevent the scenario presented here from occurring. This includes recognising that their interests and those of the Turkish government diverge, and looking for compromises.

2) Part of this approach should be to differentiate between the continuing bilateral diverging interests of Turkey and individual states, and multilateral cooperation within the Alliance. What burdens German-Turkish relations must not affect NATO cooperation.

3) If Turkey were to actually leave the alliance, NATO as an organisation and its member states would have to develop instruments to prevent Turkey’s rapprochement with the anti-Western camp. This requires a coherent transatlantic and pan-European policy on Turkey.

4) To this end, it will be necessary to clarify as realistically as possible what NATO and its member states strategically expect from Turkey under these new conditions and to what extent they can still have the ambitious right to exert a transformative influence on developments within Turkey.

5) The long-term goal should be to institutionalise relations in a new way in the extreme case of a withdrawal from NATO. Such institutionalisation could not replace the binding effects of an alliance, but would be urgently needed to make future divergences of interest between NATO and Turkey manageable.

6) NATO would be forced to see the withdrawal as an opportunity. In this sense, it could use this forced streamlining to strengthen its European pillar and advance its own capabilities more seriously than it has in the past. The European NATO states in particular would have to make even greater efforts to consolidate, integrate and develop their defence capabilities within the framework of other institutions and approaches, such as the European Union’s Permanent Structured Cooperation (PESCO) approach.

In Turkey, those forces with an interest in close relations with the West should be strengthened.

7) At the same time, those forces in Turkey that have an interest in close relations with the West should be strengthened. These include, for example, ex-
port-oriented companies and entrepreneurs. This task of course exceeds NATO’s capabilities; it would have to be carried out by other organisations such as the EU, for example by modernising the customs union with Turkey.
On 25 October 2023, the European Parliament presented its preliminary investigation into the so-called “LISA hack”, the largest data theft in the history of the European Union. Since 2020, a foreign hacker group with considerable technical capabilities (Advanced Persistent Threat, APT) had infiltrated various interconnected EU databases for police and border control — including the Schengen Information System (SIS), the fingerprint database of asylum-seekers EURODAC, the Visa Information System (VIS), and the two newly established smart border systems, namely the European Travel Information and Authorisation System (ETIAS) as well as the biometric Entry and Exit System (EES). Over a prolonged period of time, millions of sensitive datasets from both EU and non-EU citizens had been compromised. At least 110 million SIS records and around 100 million biometric visa datasets were stolen. There were also indications that individual records had been manipulated. However, a conclusive forensic analysis was still pending.

When experts of the EU Computer Emergency Response Team (EU-CERT) discovered the hack in spring 2022, the attackers triggered a so-called wiping module to delete most of the data stored by EU-LISA (European Agency for the Operational Management of Large IT Systems in the Area of Freedom, Security and Justice).¹ Because the wider EU political crisis management was seen as inadequate, the European Parliament (EP) insisted on a formal committee of inquiry. Overall, the EU did not only suffer considerable reputational damage. Ever since the attacks, European border management and intra-European police and security cooperation have been severely impaired.


Chronology of the Hack

That large government databases could become the target of advanced cyber operations became obvious in 2015 at the latest, when the American Office of Personnel Management (OPM) was hacked. In this espionage operation, 21.5 million records from U.S. government personnel were stolen, including fingerprints and security clearances.² The OPM hack indicated that foreign intelligence services were increasingly interested in the ever-growing and networked governmental data registers on individual persons.³ Since 2013, data protection and cyber security experts had warned that the growth and centralisation of critical EU security databases inspire attacks. For instance, there were already indications that hackers had broken into the Schengen Information System⁴ and may have transmitted insider information to organised crime groups before.

The 2022 cyber operation against EU-LISA had parallels with previous hacks. The attackers took advantage of the star-shaped topography of some older police databases managed by EU-LISA. In particular, national police authorities keep a local copy of the SIS data set, which is regularly mirrored on central servers of EU-LISA. In each member state,
so-called SIRENE offices (Supplementary Information Request at the National Entry) manage this connection between local copies and the central EU-servers, while they also organise additional bilateral data transfers in case of a relevant “hit” (e.g. arrest warrant on a fugitive). This horizontal architecture supports police cooperation, but cannot ensure high levels of IT-security in all member states. In preparation for the attack, which apparently began in winter 2019, an employee of a southern European SIRENE office was bribed to share his access credentials with an unknown third party. Using the compromised user account, the attackers sent internal phishing e-mails and were thus able to obtain administrator authorisations privileges in the national SIRENE office.

Manipulated PDF files (arrest warrants) were fed into the SIS via the captured SIRENE office on 20 January 2020. Thus, additional computers were infected with spyware. The malware spread throughout the SIS network, spied out the specifics of the central EU-LISA servers and enabled hackers to implant a back door into the increasingly interconnected architecture for EU police and border security information systems. About a month later, the hackers had gained administrative access to all centrally managed databases, such as the VISA information system, EURODAC, the Entry/Exit System and ETIAS.

The retrospective forensic analysis showed that the malware had spread via standard network protocols, but also via USB sticks and could even infect air-gapped networks. In late 2018 EU-LISA had received a significantly expanded mandate and was tasked to ensure the interoperability between existing and new EU border and police databases. EU-LISA subsequently recruited a large number of new staff and expanded its cooperation with private IT-subcontractors. This may have provided the attackers the opportunity to directly infiltrate EU-LISA. With administrator authorisations and manipulation of the log files, the perpetrators were able to remain undetected for a long time. The EP investigation concluded that the attackers succeeded in copying all EU databases over the course of 2020.

Initially, the rising error rate did not attract attention because similar obstacles had been encountered in the past.

By 2021, EU-LISA noted a rising number of erroneous data entries or discrepancies between national copies of the SIS and its central server image. Initially, the rising error rate did not attract much attention because similar obstacles had been encountered with system updates in the past. Moreover, the new biometric Entry/Exit system caused implementation challenges, which appeared more pressing. EU-LISA staff actually expected that problems with data integrity in legacy systems could soon be solved more easily with the updated version. The plan was to create a fully interoperable system architecture, which would use biometric data to improve the accuracy of both old and new databases. In retrospect, this miscalculation prevented the intruders from being discovered earlier.

While most cyber operations remain limited to skimming data, the perpetrators of the “LISA hack” took the next step to systematically manipulate data. Among other things, they changed the query algorithm in such a way that certain biometric queries were answered with “no hit” even though a hit was present, and vice versa. Whereas users had the impression that the system was functioning normally, this manipulation meant that wanted or otherwise registered persons were not detected during border or police checks. Instead, the number of false positives increased, so that innocent people were mistaken for criminals by security authorities at border entries. This led to a significant increase in complaints, while clearing the affected people from suspicion turned out to be very laborious — given that their details had to be cross-checked against an increasingly compromised set of EU databases.

The Attack is Discovered

In March 2022, a good two years after the first infiltration of a national SIRENE unit, the EU-CERT recognised the systematic nature of the irregularities. When the attackers, now deeply rooted inside the network, noticed their impending discovery, they executed a “wipe” command on 15 April, a Good Friday when many IT staff were on holiday. This command hit the management control servers of the EU-LISA in Strasbourg, deleting the centrally stored databases (SIS, VIS, EURODAC, ETIAS, EES) as well

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as the master boot record in order to slow down the investigations. The especially secure backup servers of EU-LISA in Austria were only partially affected, because they had already been quarantined as a precautionary measure by EU-CERT.

At first, EU-LISA did not make this incident public, because the full extent of the damage had yet to be established. However, controls at Schengen borders slowed down drastically, which was explained by short-term technical difficulties. Border guards and police scrambled to respond, resorting to conventional document controls instead of biometric identity checks against IT systems, or simply waiving traffic through. Yet as this state of affairs stretched on for nearly two weeks, the large-scale IT attack could no longer be concealed. The director of EU-LISA went out of her way to reassure the public by stating that “according to our current investigations no data of EU citizens have been affected” and “all systems […] will soon be completely restored”.

The disclosure of search requests and covert alerts was a fiasco for internal security authorities.

In the midst of this unfolding crisis, the attackers took a final step and publicly released large sections from the stolen EU security and border control databases on the previously established Eu-Leaks.com website. In particular, the disclosure of search requests and covert alerts on suspected terrorists in the SIS represented a fiasco for internal security authorities. Moreover, investigative journalists discovered that parts of this sensitive police data had been manipulated, which explained the previous increase in complaints when innocent citizens became targeted by police measures.

Conversely, this manipulation meant that the hackers could have also deliberately deleted entries in order to protect criminals from detection or prosecution. This revelation led to a deep and lasting crisis of confidence in European security authorities. Serious suspicions or conspiracy theories started to spread. For instance, critics pointed to a recent series of unsolved murders of asylum-seekers across member states that could have been connected to the manipulation of EU police databases. Dangerous agents could have infiltrated the Schengen zone unnoticed, while hostile external powers, which may be behind the cyber attack, might have benefited from EU databases in order to locate dissidents abroad.

Who was it?

The operation could not be attributed to any particular actor, because criminal and state goals and methods overlapped too much. On the one hand, the know-how and resources required for the prolonged cyber-operation and the selection of targets hinted at a state-supported APT hacker group. From a technical point of view, the attackers used some known malware. For example, during the so-called Non-Petya-Attack in Ukraine in 2017, a similar “wiper” had been used, presumably to disguise other espionage activities. From a tactical point of view, the publication of stolen and partially manipulated data was consistent with incidents observed during the 2016 US election campaign. On the other hand, it could not be ruled out that the attack was a false-flag or a smoke screen operation, as had been the case with numerous previous cyber attacks. In particular, the unusual data manipulation suggested other criminal motives. It was further speculated that hackers may have initially acted on behalf of a state, but then pursued their own interests. The breadth and scope of the final data leaks supported the hypothesis that the state-sponsored hackers had gone rogue.

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We have clearly underestimated the dangers of digital manipulation with respect to our databases.

Another large part of the leaked data consisted of millions of entries from the EU’s border control databases (VIS, EES, ETIAS), including biometric passport photos, personal data and fingerprints from senior officials, celebrities and business leaders from countries around the world. Such sensitive personal information about board members, secretaries of state or government officials with security clearances may not only have value to intelligence agencies, but could potentially be used for blackmail, industrial espionage and identity theft (cybercrime). In particular, biometric information, such as fingerprints, are increasingly used to access personal devices, online accounts and even high-security facilities, so that criminals could, in a worst-case scenario, copy imprints and successfully defraud high-value targets or steal highly sensitive information.

Assigning Blame and Political Consequences

Right-wing populist parties within the EU used the scandal to call for a massive increase in police personnel and an uncompromising return to national border controls. Left-liberal groups, in contrast, warned against the spread of uncontrolled data collection practices and a European “surveillance state”. However, political responsibility for the hack and its consequences remained very elusive in the EU’s complex system of governance. Only the leadership of EU-LISA had to resign with immediate effect. This did little to dispel the distrust and to stop the mutual accusations that spread among European security authorities. Further projects for EU internal security cooperation and information-sharing were put on hold.

Within a few weeks EU-CERT eventually managed to restore substantial parts of the EU databases from national copies and the backup server in Austria. However, the manipulation and public leaks of different datasets had been so substantial that a return to regular operations could not be guaranteed for years to come. It could also not be ruled out that the malware was still active or that the hackers had placed further hidden back doors. Against this backdrop, EP’s committee of investigation came to the conclusion: “We have clearly underestimated the dangers of digital manipulation with respect to our databases”. IT security is not keeping pace with the speed at which states are expanding and networking sensitive datasets. The EU’s crisis management also came in for sharp criticism. Although there had been ample warnings about the danger of sophisticated cyber attacks in the past, the EU had failed to set up a comprehensive and effective crisis response mechanism — as proposed by the authors of the EU Cyber Security Strategy as early as 2017. Furthermore, the EP criticised the overall trajectory of EU internal security policy.10 Under the slogan of “interoperability” more and more databases had been linked up together without due consideration of the associated risks.11 Old vulnerabilities were neglected, while new attractive targets appeared in EU-LISA. Especially in the case of the police legacy system SIS, more serious investments in IT-security were neglected due to the argument that data protection must not lead to “offender protection”. In concrete terms, this was manifested in the failure to systematically encrypt all data entries and to maintain wide-ranging access rights via the national SIRENE offices with diverse security standards.

In sum, it may no longer possible to control sensitive data profiles.

In sum, the parliamentary report advocated greater restrictions on, or economical use of, data storage and “more responsible networking”. The integration of IT-systems should be downgraded, because it may no longer be possible to control sensitive data profiles that are aggregated from different sources. Furthermore, the data manipulations during the “LISA hack” demonstrated the need to regularly review the underlying information that leads to the classification of suspects or persons of interests for police and border guards. In any case, all affected citizens and third country nationals should have better rights of access and information to the stored information. To assume these tasks, the EP advocated strengthening existing data protection authorities, leading to the creation of

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10 Borchers, “SIS II beginnt am 9. April trotz weiterhin vorhandener Mängel” (see note 5).
new “Data Quality Managers”. In addition, the committee of investigation questioned economic arguments for the introduction of more electronic police and border control systems. Following the large-scale wiping of data in 2022, member states had to fall back on human border and police officers to ensure a minimum level of security. The respective human resources had to be maintained for the future as well, contrary to previous plans for cost savings due to increasingly automatised border control procedures.

Finally, there must be clear lines of political accountability for cyber incidents and large data scandals, including the timely and adequate provision of information to the general public. The technical nature of cyber attacks should no longer serve as an excuse to evade responsibility at the ministerial level, not least for structural policy failures when deciding upon new IT infrastructures and their governance.
“Mecca, 30 July 2020 (reuters): Saudi Arabia’s King Muhammad bin Salman will receive Iranian President Hassan Rohani in Mecca at the start of the ‘Feast of Sacrifice’. The two countries seek to sign a number of economic agreements at the meeting. The following day Rohani and bin Salman will inaugurate the recently completed Jeddah Tower, now the tallest building in the world: a tribute to the guest that would have been unthinkable just a few months ago.

Until March this year, Saudi Arabia and Iran did not maintain full diplomatic relations. Observers consider the current visit of the Iranian head of state to be historic. It marks the end of a Cold War between the two countries that fuelled various conflicts in the region. Riyadh and Tehran appear to have agreed on zones of influence and the main building blocks of a regional arrangement. Accordingly, Syria and Lebanon could de facto fall within Tehran’s sphere of influence, while the Arabian Peninsula including Bahrain could be recognized as Saudi Arabia’s zone of interest. While some actors in the region welcome the newly established collaboration between Tehran and Riyadh as a gesture promoting peace, others see it as an alarming development marking the beginning of a new era of Saudi-Iranian dominance in the region”.

How It All Began

In 2019, Riyadh and Tehran start seeking opportunities for joint coordination. In the run-up to the Hajj, the traditional pilgrimage to Mecca, Supreme Leader Ali Khamenei reaffirms once again the Muslim duty to achieve “unity” (vahdat) in the Islamic world. Two weeks later, Foreign Minister Javad Zarif declares vahdat the key strategic objective of a new neighbourhood policy. When Ali Shamkhani, Secretary of the Iranian Supreme National Security Council, arrives for talks in the United Arab Emirates (UAE) in September, observers doubt that meetings are aimed at bilateral relations only. Saudi journalists speak of “back channel” talks with Riyadh that are said to have taken place in Abu Dhabi.

Rumours of a rapprochement between Iran and Saudi Arabia are confirmed in autumn 2019, when Tehran and Riyadh announce a “no regime change” policy for the Gulf at the sidelines of the meeting of foreign ministers of the Organisation for Islamic Cooperation, reassuring each other that they will stay out of their respective internal affairs. Observers speak of a Saudi-Iranian non-interference pact aimed at defusing the mutual accusations that Tehran provides arms to the Shiite minority in the Saudi province of al-Sharqiyya and that Riyadh supports Sunni extremists in the Pakistani and Iranian territories of Baluchistan.

Israeli media outlets, however, warn against such an arrangement. Israel continues to see Iran as an existential threat and to pursue a policy of isolation towards the country. The changing situation is a strategic challenge for the new Israeli government under Prime Minister Yair Lapid who has already discussed the matter in a phone call with US President Donald Trump. In light of the forthcoming presidential elections and the generally assumed change in the White House, observers expect Washington to take a wait-and-see stance.

News of an imminent “grand bargain” between Tehran and Riyadh spark heated public debates all across the region. Sceptics refer to the sectarian divide that has opened up in recent years between Shia and Sunni Muslims. Still, many citizens are quickly certain that a regional arrangement is only a matter of time.
Motivation of the Actors

The gradual reduction of tensions between Saudi Arabia and Iran follows a rational cost-benefit calculation. Major political, economic and social challenges convince leaders in Riyadh and Tehran that national goals can be better achieved through limited rivalry rather than open provocation. In previous years, neither side has succeeded in decisively reducing the regional influence of its rival. The danger of a military escalation between the two states has rather increased. Tehran and Riyadh also face considerable political and economic costs arising from their activities in military conflicts such as in Syria, Iraq and Yemen. Finally, the region’s long-standing potential for escalation is an obstacle to investments and substantial economic reforms overdue in both countries.

Tehran and Riyadh face considerable political, economic and social challenges.

When Muhammad bin Salman was appointed Crown Prince in 2017, effectively taking over political leadership in Riyadh, Saudi Arabia was entering a difficult phase of consolidation. The country is under stress economically and bin Salman’s domestic position is not yet secure. Fundamental structural reforms are pending. The Crown Prince’s ambitious Vision 2030 transformation plan aims to strongly diversify the economy in order to reduce its oil dependency. Implementing these reforms, however, requires a stable political environment to generate a much higher inflow of foreign direct investments (FDI). In addition, the Kingdom’s defence spending has increasingly burdened the public budget. Warfare in Yemen alone is estimated to cost the kingdom five to six billion US dollars per month.1 Overall, the Saudi Central Bank was forced to use up almost a third of its monetary reserves between 2014 and 2017.2 Yet, an exit strategy for Yemen is still not in sight. At the same time, Saudi Arabia feels threatened by Iran’s growing influence in the region and its political ambitions. Riyadh sees Tehran’s regional activities and the potential establishment of an Iranian transit corridor leading through Iraq and Syria to the Mediterranean Sea as expansionist aspirations of its arch-rival. However, all attempts to curb Iranian influence, especially in Iraq and the Levant, have so far been unsuccessful.

Iran also faces considerable challenges. The country has been able to significantly expand its geopolitical scope of action since 2003. At the same time, despite the nuclear agreement, the economic developments have not met the expectations of the government or the population. According to official figures, the unemployment rate has risen to more than twelve percent with women and young people most frequently affected.3 However, unemployment is likely to be much higher in many Iranian provinces. The pressure on President Hassan Rohani to deliver results has grown noticeably. Discontent about the economy and dissatisfaction with politics, among other things, were evident in the nationwide protests at the turn of 2017/2018, which questioned not only the government, but the entire state apparatus. On the foreign policy front, uncertainty about the fate of the nuclear agreement after Washington has pulled out and ceased to stick to its commitments, is exerting enormous pressure. This uncertainty hampers much-needed foreign investment in Iran. Furthermore, Iran’s military activities in Syria and Iraq have proved costly. Iran’s intervention in Syria alone is estimated to cost Tehran several billion US dollars a year.4 In view of the nationwide economic hardship, popular support for further regional expenditures is not to be expected. Meanwhile, Tehran has become a focal point of American security policy. Trump’s visits to Riyadh and Tel Aviv and his call for a regionally coordinated isolation policy towards Iran have been met with concerns in Tehran about a trilateral alliance between the US, Israel and Saudi Arabia. The Islamic Republic has a vested interest in preventing a united front against Iran led by regional actors.

Lastly, the foreign policy of individual states within and vis-à-vis the region has become less predictable.

1  See Bruce Riedel, “In Yemen, Iran Outsmarts Saudi Arabia Again”, Markaz (Brookings), 6 December 2017, https://www.brookings.edu/blog/markaz/2017/12/06/in-yemen-iran-outsmarts-saudi-arabia-again/.
Détente in the Gulf Region — Saudi Arabia and Iran Agree on Zones of Influence

and threat perceptions have increased. The crises around Qatar (starting June 2017) and Lebanon (in November 2017) came as a surprise to most observers in the region. With the isolation of Qatar, the cracks in the alliance of Arab states invoked by Trump came to light. Meanwhile, Riyadh has also questioned the reliability of its American partner and its regional policy. Following the decision by the Trump administration in December 2017 to move the US embassy to Jerusalem, the Saudi leadership was forced to criticise Washington because of the anti-Israeli sentiment prevailing among its own population. The growing uncertainty increases the risk of a worst-case scenario for both Saudi Arabia and Iran: an unintended direct military confrontation from which neither side can emerge victorious.

Geopolitical Changes and Impacts on the Region

An agreement between Iran and Saudi Arabia on regional zones of influence could have a stabilising effect on the Gulf and the wider region. However, an immediate settlement of existing conflicts can hardly be expected.

In Yemen, for example, it could become much easier for Saudi Arabia to refrain from military attacks in the future if Iran credibly ended using any influence it has on the conflict. Riyadh could finally acknowledge the Huthis for what they are, namely an indigenous Yemeni movement and not a "proxy" of Tehran. The conflicts among the Yemeni parties would still be far from resolved. However, an intra-Yemeni understanding, such as a ceasefire agreement, would be easier to reach.

The conflict with Qatar could also ease. Ostensibly, Iran plays only a minor role here. The Arab alliance led by Saudi Arabia and the United Arab Emirates, which imposed a partial blockade on the emirate in June 2017, justified its actions primarily with Doha’s support for the Muslim Brotherhood and other Islamic groups. More likely however, the driving factor for Saudi Arabia’s aggressive action against the emirate was its proximity to Iran. In recent years, Qatar had gradually expanded its relations with Iran, with which it shares and exploits a natural gas field, and thus moved away from Saudi policy towards Tehran. If this cause of conflict disappears, it could become much easier to find a face-saving solution for all sides and to lift the partial blockade.

Recognizing zones of influence could also lead to Saudi-Iranian cooperation in Iraq to stabilise the country and its political order. Riyadh and Tehran share an interest in curbing Iraqi regional ambitions in the long run. Both sides could use their clout over the two most important Shiite militias, the Badr organisation close to Tehran and the Riyadh-friendly militia around the Sadr family, to place them under de facto state control. This would facilitate a functioning national unity government in Baghdad that also includes Sunnis. Iranian-Saudi cooperation is conceivable under the condition of a demilitarised zone in the south which would keep Shiite militias affiliated with Iran at a distance from the Saudi border.

In the Syrian conflict, Riyadh could give up opposing Iran’s participation in international forums for conflict resolution. While a solution to the conflict would still be a long way off, international negotiations could gain momentum as a result. In Lebanon, on the other hand, the end of Saudi influence could also mean an end to the political role of the Hariri family, which has received considerable financial support from Riyadh in the past. Whether Hezbollah, closely allied with Tehran, would turn into an all-dominant political force, however, is highly uncertain. Greater influence of Iran in Lebanese politics, to expand relations between Beirut and the Assad regime in Damascus for instance, could trigger strong social and political opposition domestically. Thus, even without Saudi influence on Lebanese politics, Tehran would have to act with extreme caution.

A regional arrangement could rapidly accelerate economic development in the Gulf.

While a regional arrangement would have medium- and long-term repercussions for regional conflicts, it could rapidly accelerate economic development in the Gulf. There would be greater leeway for broad economic cooperation from which Iran and Saudi Arabia as well as the smaller Gulf monarchies could benefit equally.

Despite political tensions, numerous economic ties between Iran and the smaller Gulf states already exist. The UAE is the second most important market for Iranian exports after China, and Oman is already planning to import Iranian natural gas through a pipeline system running in the Persian Gulf. Saudi Arabia could also take advantage of cheap Iranian natural gas imports and thus partially substitute its
consumption of crude oil, for which higher prices can be achieved on the world market. In addition, all Gulf countries would benefit from Iranian food exports, which would likely be cheaper than the currently dominant imports from Asia and Europe, given shorter transport routes.

Iran, on the other hand, could profit from Gulf state investments. Iran’s capital-intensive petrochemical industry in particular, which is highly developed in the neighbouring monarchies, urgently needs foreign investments. Ultimately, the entire Gulf could become much more attractive to international investors in the face of increased political stability and a larger market, all having a positive impact on the investment climate.

Regionally and internationally, the rapprochement between Iran and Saudi Arabia would have both winners and losers. The biggest winner would likely be China. Reduced political tensions in the Gulf could facilitate Beijing’s “Belt and Road” initiative to build an intercontinental infrastructure network much more easily. Russia, on the other hand, would benefit from the diminished influence of the United States in the region, whose importance as a security guarantor for the Gulf monarchies would decrease. The US would have only limited room for manoeuvre to prevent Saudi-Iranian collaboration. Washington’s already fading clout over the Gulf states was evident during the Qatar crisis. In the event of rapprochement between Iran and Saudi Arabia, the US would try to maintain its remaining channels of influence. Thus, member states of the Gulf Cooperation Council would likely continue to receive American security guarantees and the presence of the US 5th fleet in the Gulf would be sustained. Meanwhile, Riyadh could try to counter political pressure from Washington through strategic arms purchases.

Two regional powers, Turkey and Egypt, would find themselves on the losing end. Since 2016, Turkish-Qatari relations have intensified and Ankara has been able to build a military base in the Persian Gulf. This has been neither in Tehran’s nor Riyadh’s interest. They could combine efforts to curb Turkish activities in their immediate neighbourhood. Egypt might suffer if Riyadh further reduces its financial support for the country. One driving factor for the generous financial aid to the administration under President Sisi was to keep the most populous Arab country at the Kingdom’s side in a possible conflict with Iran. However, Saudi Arabia’s willingness to transfer large sums of money to Cairo for this purpose is likely to decline in the event of détente with Iran.

The new situation poses a strategic challenge to Israel.

Israel would see security benefits from a less tense regional environment. A rapprochement between Tehran and Riyadh would reduce the risk of a destabilised region through an Iranian-Saudi confrontation that could make an Israeli intervention a necessity. At the same time, even under changed regional conditions, Iran is unlikely to abandon its fundamental position vis-à-vis Tel Aviv: not recognizing the state of Israel and following a confrontational policy approach. A Saudi-Iranian regional arrangement would therefore continue to pose major security challenges for Tel Aviv, limiting its room for manoeuvre.

Implications for Germany and the EU

From the perspective of Germany and the EU, improved relations between Iran and Saudi Arabia would be welcome in principle, as they reduce the risk of a military escalation. Notwithstanding the benefits, a regional arrangement between Riyadh and Tehran would increase concerns about unrestrained foreign policy behaviour by the two actors, as they could use their newly established zones of influence to expand their respective scope of action in the region.

German and European policy options remain limited for the time being. Berlin and Brussels would

not have effective political and economic levers at their disposal to curb regional ambitions of the actors. Germany would be particularly alarmed by the shift of power in the Levant and its implications for Israel. Here, the potential for escalation is notably high. Berlin should use its political channels to Israel and the Islamic Republic to reach for a code of conduct between the two states. An agreement based on a non-aggression principle for both sides would need to include informal rules of engagement for Iranian or Iranian-backed forces in Syria and Lebanon. The process of mediation could in itself help reduce the risk of military confrontation.

The scenario of a regional arrangement would also offer opportunities for political action. Security issues, including arms control mechanisms, ballistic missile testing or the production of weapons of mass destruction, could be discussed in a regional context. Past approaches, such as the idea of a weapons of mass destruction free zone (WMDFZ) for the Gulf could be revived, possibly serving as a starting point for a WMDFZ in the entire region, including Israel and mediated by Europe. Talks could be part of a larger Gulf security dialogue. Germany and the EU could support this process both diplomatically and in practice, particularly in areas where Berlin and Brussels have varied experience, such as in maritime security.

**Saudi-Iranian rapprochement could bring Germany and the EU closer to Turkey again.**

Saudi-Iranian rapprochement could also bring Germany and the EU closer to Turkey. Ankara might be tempted to compensate for its diminishing influence in the Middle East by turning towards Europe. A more intensive cooperation with Ankara should focus on stabilising political order in the region, not least because fragile statehood opens up considerable opportunities for actors with hegemonic aspirations as well as jihadist movements.

However, détente between the Islamic Republic and the Saudi Kingdom should not mask the fact that the decades-long rivalry between the two states would likely continue. Even in such a scenario, numerous disagreements would remain, including the dispute over the naming of the Gulf, support for Sunni and Shiite militias in the region, which might no longer be used as “proxies” but still function as allies, and an inherent claim to lead and represent the Islamic world. Lastly, despite its subordinate importance for Saudi-Iranian competition, the Shiite-Sunni divide is unlikely to be easily quelled in public perception.

**German and European foreign policy should include the Gulf as a political entity in strategic calculations.**

A rapprochement between Riyadh and Tehran, which could lead to an arrangement between the two powers, should be taken into account in strategic security calculations given its far-reaching regional and geopolitical repercussions. Germany and the EU should therefore not only take the effects of a military escalation into consideration, but also the consequences of a rapprochement. To this end, it is necessary to think about Gulf policy not in the context of bilateral relations first and foremost, but to include the Gulf in its political entirety in strategic calculations. This would serve as a basis for a German and European Gulf policy that can weigh various options of power politics and place the entire sub-region at the centre of political measures.

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When the new Secretary-General of the United Nations (UN) took office in New York on 1 January 2022, the response in politics and the media was as great as it was divided. This is not only because for the first time a woman will lead the UN. Almost more attention concerns her nationality. The Secretary-General is a U.S. citizen. This violates the unwritten rule that the permanent members of the Security Council — the “Permanent Five” (P5) — do not hold the top position in the organisation. Obviously, however, this time it’s different.

Critics fear that the concentration of power in the hands of the already privileged P5 is likely to increase further. After all, the P5 are the only states with the right to veto Security Council resolutions. When considering the Secretary-General’s inauguration, some observers even speak of an “unfriendly takeover” or an open oligarchisation of the UN. They are alarmed that the legitimacy of the world organisation might suffer. It must be remembered: in the second main UN body, the General Assembly, all Member States have equal voting rights, irrespective of population, geographical size, economic strength or contributions to the budget of the organisation. Therefore, the P5 cannot be sure that unfavourable decisions can be prevented there. Although even sceptical observers know that resolutions of the General Assembly are not binding, they point to their high symbolic significance.

Other observers welcome the appointment of the new Secretary-General. On the positive side, this is the first time a woman has filled the position. Furthermore, sympathetic commentators hope that the far-reaching reforms initiated by the outgoing UN Secretary-General António Guterres will now have the desired effect. The aim of the “Guterres reforms” is to increase the UN’s speed of action and assertiveness. Their “Byzantine procedures” (Guterres) are to be simplified by bundling more competencies into fewer decision-making units. In the area of peace and security, the three departments responsible to date have been merged into two new units — a department for operational control of UN peacekeeping missions and a department for political tasks. Simultaneously, Guterres recommended improving working methods and the organisational culture at the UN. To this end, responsibilities are to be assigned more clearly, cooperation between the numerous actors in the UN system strengthened and the scope for decision-making for organisational units outside the headquarters increased. Furthermore, the previous Secretary-General worked to achieve gender parity, especially in the filling of top management positions.

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1 Permanent members of the Security Council are China, France, Russia, the UK and the USA.
America’s commitment to UN reform is one of the biggest political surprises of recent years.

Of course, the UN has already seen many reform plans come and go. Often, the projects fail because of a lack of support from the Member States. Many of them see the UN primarily as an executive body, which should take into account both their diverse and often contradictory individual interests. Appropriate organisational action is not always in the foreground. “Rather secretary than general”, is an often used characterisation of the top office. However, Guterres was able to secure the support of important Member States, above all the USA, China and Russia. In the eyes of many observers, the fact that the most powerful countries in the world are backing the reform plans makes the price seem acceptable: that in the future the chief position at the UN can also be claimed from the ranks of the P5.

**UN and USA: From Ambivalence to Reform Coalition**

That the Trump administration would usher in a new era of American UN policy was certainly one of the biggest surprises in international politics in recent years. Some experts speculated early on that there was a slight chance that Donald Trump could support a comprehensive reform of the world organisation. For a long time, however, the impression dominated that the US would significantly reduce its UN involvement. After all, Trump made it clear on several occasions during the presidential election campaign how little respect he had for multilateral organisations in his foreign policy ideas. His slogan “America First” instead emphasised the priority of national sovereignty. The words were followed by deeds: Washington withdrew from the Paris Climate Convention, UNESCO, and the Human Rights Council. In addition, Nikki Haley, UN Ambassador of the Trump Administration, announced that American contributions to the regular budget of the United Nations and to UN peacebuilding would be cut. Compared with the UN policy of previous Republican-led governments, however, this was not a dramatic change of course. Already under President Ronald Reagan, the USA had left UNESCO in 1984; the administration of George W. Bush cancelled American contributions to some UN programs, for example in the area of women’s reproductive health. There have also been numerous precedents for a Republican-dominated Congress exerting financial pressure on the UN to achieve reforms or punish unwanted behaviour. The Trump government by and large echoed the conservative criticism of the United Nations; in this perception, the organisation is considered bureaucratic, inefficient and often hostile to America’s interests and allies.

What was striking, however, was that Trump himself apparently had an ambivalent attitude towards the UN. No matter how much he criticised the current state of affairs in New York, his remarks were always tinged with the great potential of the world organisation. And after his first appearance before the Gen-


10 So said Trump in April 2017 after a meeting with the UN ambassadors of the Security Council members: “I also want to say to you that I have long felt the United Nations is an underperformer but has tremendous potential”, quoted in “Remarks by President Trump at a Working Lunch with U.N. Security Council Ambassadors”, 24 April 2017, https://www.whitehouse.gov/briefings-statements/remarks-
eral Assembly in 2017, Trump developed an interest in the UN that surprised many observers (and probably also himself). One banal reason for this was certainly the President’s deep attachment to his hometown New York, the seat of the world organisation. That many governments reacted positively to his maiden speech in which he emphasised the importance of national sovereignty for peace, security and prosperity modified his image of the UN as a “hoard of globalists”. Moreover, Trump was flattered that in the absence of other world leaders such as Xi Jinping, Vladimir Putin and Angela Merkel, international attention focused largely on him.\footnote{11}

Trump justified his criticism of the UN by saying that the American taxpayers would receive a “bad deal” for their investment. The reasons for this include a lack of accountability and inefficient organisational structures. Guterres saw quite similar challenges.\footnote{12} Bureaucracy, institutionalised selfishness and incompetence in the UN system robbed him of his sleep at night, he said during a joint appearance with Trump at the beginning of the 2017 General Assembly.\footnote{13} At this event, both were talking about the need for comprehensive reform that must lead to leaner structures and more efficient organisation so that the potential of the UN can unfold.\footnote{14}

**Converging Interests: China and Russia on Board**

America’s new interest in the UN is not only due to Trump’s appreciation of the big stage in New York. Tangible political considerations also play a role. The UN has an important function in legitimising the cooperation of other states with Washington. China, for example, would find it considerably more difficult to support sanctions against North Korea if they were decided on outside the UN. Although the impulsive Trump has little understanding of the intricate paths of the negotiating machine at East River, UN Ambassador Haley manages to keep the Security Council together against Pyöngyang. And Trump is wise enough to realise that in the end the result counts more than the process.

**China and Russia are supporting the US in securing its influence in the UN.**

The same is true of the Guterres reforms. They have a chance of success because they are supported

by the powerful and influential UN states. The fact that the American administration under Trump thinks in categories similar to China’s and Russia’s foreign policy ideas proves to be advantageous for the formation of a common position. The principles shared by Beijing and Moscow include sovereignty, non-interference in the affairs of other states and the primacy of national interests over international cooperation.

For China and Russia, cooperation with the USA is also attractive because it offers an opportunity to counter the growing demands of the General Assembly and international civil society for more influence in the UN. The selection process to succeed Ban Ki-moon, Secretary-General from 2007 – 2016, is a cautionary example from this perspective. Due to pressure from many member states and NGOs, the process was not conducted behind the closed doors of the Security Council, but in (global) public for the first time. More than ten candidates answered the questions of state and non-state actors. Eventually, it was the Security Council that proposed an applicant for the office, as provided for in the UN Charter. But Russia and China made their displeasure about the new process clear. Ultimately, greater transparency in the selection of candidates led to a counter-reaction by the “Big Three” (China, Russia, USA). They feared their privileges would be restricted. Concerned about losing control, they took the initiative and agreed to support each other’s candidacies for the office of Secretary-General in the future.

Incentives and Sanctions Overcome Last Resistance

With both carrots and sticks, the remaining resistance to the Guterres reforms can be overcome. Many Member States’ approval is garnered by the fact that the various demands of long-standing supporters of reform are addressed. Nominating a woman as head of the world organisation proves a clever move; both within and outside the UN system, this is met with a great deal of applause. At the same time, it is planned to limit the Secretary-General’s term of office to five years in the future, to take greater account of the interests of the UN regional groups and of gender parity when filling top positions. The “Big Three” also promise to increase UN funding should the reforms be adopted.

It is particularly relevant for non-state actors that Trump has managed to mobilise substantial sums of private capital. Led by Peter Thiel, one of Trump’s first supporters from Silicon Valley, a “Circle of UN Friends” is created in 2020 to mark the 75th anniversary of the United Nations. The site of the event is San Francisco, the founding site of the world organisation, and conveniently close to Silicon Valley. Thiel is anything but undisputed among business tycoons, but the perspective of an assertive UN fascinates quite a few of the already philanthropically committed entrepreneurs. They therefore overcome their reservations about the political success of the Trump administration, which most of them oppose. As a result, a Multi-Billion-Dollar support fund is set up; the UN, the private sector and civil society will jointly decide on the priorities for funding.

The “Big Three” are prepared to sanction possible resistance to the reform plans politically and financially. However, they are met with little protest at the General Assembly. It appears that for many Member States an UN system dominated by this triumvirate is acceptable as long as funds flow and political inter-

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ventions in internal affairs — broadly understood — are omitted. With the energetic support of a group of “sovereign democracies” led by India and Turkey, the reform package is adopted by the 75th General Assembly in 2020. Public gainsaying has recently come from only a few countries in the Global South and some EU members. Guterres’ personal price consists of the renunciation of a second term in office. As a result, the USA nominates its candidate in summer 2021, and is supported by China and Russia. Following the well-known dictum “Only Nixon could go to China”, the media now say: “Only Trump could go to New York.”

**Effects and Possibilities for Action**

Given such a situation, Germany would be faced with a dilemma. On the one hand, Berlin has advocated UN reforms for a long time and could hardly stand on the sidelines if they were seriously pursued. On the other hand, Germany favours multilateralism as an approach to shaping international policy and would be highly critical if the UN were plurilateralised. However, Berlin continually loses partners. Brexit strengthens London’s interest in the Security Council. Domestic issues dominate in Paris. The G4 partners (Brazil, India and Japan) are either also absorbed by domestic policies or face foreign and security policy challenges for which they need Washington’s support.

**Berlin should press for the modernisation of UN working methods.**

Germany also has a strong interest in stable international relations. Berlin should therefore play an active role in the reform debate promoted by Guterres and, above all, urge that the UN’s working methods be thoroughly modernised. This could include, for example, enabling the organisation as a whole, and the Security Council in particular, to respond appropriately and at an early stage to emerging crisis developments. This would include the Security Council members being regularly briefed by the UN system on potential crises (horizon scanning).²⁰

²⁰ This could be linked to the guidelines of the Federal Government “Preventing crises, overcoming conflicts, promoting peace” (Berlin, 2017).
South Korea’s newly elected President Hong Jun-pyo commemorates Korea’s Independence Day on August 15, 2022 by dropping a bombshell. He declares that the Republic of Korea (ROK) will withdraw from the Nuclear Non-Proliferation Treaty (NPT). The Joint Declaration (of the two Koreas) on the denuclearisation of the peninsula on 20 January 1992 would no longer be binding. President Hong justifies the step with the fact that the Democratic People’s Republic of Korea’s (DPRK) nuclear and conventional arms build-up represents a “threat to South Korea’s supreme interests”. For a credible deterrent, the South needs its own nuclear weapons.

To the astonishment of the world, President Hong also announces that in recent years South Korean nuclear scientists have already separated a significant amount of weapons-grade plutonium as part of a secret reprocessing programme. This was done with the tacit approval of the previous government under President Moon Jae-in. Just five days later, South Korea conducts an underground nuclear test and tests a newly developed short-range missile that can reach targets throughout North Korea.

South Korea’s shift towards a nuclear weapons capability does not happen out of the blue. During the previous years, those who wanted to maintain the goal of a nuclear-weapon-free Korean peninsula and trusted the US extended deterrent had found themselves increasingly on the defensive. This was due, on the one hand, to North Korea’s proven capacity for a nuclear strike against the United States and, on the other, because of growing doubts about America’s commitment to the security alliance with Seoul.

An Outsider Position Becomes Political Mainstream

Amongst the public, the media and within the conservative opposition parties of South Korea, a fundamental change of mood and opinion had taken place over a few years. In South Korea, being in favour of becoming a nuclear weapon state had always been an outsider position due to the costs and risks associated with such a step. But it became a mainstream attitude during the term of office of President Moon Jae-in (2017 – 2022), even though the president remained committed to the goal of a nuclear-weapon-free Korean peninsula. Many South Koreans saw the dilemma of being vulnerable to nuclear blackmail by Pyongyang on the one hand, and potentially becoming the collateral victim of a US military strike against North Korea on the other, as the return of a situation that was traumatic for the nation. Foreign capitals should “never again” be in a position to make a decision to go to war that might risk the loss of national sover-

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1 The leader of the conservative Liberal Korea Party came into office on a second attempt with an overwhelming majority, after losing to Moon Jae-in in the previous presidential elections in 2017.
2 According to Article 10 of the NPT, each party is entitled to withdraw from the treaty “if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardised the supreme interests of its country”. Such a withdrawal shall be notified three months in advance.
3 South Korea has large reserves of plutonium in spent fuel rods from its civil nuclear energy programme. Basically, this plutonium can also be misused for military purposes after separation. South Korea masters the necessary reprocessing technology for this purpose, see Zachary Keck and Leon Whyte, “Can South Korea Build a Nuclear Bomb in 6 Months?”, The National Interest (online), 22 September 2017, http://nationalinterest.org/blog/the-buzz/can-south-korea-build-

eighthy, as the country had experienced under Japanese colonial rule. This could only be prevented through the possession of nuclear weapons. As the most credible representative of this position, Hong Jun-pyo was elected President of the ROK by an overwhelming majority in May 2022.

North Korea had fuelled the debate about nuclear weapons in the southern part of the peninsula in 2017 and 2018 with two underground hydrogen bomb test explosions and several intercontinental missile tests. Additionally, the DPRK demonstrated its nuclear second strike capability in the summer of 2019 with a series of three atmospheric atomic tests over the Pacific. The last test was carried out using a nuclear warhead on a long-range missile that flew over Japan and detonated 2000 kilometres east of Hawaii at an altitude of 50 kilometres in the atmosphere, without major environmental contamination. However, the electromagnetic pulse triggered by the detonation damaged the electronics of several ships. In a previous missile test, North Korea had already demonstrated the ability to deploy nuclear weapons from outside its territory by launching KN4 medium-range missiles from a submarine.

The initial reaction of the USA and the international community to Pyongyang’s escalation followed familiar patterns. While the United Nations Security Council unanimously condemned the North Korean tests and once again decided to tighten sanctions, the Trump administration reaffirmed America’s commitment to its alliances with South Korea and Japan. US Secretary of Defence James Mattis travelled to South Korea. At the demarcation line in Panmunjon, he unmistakably reminded the North of his former warning that any military nuclear operation against the US or one of its allies would result in the end of its regime and the destruction of its people.

Seoul fears Washington’s retreat under direct nuclear threat from North Korea.

But then the lack of will on the part of the USA to follow through on its own pledges with actions caused frustration and anger in South Korea. Washington refused to re-deploy tactical nuclear weapons in the ROK. In contrast to earlier confrontations, the United States refrained from demonstratively underpinning its alliance commitment through joint military manoeuvres or flights over the peninsula with B52 long-range bombers. In Seoul, this restrained behaviour was perceived as Washington’s retreat in the face of the direct nuclear threat from North Korea.

But from South Korea’s perspective things would get worse. In mid-2020, isolationist voices gained influence in the US pre-election campaign. President Trump acquiesced and, under the slogan “Let’s disentangle together!”, promised that if re-elected, America would focus on its own security. Referring to the existing strategic nuclear deterrent capacity of the United States, Trump announced that from now on North Korea would be deterred by the threat of massive nuclear retaliation. In order to regain the initiative in the election campaign debates, he ordered a massive reduction in US troops stationed in South Korea and suspended the major exercise “Foal Eagle” for 2021, which had been carried out jointly with the ROK’s armed forces annually since 1997. Furthermore, he declared the THAAD missile defence system deployed south of Seoul obsolete and ordered its withdrawal, while at the same offering to purchase or lease the system to Seoul.


South Korea’s government, opposition, civil society and media reacted with shock and bitterness to America’s retreat and strongly criticised its ally. Anti-American mass demonstrations took place across the country. However, more and more empathetic voices joined the debate, arguing that South Korea needed to understand the changed American position. They called on South Korean politicians to finally take responsibility for national security and to end the “unworthy” dependency in security matters on a partner who would turn out to be unreliable in a crisis situation. In order to counter the nuclear threat from the north on an equal footing, the country would need its own nuclear deterrent.

South Korea’s public and media no longer supported President Moon’s goal of a comprehensive denuclearisation of the Korean peninsula. Moon’s phase-out of nuclear energy was broadly opposed due to the loss of income and the lowering of the competitiveness of the South Korean economy. In social networks, South Koreans suddenly referred to America’s atomic bombings of Japan positively, pointing out that these attacks quickly ended the Pacific War and helped to liberate Korea. In regular surveys conducted by the daily Joong Ang Ilbo, at least 80 percent of the population were now in favour of nuclear weapons.7

The conservative opposition achieved an absolute majority in the April 2020 parliamentary elections, in the run-up to which the Moon Jae-in government had continued to advocate a nuclear-weapon-free South Korea. The election winners interpreted the result as a vote for nuclear weapons. After the re-election of Donald Trump as US President in November 2020, the representatives of this position were further strengthened. Against this background, the election of the conservative Hong Jun-pyo from the Liberal Korea Party as president of the ROK on 10 May 2022 came as no surprise. The conservative programme of pursuing a hard line against North Korea and regaining national capacity to act through a national nuclear deterrent proved to be a decisive factor for electoral success.

Controversial Reactions

The United States supported South Korea’s nuclear break-out. Reports appeared in the South Korean press that government representatives in Seoul had for years been sounding out Washington’s reaction to a crossing of the nuclear threshold. Apparently, they never met a clear rejection.

In a Twitter message, President Trump praises South Korea for now taking deterrence into its own hands. In a joint declaration, foreign ministers of both sides explicitly declare their support for the bilateral defence alliance, but announce that treaties must be adapted to the new situation. Washington and Seoul would now closely coordinate their nuclear policies, as the US has already done with the NATO nuclear powers France and Britain.8 The Pentagon reaffirms that the US is maintaining its extended nuclear deterrent and defence commitment to its allies in North-East Asia without changes.

Although the White House regrets in an official statement the damage that has been done to the NPT, it welcomes the gain in strategic stability in North-East Asia. The statement refers to North Korea, but especially to China and its “provocative policy” of striving for “regional domination”.

North Korea reacts cautiously to South Korea’s demonstration of a nuclear weapons capability. It tries to overcome its own isolation by accusing South Korea of flagrantly violating the NPT by developing a nuclear weapons option and secretly producing weapons-grade fissile material. North Korea argues that its nuclear weapons serve only self-defence purposes and are directed solely against the USA.9 Anyone who un-


9 North Korea has already claimed on other occasions that its own nuclear weapons serve solely to deter the USA and would under no circumstances be used against other states, see for example Samuel Osborne. “North Korea Says It Needs Nuclear Missiles Capable of Striking Heart of US Mainland to Prevent Invasion”, Independent (online), 7 August 2017, http://www.independent.co.uk/news/world/asia/north-korea-intercontinental-missiles-us-strike-mainland-invasion.
justifiably criticises Pyongyang’s self-defence measures would now primarily have to punish Seoul, which developed nuclear weapons without justification or need.

China strongly condemns South Korea’s nuclear break-out and announces measures to stop investment in and tourist travel to the ROK immediately. Beijing accepts neither North nor South Korean nuclear weapons and keeps the goal of a nuclear-weapon-free peninsula. The day after the nuclear and missile tests, state press agencies call for a boycott of South Korean goods. In response to the Chinese sanctions, the already weakening South Korean stock index KOSPI loses 40 percent of its value within a few days. The parallel decline in the value of the South Korean Won on the international currency markets can only be prevented by supportive interventions of the US Federal Reserve.

Other neighbouring Asian countries also condemn South Korea’s step to become a nuclear weapons possessor, but refrain from imposing trade sanctions. In Japan, Taiwan and Vietnam, debates are beginning on whether nuclear weapons should be pursued, too. The UN General Assembly and the General Conference of the International Atomic Energy Agency (IAEA) condemn South Korea’s move and recommend sanctions. The Security Council, however, is unable to agree on sanctions because of a US veto. Washington argues that South Korean nuclear tests are “regrettable” but “an act of self-defence” against the North Korean threat. Now it would be important for South Korea to act as a “responsible” nuclear power. “For this we need dialogue with our partners in Seoul, not knee-jerk decisions on sanctions”, said the US representative to the United Nations, Richard Grenell.

South Korea, for its part, threatens Europeans with economic countermeasures should they impose unilateral sanctions. Hong Jun-pyo refers to the EU’s trade surplus with South Korea. During a meeting with British Prime Minister Boris Johnson in London, he asks: “How do European companies want to maintain their competitiveness without the purchase of powerful and cost-effective electronic components from Korea?”

Courses of Action for the International Community and for Germany

South Korea opted for nuclear weapons under the extreme condition of a specific nuclear threat and because it has concluded that it can no longer rely on the security guarantees of American protective power alone. The price for this step is high: Seoul accepts its international isolation and considerable economic costs. In return, it hopes to improve its security through national control over nuclear weapons.

Such a development would be a new challenge for Germany and other international partners of South Korea. Previously, primarily autocratic states outside the Western community of values had sought weapons of mass destruction. Now, a democratic country deeply integrated into the West is shaking the foundations of the non-proliferation regime.

Seoul should be clearly warned that Europe would respond to the development of a South Korean nuclear weapon with sanctions.

Dealing with such a development is particularly difficult because sanctions against Europe’s fourth most important non-European trading partner would entail high economic costs. Sanctions would also involve a break with a partner that so far had always been reliable. On the other hand, a weak reaction by Western states to South Korea’s violation of global rules could significantly weaken or even destroy the nuclear non-proliferation regime, should other nations decide to follow in South Korea’s footsteps.

In order to avert such a catastrophic development, the international community, Germany and Europe should try to influence the calculations of the ROK at an early stage and on multiple levels. The more the South Korean population and elite perceive the development of their own nuclear weapons to be without alternatives, the more difficult it becomes to prevent such a step.

1) In order to reduce security pressure on Seoul, finding a political solution to the nuclear conflict with North Korea remains of paramount importance. An agreement on how to deal with Pyongyang’s nuclear programme could be reached primarily through negotiations between the US and North Korea, involving South Korea and China. Germany and the EU can increase the likelihood of success by fully implementing the sanctions
regime against North Korea, including prosecution of the regime’s business middlemen and, where necessary, exerting economic pressure on third countries to do likewise.

2) At the international level, Germany and Europe should work to strengthen the IAEA safeguards regime, especially in countries where development of nuclear weapons is debated. This could help to uncover clandestine work on relevant technologies.\(^\text{10}\)

3) Europe should engage in a dialogue with Seoul — and especially with South Korea’s conservative opposition which might win the presidential elections in 2022 — on security policy alternatives to the development of a nuclear deterrent. An exchange of experiences on the problems and dilemmas of nuclear deterrence policy in Europe during the Cold War could help to raise awareness about the risks of nuclear confrontation on the Korean peninsula.

4) It is also important to press the United States for greater reliability of its security guarantees for South Korea. A dialogue between NATO and South Korea might be an appropriate framework for such a discussion.

5) Once there is real concern that South Korea might be considering withdrawal from the NPT, Europe should clearly signal to Seoul that it would impose sanctions in response to the development of a South Korean nuclear weapon. At the very least, the EU should threaten the suspension of the Strategic Partnership and the Free Trade Agreement. Such threats of sanctions could and should be coordinated with Beijing.

6) Should South Korea nevertheless withdraw, then the EU can at least make it clear that formal recognition of South Korea’s nuclear weapons status is impossible. South Korea’s exit from the NPT would probably lead to a collapse of the non-proliferation regime if international reactions are insufficient to deter imitators.

\(^{10}\) South Korea conducted secret enrichment and reprocessing experiments in the late 1970s, early 1980s and 1990s, which it should have declared to the IAEA. It was only in 2004 that the IAEA investigated this research and concluded that it had been discontinued, see Paul Kerr, “IAEA: Seoul’s Nuclear Sins in Past”, Arms Control Today 34, no. 10 (December 2004), http://www.armscontrol.org/print/1714 (accessed 12 November 2017).
2013 Key Messages, Methodological Approach and Implications

The original article “Schöne Energiewelt: Die ‘Batte-rie-Revolution’ vorantreiben”1 ["Beautiful Energy World: Promoting the Battery Revolution"] held a special position in the Foresight volume from 2013 in that it focused on 2021, while other contributions envisaged a much shorter period of about four years. Furthermore, the article pursues the underlying assumption that the rapid achievement of climate and energy targets are desirable in normative terms. The EU has set itself several targets: an increase in the share of renewable energies in the energy mix to 20 percent, an increase in energy efficiency of 20 percent, a reduction in climate-damaging emissions of 20 percent and a reduction in greenhouse gas emissions of 80 to 95 percent to be achieved by 2050. Accordingly, the strategic imperative of a consequent energy transformation is a leitmotif throughout the article.

The main assumption is that to comprehensively convert the energy system into a clean and innovation-intensive system – which in turn requires a clear and consistent course for storage technologies, among other things – produces many benefits.

The 2013 Foresight contribution formulated several key statements. Achieving a breakthrough in physical and chemical storage technologies would amount to a real revolution. An efficient storage technology would provide a previously missing component for decarbonising the energy system which could have disruptive effects. The advantages of fossil fuels lie not only in their energy density, but also in the fact that these energy sources can be stored flexibly. Fluctuating sources such as sun and wind, which can be used virtually free of charge, could be “harvested” much better if the electricity generated from them could be stored longer and on a larger scale. In addition, the costs for grid expansion could be at least partly saved, because a balancing of supply and demand would take place, for example, via batteries or via the conversion of electricity into heat and fuels ("power to X").

The 2013 article puts batteries at the centre of its analysis. On the one hand, the new possibilities for electricity storage are used to store excess electricity on site and are able to react flexibly to demand. On the other hand, electro mobility would pick up speed if the range of batteries improved. The strategic advantage of the internal combustion engine would be lost, too.

The battery age offers enormous opportunities in terms of supply security, economy and climate compatibility.

According to the view at that time, the benefits of a battery age would be enormous on several levels regarding the energy policy triangle of supply security, economic efficiency and climate compatibility. Since the proportion of domestic energy sources could be massively increased, supply security would be improved. German politics could reaffirm the highly ambitious goals of the energy revolution propagated in 2011, not only with regard to the expansion of renewable energies, but also with regard to the reduction of climate-damaging gases. A renegotiation of the EU climate and energy targets in line with the Roadmap 2050 would also be easier in Brussels. The high payment transfers to the suppliers of fossil energy would gradually decrease, with immense effects on state budgets and trade balances.

The contribution from 2013 has recourse to the narrative of the energy transition which emphasises the opportunities for growth offered by a restructuring of the energy system. A revolution in batteries would strengthen Germany as an innovation-dependent technological and industrial location and open up enormous export opportunities for German industry.

Role of New Factors

If we assess the article some years later — halfway to 2021, so to speak — we must first ask to what extent the framework conditions and drivers have remained the same or changed and whether new ones have been added.

**Factor shale oil and gas.** The article in 2013 already saw a decisive factor in the fracking boom in the USA that will increasingly influence energy policy decisions and allow oil and gas consumption to continue. In defining “America First” and the guiding principle of energy dominance, the Trump administration relies primarily on fossil fuels. Overall, the USA is benefiting from increased domestic production and low energy prices, which are acting as a boost to the economy. Today, the oil and gas boom in the USA continues linearly. The impact on the oil and gas markets is far-reaching.

**Price erosion since mid-2014 and stabilisation attempts.** The price of oil was almost 40 percent lower in mid-2018 than in 2013. The fall in prices was not anticipated in the article at that time and is primarily due to the fracking boom in the USA and the unexpectedly passive role of OPEC until the end of 2016. Despite lower prices, however, the supply of oil and natural gas in the USA (and elsewhere) has proved to be very stable and resilient. This was also made possible by a significant reduction in exploration and production costs. Even though the OPEC states and Russia agreed at the end of 2016 to limit production volumes and the agreement continued until the end of 2018, most observers expect moderate oil prices of USD 50 to 70 per barrel in 2018/2019. Price increases are politically driven. The long-term costs caused by a fossil energy path, for example in the form of climate-damaging emissions, are still ignored. The supply risks resulting from geopolitical crises are also underestimated.

There is therefore no incentive to switch to electric mobility. One consequence: emissions in Germany have risen for the third year in a row, and the main reasons for this are to be found in the transport sector. The relatively low gasoline prices are pushing up the number of sales of fuel-intensive cars such as SUVs.

**Diesel scandal and air pollution.** A new factor is the scandal surrounding the incorrect data on emissions of nitrogen oxides (NOx), which has drawn attention to the diesel fleet. In many German cities, the thresholds for fine dust and NOx are exceeded. Since 2013, the fight against increasing air pollution has become an increasingly important driver worldwide which has led China, for example, to convert its energy system and drive forward storage solutions.

**Political and financial incentives remain necessary to develop, test and market strategic technologies.**

**‘Securitisation’ of EU’s energy debate.** Russia’s annexation of the Crimea and Moscow’s military destabilisation of eastern Ukraine triggered a security crisis in Europe. The EU’s energy debate is now dominated by security issues, as Russia is the Union’s most important energy supplier. In the strategic triangle of objectives, security of supply has now become a crucial reference point for a number of member countries. This did not encourage a willingness to take bold innovative steps on the way towards the expansion of alternative energy generation and storage technology. The disagreement among EU member countries over the ambitions and objectives of climate and energy policy is also having an impact on national policies.

**Paris agreements and national climate action plans.** The situation has finally become more complex with the Paris climate protection agreement which is based on voluntary national climate policy contributions (Nationally Determined Contributions). The EU member countries have submitted a joint plan to limit global warming to two degrees above pre-industrial levels. This in turn requires a radical and rapid restructuring of the energy system and a redirection of investment flows. For this reason, Germany has formulated the electrification of the energy sectors and sector coupling as important goals in a national climate action plan in 2016. However, a rigid implementation is still lacking which would bring about a transformation in transport and heating sectors.
Are the Core Assumptions Still Valid?

The 2013 Foresight article emphasised the relevance of political and financial incentives needed to develop, test and market strategic technologies. Technological innovations determine the development of the system — usually by leaps and bounds, sometimes by chance. In 2013, researchers reported significant progress in the capacities, lifetime, efficiency and environmental compatibility of physical and chemical storage technology. However, large scale deployment and marketability were still far from being achieved. Where does the world stand in 2018?

The cost degression, which affects many energy sources, has not stopped at batteries. Costs have fallen by 40 percent since 2010, and the International Energy Agency (IEA) predicts that they will fall by two thirds by 2040: from 700 US dollars per kilowatt hour today to less than 300 US dollars per kilowatt hour. The lower battery costs are more likely to be reflected in longer ranges than in cheaper electric vehicles.

Sales of battery-powered and hybrid cars are growing rapidly. However, it would be premature to speak of a disruptive development, even if the number of new registrations worldwide in 2017 broke the symbolic barrier of one million which corresponds to a new registrations worldwide in 2017. In the USA, sales continue to be sluggish, accounting for half of all new registrations worldwide in 2017. In Europe, Norway stands out above all. In 2017 there were 605,000 new registrations in China, whereas Germany reported 54,000 new registrations — an increase that is still significantly lower than in other countries.

Investments in electric energy storage, which are to be used in distribution networks and charging stations for electric cars, have increased, but only amount to just over three percent of all energy investments in 2016, with costs per stored megawatt hour (MWh) also falling significantly in the last five years. The USA was initially the leading investor, but has since been replaced by Korea, followed by Europe and Japan. At the end of 2017, the largest lithium-ion battery to date with a storage capacity of 100 MW/129 MWh was commissioned in South Australia. In Europe, the UK in particular has adapted its incentive and market system. The number and amount of investments in storage depends on whether the investments pay off and new business models can be implemented in the respective market. The prerequisite is that the system performance provided by the storage units is rewarded.

From learning curves to economies of scale. On the technological side, the introduction of batteries has gained momentum. The acceleration effect shifts away from learning curves and towards economies of scale. It is no longer enough to become or to be only a leading supplier; there must also be a sales market. In other words, the spread of battery technology is also increasingly driven by the market. The trend of cost erosion will continue, but its pace and dynamics will be determined by the removal of market barriers and the adjustment of regulations. This applies, for example, with regard to rules for the wholesale market and opportunities to compensate developers and investors for the system services they provide.

Germany is not the nucleus of a battery revolution. The German automotive industry has relied for decades on the internal combustion engine, to whose production Europe-wide supply chains contribute. For example, the Foresight contribution of 2013 assumes that by 2021 ten percent of the approximately 43 million registered cars on Germany’s roads are electric cars and that they account for more than one third of all newly registered cars. Today it has to be acknowledged that the goal of bringing one million electric cars onto the road by 2020 will not be met. Thus the conclusion formulated in 2013 is still valid, and to an even greater extent, that “Germany and the EU [...] also have a lot to lose in terms of technology and industrial policy if they focus more on muddling through than on a fundamental modernisation of the infrastructure and the energy system, while China is investing massively in electricity highways and the de-
Development of smart grids, but also batteries. China’s technological leadership in this area would have a lasting negative impact on the competitiveness of German and European industry in a field in which it is currently still the market leader.”¹⁰ Now it is much more likely that China and Korea will take the lead.

Conclusions and Outlook

The disruptive effect predicted by some observers has so far failed to materialise, but acceleration in the use of storage technologies can certainly be noted. From a German and European perspective, the establishment of battery cell production in Germany remains a strategic question.¹¹ The future of Germany as an industrial base and “car country” will also depend on whether Germany is in a position to produce lithium-ion cells and thus to keep closed value chains in its own country, but also in the EU. The dependence on Asian suppliers (beyond the dependence on raw materials) should not become even greater.

From today’s perspective, the value chains must therefore be taken even more into account in order to identify inertia forces, structural breaks and dynamics. This is because the overall system is extremely sluggish and dependent on the paths already taken, partly because economic interests are tied to it. The combustion engine fits the industrial path chosen by Germany; battery solutions have not yet been able to open up any secondary paths. Openness to technology is important so that different approaches, such as potential production chains from natural gas to hydrogen-powered cars, can compete with batteries. At present, this secondary path would harmonise even better with existing industrial paths, petrochemical complexes and supply chains to filling stations in Germany.

In the electricity sector, storage technologies offer solutions at various levels. They enable producers to store surplus electricity through on-site integration, or they offer end-consumers solutions “behind the meter”, such as electric cars, etc. Package solutions that offer practical applications for sector coupling, such as storing electricity or heat generated from renewable energy, play a special role. New information technologies such as blockchain can autonomously control supply and demand in a small, decentralised network.

Whereas the technologies already exist, the great challenges and risks lie in the implementation. Furthermore, investment cycles are shorter because innovations (also with a view to cost efficiency) take effect much faster. This also means that newcomers who offer integrated system solutions and/or fit into existing value chains have good chances of entering the market. Large domestic markets are an advantage here. The market conditions in Germany and the EU must therefore be adjusted accordingly and an industrial and technological policy must be pursued that supports and accompanies the German and European industrial value-added networks in their restructuring, such that money can be earned quickly with storage, and long-term business models can be established. Germany and the EU have to catch up here. The EU Battery Alliance of February 2018 is an important step in this context.

Value creation must gradually shift to the stage of providing end consumer energy, and the performance and reliability of the system must pay off.

The conversion of the energy system and the shift to new paths requires government measures and specifications, just as much as the speed and radicalism needed for such a conversion. In a market economy, a dilemma occurs between the free play of markets and competition for the best technological solutions on the one hand, and the need to control energy transformation on the other. Tracking several technology paths in parallel can be just as expensive as “muddling through”. This dilemma is difficult to resolve, but what is needed is for those in positions of political responsibility to make a conscious choice of priorities. In any case, clear framework conditions are indispensable for consistent restructuring. Value creation must gradually shift to the level of system performance and reliability as well as to the provision of end-consumer energy in order to provide the necessary incentives for the introduction of flexible storage. Volatility and constant readjustment are both expensive and hinder innovation rather than promoting it.

¹⁰ Westphal, “Schöne Energiewelt” (see note 1), 10.
In January 2013, then Prime Minister David Cameron announced a change of strategy in British European policy that is now considered historic. In the event of his re-election, he wanted to renegotiate Britain’s position in the European Union (EU) — and then let British citizens vote whether to remain in the EU. The possibility that Great Britain would actually leave the EU — the word Brexit had just been born — was initially regarded as rather small in Germany. Too many uncertainties still stood in the way: first, Cameron had to win the 2015 parliamentary elections; second, he needed a majority in parliament for the referendum; third, he had to negotiate with the EU; and finally, the British had to vote by a majority against Britain remaining in the EU.

Despite, or precisely because of these uncertainties, the scenario of Brexit was a fascinating challenge for SWP Foresight in 2013.1 Looking at the actual course of the Brexit process so far, it is clear that many complexities and conflicts were foreseen in the 2013 analysis. However, what is also evident is that secondary political effects, in particular the continuous divisions within the UK government, were assessed differently back then, and had an additional impact on Brexit.

Looking Back: The Main Developments Accurately Anticipated

Brexit was not an industrial accident. Even if the referendum of 23 June 2016 had a narrow result of 52 to 48 percent — strikingly similar to our scenario — the conflict lines in British society on EU issues had already emerged long before.2 The experience of the European debt crisis, but above all the high level of immigration from other EU countries, coupled with the reporting by the traditionally EU-critical media, had significantly reduced support for EU membership.3 Just how controversial the question of EU membership in British society was became obvious from the fact that the lines of conflict ran across party lines: EU opponents such as Boris Johnson and “moderate” EU sceptics such as David Cameron, who belonged to the same (conservative) party, stood on opposite sides during the referendum election campaign. There were also (fewer) Brexit supporters in the opposition Labour Party; and while Labour leader Jeremy Corbyn publically spoke out half-heartedly in favour of remaining in the EU, he has been a long-time critic of European integration and voted against remaining during the 1975 referendum on British membership of the then European Economic Community (EEC).

Still, the unexpected referendum result threw the political system of the UK into a tailspin. Not only did Prime Minister David Cameron resign in the days after the referendum, but the leaders of the Brexit campaign Boris Johnson and Michael Gove also withdrew from the competition for leadership of the Conservative Party and thus for the office of Prime Minister. Nigel Farage in turn gave up the leadership of the


2 The assumption in the 2013 Foresight Analysis was a 50.7 percent vote for the withdrawal from the EU. Indeed, before the Brexit referendum, there were several polls predicting a victory for those in favour of Leave, while the majority expected a Remain victory, though within the margin of error.

UK Independence Party (UKIP). A politician who had (cautiously) spoken out in favour of remaining in the EU, former Interior Minister Theresa May, became Prime Minister. This was followed, inter alia, by the landmark ruling of the British Supreme Court, establishing parliamentary co-determination in the exit process, the new elections announced in 2017 by Prime Minister May, which she lost, whereupon she was forced to form a minority government with the Northern Irish DUP; the cracks in the special relationship with the US under the new US President Donald Trump; and the reorientation of Labour under former party rebel Jeremy Corbyn — truly, a very turbulent period in British politics.4

Against this surprising backdrop, the key messages of the Brexit-Foresight of 2013 stand up astonishingly well when compared to actual developments. The profound division in the Conservative Party was clearly discernible at the time. Originally, Cameron had called the referendum to bridge the deep rifts in his party that existed between supporters of different positions on the EU issue, especially given the pressure of 2013/14 polls showing UKIP at their peak. As suggested in the 2013 article, the rift between “Remain” and “Leave” still pierces right through the party.

Above all, it has been confirmed that Brexit is not an event but a complex and lengthy process potentially stretching into the 2020s.

Above all, however, the second core statement has been confirmed: the withdrawal process is complex and lengthy. In the public debate before and after the referendum, Brexit was regarded, and not only within Great Britain, as a single event, as a step that could be taken after the referendum that would result in an immediate change of circumstances. However, as early as 2013, the analysis of the withdrawal procedure under Article 50 of the EU Treaty (TEU) showed that Brexit is much more a process that will take many years — a process in which Great Britain cannot leave the EU immediately after its announcement of withdrawal, but must first negotiate a withdrawal agreement with the Union within two years. For example, nine months passed post-referendum until the UK formally submitted its withdrawal request, and it is now on course to leave the EU on 29 March 2019. If the transition phase — during which the UK has committed itself to remaining bound by EU rules — is included, the Brexit process will (as expected in 2013) continue until well after 2020.5

Thirdly, the Brexit negotiations regime, in which the EU-27 deal with the UK as if it is already a third country, has also been confirmed. Unlike the reconciliation of interests within the EU, the Brexit talks do not take place between 28 equal states. Rather, the EU Commission, with a mandate from the EU-27, negotiates with the UK with one voice. This has also contributed to the fact that — contrary to expectations in 2013 — the UK has (so far) not yet succeeded in dividing the 27 EU states. Rather, the 22 members of the British cabinet are more split on Brexit than the 27 EU members.

This division is also due to the many conflicting goals confronting Great Britain. While parts of the Conservative Party, such as former Foreign Minister Boris Johnson, continue to pursue a “have the cake and eat it” strategy — i.e. wanting full free access to the EU internal market without being subject to the obligations of EU members — it was clear as early as 2013 that the Brexit negotiations were also about the future of European order.6 Any new cooperation between the EU-27 and Britain will fit into the existing network of relations which the Union has with other third countries. As expected at the time, the EU-27 are not prepared to offer London more favourable market access than other partners, as the integration of the EU’s internal market with its four freedoms and its decision-making autonomy remain their top priorities.

4 For an overview of political developments in the UK since the Brexit referendum, see Tim Shipman, Fall Out. A Year of Political Mayhem (London: William Collins, 2017).


6 Von Ondarza, “Brüssel und London vor dem Scheidungsanwalt” (see note 1), 18.
The ability of the British government to make strategic miscalculations was underestimated.

It has also been confirmed that Brexit will have consequences for the future development of the EU beyond the actual withdrawal. More than 85 percent of the EU’s GDP will be concentrated in the 19 euro states after Brexit. This raises the question of how the relationship can be structured between the Eurozone and non-euro countries in an EU 27. Indeed, the reform of the Eurozone is therefore just as much on the EU agenda as the parallel negotiations on Brexit. In this respect, the EU-27 has so far succeeded politically in keeping the two reform processes separate.

The Secondary Political Effects Were Underestimated

Overall, the assumptions about the fundamental interests of the EU-27 and Great Britain were thus retrospectively confirmed. This was also true of the procedural requirements of Article 50 TEU, which structured the Brexit process despite the severe political turbulence expected in 2013. However, the consequences of this political turbulence and the secondary political effects of the Brexit vote were underestimated. Three developments deviate particularly clearly from the Foresight scenario of 2013:

The upheavals in the British political system, which has still not found a convincing response to the contradiction between Parliament’s absolute sovereignty and the fact that a referendum which is actually legally non-binding has dominated the British political debate since June 2016. Not only were the early elections in June 2017 almost exclusively overshadowed by Brexit, but the almost complete collapse of UKIP and the ongoing disputes within the Conservative Party are also due to Brexit. It was likely in 2013 that an EU withdrawal would be a complex matter. However, it is surprising how much the British government is negotiating Brexit with itself due to internal power struggles, and is thus still far from a clear negotiating strategy more than two years after the referendum. Equally important, the article underestimated the British government’s ability to make strategic miscalculations, further weakening its negotiating position. This includes in particular the decision to allow the two-year period of Article 50 to begin without prior internal agreement on its own negotiating objectives, as well as Theresa May’s decision to call new unnecessary elections, which have cost the ruling Conservatives an absolute majority and made the Northern Irish Democratic Unionist Party (DUP) king maker, greatly increasing the complexity of the British-Irish border in Brexit negotiations.

The EU-27’s common interest in preserving the Union has increased.

The secondary political effects in the EU-27 have so far been the opposite of what had been expected. The 2013 Foresight Analysis anticipated one of the biggest risks being conflicts between EU member states on how to deal with the withdrawal of the UK, with the possible consequence of a domino effect. This effect has (to date) not occurred. On the contrary: after the Brexit vote, approval of the EU has risen in many member states. The common interest in maintaining the Union binds the 27 to a common goal despite their continued divisions on other issues, in particular migration and the reform of the Eurozone. Remarkably, this also applies to traditionally close partners of the UK such as Sweden, Denmark or Ireland, who have each clearly committed themselves to the internal market and EU membership. Yet even more sceptical EU governments such as those in Poland or Hungary have unreservedly endorsed the EU’s position on the UK.

The Republic of Ireland has been given an unexpectedly strong role in the Brexit negotiations. This is due to two factors. Ireland is particularly affected by Brexit, as it has the only (large) land border with Great Britain, which is of enormous political as well as economic importance for the peace process in Northern Ireland. The Irish Government has therefore launched a major diplomatic initiative after the Brexit vote to raise its concerns — keeping the Irish-British border open — in the Brexit negotiations. Furthermore, the other EU countries have made it clear that they are in solidarity with Ireland and are only prepared to negotiate future economic relations or even sign the withdrawal agreement with Britain if London guarantees that the border with the Republic of Ire-

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land will remain open in all circumstances. However, this political guarantee — if maintained — clearly restricts Britain’s room for negotiation. The border can only be kept open if Northern Ireland continues to comply with the rules governing the EU customs union and internal market in key areas such as energy and food standards after its withdrawal from the EU. The “small” Ireland has thus become a decisive factor in the Brexit process thanks to the solidarity of the EU.

A Fresh Look Ahead

Almost two years after the British vote to withdraw from the EU, Britain’s future relationship with the EU remains an issue of great political, economic and, in some cases, personal consequence for many EU citizens — and an issue that is fraught with great uncertainty. A review of the 2013 Foresight analysis has shown that a careful study of the legal and institutional structures of EU processes can enable more realistic and appropriate assumptions about future developments. In this respect, it is likely that the road to Brexit will continue to be long. In accordance with the deadline set in Article 50 TEU, the UK is expected to formally leave the EU on 29 March 2019. Politically, both sides currently rule out any extension of the negotiating period, which would legally be possible. However, they are currently aiming for a transition phase of 21 months for the immediate period after this date. If the EU-27 continues to prevail, the UK is expected to remain fully bound by the rules of the internal market and the customs union, including freedom of movement and the jurisdiction of the European Court of Justice, until the end of the current EU financial framework in December 2020. But by then London will no longer have a say in the EU. Only in this phase does the EU intend to conclude the agreement with the UK on its future relationship. But even this deadline would be extremely tight for a deep and comprehensive free trade agreement: for such agreements, not only the EU, but also countries such as the US or Australia, generally require between four and ten years. A further extension of the transition into the 2020s therefore remains possible.

Within this general structure, the shape of Brexit will continue to be dictated by political turbulence, in particular in London. The continued divisions within both the Conservative and the Labour Party on Brexit, the weakness of Prime Minister May, the clash between the EU-27 demands and what the UK is willing to accept, and, not least, the time pressure from the Article 50 framework lead to great political uncertainties, with increased opportunities for political miscalculations. From the perspective of June 2018, four scenarios are conceivable.

The scenario of an “exit from Brexit” (1), in which the UK withdraws its application for withdrawal, is still difficult to imagine politically. Although EU politicians, such as Donald Tusk, President of the European Council, have repeatedly indicated that this door is open, the possibility continues to be diminished especially in the British Conservative Party by strong opponents of the EU. Above all, the opposition Labour Party led by Jeremy Corbyn accepts Brexit in principle and has voted in parliament both for the invocation of Article 50, and against continued single market membership of the UK. Even in the unlikely event of new elections, neither of the two major British parties, with more than 85 percent of the electorate voting, is therefore likely to question the EU withdrawal itself. Moreover, the British electorate continues to be split roughly 50/50 on Brexit, with no sign of a significant movement against EU withdrawal as of June 2018. By the time serious economic consequences of Brexit become apparent, the UK will most likely already be in transition and thus formally outside of the EU.

The scenario of a ”permanent transition” (2), in which Great Britain and the EU-27 initially agree on a temporary transition regime, is more politically conceivable. Although the United Kingdom would leave the EU and its institutions, it would in fact remain in the internal market and the customs union and pay

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9 Although the British Government has given the EU a political commitment to keep the border between Northern Ireland and the Republic of Ireland open, it has so far rejected the Commission’s legal interpretation of the ‘backstop’ for the British-Irish border, which was politically agreed in December 2017. For that agreement, see paragraphs 49 and 50 of European Commission, Joint Report from the Negotiators of the European Union and the United Kingdom Government on Progress during Phase 1 of Negotiations under Article 50 TEU on the United Kingdom’s Orderly Withdrawal from the European Union (Brussels, 2017), https://ec.europa.eu/commission/sites/beta-political/files/joint_report.pdf.
into the EU budget. Given the high economic costs that the next step away from the EU economic area would entail, this regime could also be extended. To do this, however, the British would have to accept implementing EU rules without having a say; this is the case in Norway, for example, within the framework of the European Economic Area. In the long term, however, such a settlement is unlikely to be stable due to the ongoing domestic political conflicts in Great Britain. It is thus also not necessarily in the interest of the EU-27, as the British question would continue to remain on the table.

In a third scenario, domestic conflicts in Britain would escalate and the tough EU opponents in the cabinet and Conservative Party who do not accept the EU’s conditions for an orderly Brexit would prevail. The resulting “disorderly Brexit” (3) would have enormous economic consequences for Great Britain, but the EU-27 — for example with regard to Ireland or the EU budget — would not want it either. However, the likelihood of this scenario has decreased as the UK has made no sufficient preparations for a disorderly Brexit. Consequently, in the first phase of Brexit negotiations the UK accepted almost all of the EU-27 conditions due to growing political and economic pressure.

This leaves a “European Special Relationship” (4) as the last scenario. It would come about if the EU-27 and the UK managed to reach a deep and comprehensive free trade agreement under the CETA model during the transition period and to settle on cooperation in the area of internal and external security. Agreement trade relations will, however, be far below the current level of access to the internal market and will not solve problems such as those linked to the Irish-British border. Therefore, the conclusion of 2013 still applies in 2018:

“When the withdrawal agreement is signed, no one will feel like celebrating. For the first time in its history, the EU has lost a member and suffered damage to its reputation in the negotiations. Britain had to learn that leaving the EU was not only not an easy economic step, but that the country has also lost influence politically. During the years of negotiations, even the greatest British EU sceptics have realised that the withdrawal will only lead to a different form of integration if Britain does not want to disconnect completely from the internal market and international cooperation with the EU”.11

11 Von Ondarza, “Brüssel und London vor dem Scheidungsanwalt” (see note 1), 19.
### Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AKP</td>
<td>Adalet ve Kalkınma Partisi (Justice and Development Party; Turkey)</td>
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<td>APT</td>
<td>Advanced Persistent Threat</td>
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<td>BBC</td>
<td>British Broadcasting Corporation</td>
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<td>CETA</td>
<td>Comprehensive Economic and Trade Agreement (Canada – EU)</td>
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<tr>
<td>CHP</td>
<td>Cumhuriyet Halk Partisi (Republican People’s Party; Turkey)</td>
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<td>CNN</td>
<td>Cable News Network</td>
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<td>CRS</td>
<td>Congressional Research Service</td>
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<td>DPRK</td>
<td>Democratic People’s Republic of Korea’s</td>
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<td>DUP</td>
<td>Democratic Unionist Party (Northern Ireland)</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EES</td>
<td>Exit-Entry-System</td>
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<td>EP</td>
<td>European Parliament</td>
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<td>ETIAS</td>
<td>European Travel Information and Authorisation System</td>
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<td>EU</td>
<td>European Union</td>
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<td>EU-CERT</td>
<td>EU Computer Emergency Response Team</td>
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<td>EU-LISA</td>
<td>European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice</td>
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<td>EURODAC</td>
<td>European Dactyloscopy</td>
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<td>FDI</td>
<td>Foreign Direct Investments</td>
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<td>G4</td>
<td>Group of Four (Brazil, Germany, India, Japan)</td>
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<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>GPPi</td>
<td>Global Public Policy Institute (Berlin)</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency (Vienna)</td>
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<td>IEA</td>
<td>International Energy Agency (Paris)</td>
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<td>Kfor</td>
<td>Kosovo Force</td>
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<td>KOSPI</td>
<td>Korea Composite Stock Price Index</td>
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<td>MHP</td>
<td>Milliyetçi Hareket Partisi (Nationalist Movement Party; Turkey)</td>
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<tr>
<td>MW</td>
<td>megawatt</td>
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<tr>
<td>MWh</td>
<td>megawatt hour</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NOx</td>
<td>Nitrogen Oxides</td>
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<td>NPT</td>
<td>Nuclear Non-Proliferation Treaty</td>
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<td>OPEC</td>
<td>Organization of the Petroleum Exporting Countries</td>
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<td>OPM</td>
<td>Office of Personnel Management (USA)</td>
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<tr>
<td>P3</td>
<td>China, Russia and the U.S.</td>
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<tr>
<td>P5</td>
<td>Permanent Five (the five permanent members of the UN Security Council)</td>
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<tr>
<td>PDF</td>
<td>Portable Document Format</td>
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<tr>
<td>PESCO</td>
<td>Permanent Structured Cooperation</td>
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<td>PKK</td>
<td>Partiya Karkerên Kurdistan (Kurdistan Workers’ Party)</td>
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<td>ROK</td>
<td>Republic of Korea</td>
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<tr>
<td>SCO</td>
<td>Shanghai Cooperation Organisation</td>
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<td>SIRENE</td>
<td>Supplementary Information Request at the National Entry</td>
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<td>SIS</td>
<td>Schengen Information System</td>
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<td>SR</td>
<td>Security Council of the UN</td>
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<td>SUV</td>
<td>Sport Utility Vehicle</td>
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<td>TEU</td>
<td>Treaty on European Union</td>
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<tr>
<td>THAAD</td>
<td>Terminal High Altitude Area Defense</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UKIP</td>
<td>UK Independence Party</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization (Paris)</td>
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<tr>
<td>USB</td>
<td>Universal Serial Bus</td>
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<tr>
<td>USD</td>
<td>US dollar</td>
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<tr>
<td>VIS</td>
<td>Visa Information System</td>
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<tr>
<td>WMDFZ</td>
<td>Weapons of Mass Destruction Free Zone</td>
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<tr>
<td>ZIF</td>
<td>Center for International Peace Operations (Berlin)</td>
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