

The Geopolitics of Germany

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Introduction

The German people emerged on the European scene in spectacular fashion. Germany rapidly industrialised and on two occasions attempted to change the global balance of power.

Germany, on the North European Plain, is exposed and vulnerable to invasion from France and Russia. Germany's tactics for managing this threat over the centuries has shifted dramatically, but Berlin's imperatives, shaped by its permanent geopolitical challenge of inhabiting the flat North European Plain, has remained the same.

On the two occasions Germany embarked on becoming a world power through its war economy it quickly became a world power. But German defeats in both the world wars have defined the nation's post war policies which has focused on the EU and its relations with the US and Russia





What are

Germany's

Geopolitical

Imperatives?

Germany came into existence as a nation state in 1871, having not previously existed as a nation state prior to this. What existed was hundreds of kingdoms, principalities, dukedoms, bishoprics and territories. These disunited territories were used and abused by the surrounding European powers.

In order for the Germans to survive they needed their own sovereign nation state. This geopolitical imperative was achieved in 1871 when the Prussian iron chancellor, Otto Von Bismarck, brought to heel all the different German speaking political entities. He consolidated the German-speaking lands under Kaiser Wilhelm I, defeating the nascent state's enemies: Denmark, Austria-Hungary and France in war. A German nation state overcame regional divisions and created an entity that could defend itself and launch wars and created a unified economic bloc in the centre of Europe.

Germany's second geopolitical imperative has always been to maintain internal unity between the different states who historically had different cultures, dialects and interests. Political and economic divisions between different parts of Germany have always persisted and this was managed by Germany's federal structure, political alliances, social safety nets and the distribution of economic resources. History and geography have contributed to economic differences. The states of the former East Germany are poorer, compared to West Germany and North Germany's access to key trade routes which created economic development for places such as Hamburg which is home to Europe's second largest port, creating prosperity for this region.

Bismarck abstained from acquiring territories and colonies so that other countries would not perceive Germany as an expansionist power in need of curbing. The exception to this was Alsace-Lorraine from France in 1871, which made war between France and Germany inevitable. Whilst the Germans established their own nation in 1871, the nation was constructed on the north European plain and was surrounded by enemies.

Germany's third geopolitical imperative has always been to dominate the northern European plains and its surrounding buffer areas. When Kaiser Wilhelm II was crowned in 1888, he not only possessed unbridled expansionist ambition but believed this German question demanded an answer.

German leaders used war to achieve this imperative with its surrounding neighbours. When this failed Germany turned to EU and NATO membership to mitigate the possibilities of invasion. In the case of Russia, Germany has attempted to use economic and energy relations to mitigate Russian domination of Europe.

Germany's fourth geopolitical imperative is to prevent outside powers projecting power in the north European plain and is one that the Germans have never achieved. There are few nations that are able to fulfil all the goals of their grand strategy. Germany used both diplomatic and military means to reduce the influence of non-continental powers in European affairs. But when outside powers such as the UK or the US get involved in the balance of power on the continent, they often shift the balance in favour of one side.

Who are the German people?

We first hear of the Germanic people from the Romans, who identified them by their language. 2000 years ago, the Germanic people halted and turned back the Roman conquests and this marked the northernmost point of the Roman Empire.

During the 9th century, Charlemagne established the Kingdom of the Franks. He saw himself as a continuation of the Roman Empire. His efforts to revive Roman traditions and unite Western Europe laid the foundation for the eventual creation of the Holy Roman Empire. The Holy Roman Empire was a loose confederation of states, with the Germanic territories being a central part. Local rulers had sovereignty over their own territories and formulated their own relations. The German principalities overtime became easy prey for the large European powers surrounding them. The Germanic people engaged in many wars with the Franks in the west, the Habsburgs in the south, the Danes and Swedes in the north, and the Russian Empire to the east. At times, they also faced threats from one another, or allied themselves with opposing sides in European conflicts.

The seminal event that led to the awakening of Europe, the Protestant Reformation, began in the German territories and spread to the rest of Europe. Martin Luther who began the reformation was German and his challenge of the Church spread quickly to West Germany and then to Northern Europe which led to the 30 years of religious wars beginning in 1618.

The conflict began when Catholic states turned against Protestant German states in the fragmented Holy Roman Empire, which was controlled by the Habsburgs. In the chaos, major European powers took advantage and used the German states who had slowly gained independence over the previous century against their former overlords. France especially played German territories of the Holy Roman Empire throughout the war.

The devastation of the Thirty Years' War cannot be overstated. Newly organised armies used new military doctrines such as the new massed firing techniques, and were much larger than anything Europe had seen since the Roman Empire in the 5th century. The fighting took place usually on German soil. Most estimates put the death toll at around 8 million people, roughly 8% of the entire population of Europe. (In comparison World War One, killed



4% of the European population.) As Germany was where the fighting took place, it was where most of the casualties were. Foreign armies also replenished their stocks by ransacking nearby villages and towns, some of which lost as much as 75% of their population. Whilst the religious wars ended with the Peace of Westphalia in 1648, the Germans never forgot the devastation and it forms part of German historical memory.

The destruction occurred on German territory because much of this territory sits on the North European Plain, a flat area prone to invasion from the east and west. The plain, which is part of the larger Great

European Plain, is widest in the east where it spans from Germany's northern tip on the Baltic Sea to the modern southern border with the Czech Republic. Germany has no natural borders to either the east or the west.

It was the historical memory of the devastation caused by the Thirty Years' War and then Napoleon's conquests in the early 19th century that would lead to Otto von Bismarck, who guided Prussian and, later, German strategy in the second half of the 19th century to seek German unification, forming a single nation state that could defend itself at the centre of the flat European Plain.





The German Plan for *Mitteleuropa*

From 1871 when Germany came into existence it rapidly developed its industry, economy and military. Germany used what little coal and iron it had to develop steel and chemical industries and heavy machinery. The establishment of the German Empire led to overseas colonies in Africa and the Asia-Pacific and gave it access to raw materials, despite the colonies not being prime locations for the raw materials or for trading purposes.

Germany needed to dominate the European continent and with Russia and France on its Eastern and Western borders she came to see the building of an inland empire, *Mitteleuropa*, as the solution. By working on an alliance with Austria-Hungary and strengthening ties with the Committee of Union and Progress in the Ottoman Empire, Germany could stretch its economic power from the North Sea to the Persian Gulf. With German money and engineering, the Balkans' labour and raw materials, and the Middle East's oil, Germany could control everything it needed to create a powerful economy and have ocean access. All of it could be tied together by the Berlin-Baghdad Railway, along which supplies and goods could be shipped in peacetime, and men and material could be shipped in wartime. *Mitteleuropa*, for Germany, would make overseas colonies irrelevant.

There was one major problem in this plan: the oil of the Middle East. Though Germany was working on drilling sites in the Ottoman Empire, the only

oil flowing at the time in significant amounts was in Persia. The Anglo-Persian Oil Company made that oil available mainly to Britain, but Russia regarded Persia as being within its sphere of influence. Any German move towards Persia would provoke war with Russia, and that meant war with France because of the Triple Entente alliance. Thus, German geopolitical imperatives made war with Russia and France inevitable, and the German strategy to deal with this would lead to that war. By the turn of the 20th century German strategists saw war as inevitable and began planning for what would turn into World War One.

Alfred von Schlieffen had since the 1890s been working with the German General Staff on Germany's war plan. He envisioned a massive sweep past the left flank of the French forces poised on the frontier, a manoeuvre that would bypass most French resistance and put German armies in Paris even more quickly than in 1870. The Triple Entente alliance made it necessary to place a number of German forces in the east to oppose Russia, but the war plan saw this only as a holding action in order to allow sufficient time for the German armies to knock France out of the war. Germany could then deal with Russia at leisure, and Persian oil would soon follow Russia's defeat. Since Great Britain and Russia had no great love for each other, the Germans assumed that Britain would do nothing if France was quickly disabled. Von Schlieffen believed the French war plan would be a quick thrust into Germany, the ground on which France would attack was rugged and wooded; a German holding force there would keep them pinned down while Germany would do a "right hook" and swing down on Paris.

Von Schlieffen died in 1905 and left the plan to the General Staff under Helmuth von Moltke the Younger. He saw the potential for problems with the war plan and began to weaken the main assault in order to strengthen the holding forces in the east and along the French frontier. There were also diplomatic problems as the sweep around the French left flank required German armies to pass through Belgium, a neutral country. Violating her neutrality was not an action to be taken lightly, but there was no other way to drive quickly into France. The whole war plan to achieve *Mitteleuropa* and secure German geopolitical imperatives depended on speed. France had to be neutralised before the Russians could mobilise their military.

Did Germany Establish a Colonial Empire?

Unified Germany was late to the Great Game of Western imperialism. Bismarck was not a big fan. But the Germans did formally colonise the African region in the mid-1880s. Once German rule was established, various native groups were forced into slave labour, their land and cattle confiscated or killed.

The German colonial empire encompassed parts of several African countries, including parts of present-day Burundi, Rwanda, Tanzania, Namibia, Cameroon, Gabon, Congo, Central African Republic, Chad, Nigeria, Togo, Ghana, as well as northeastern New Guinea, Samoa and numerous Micronesian islands.

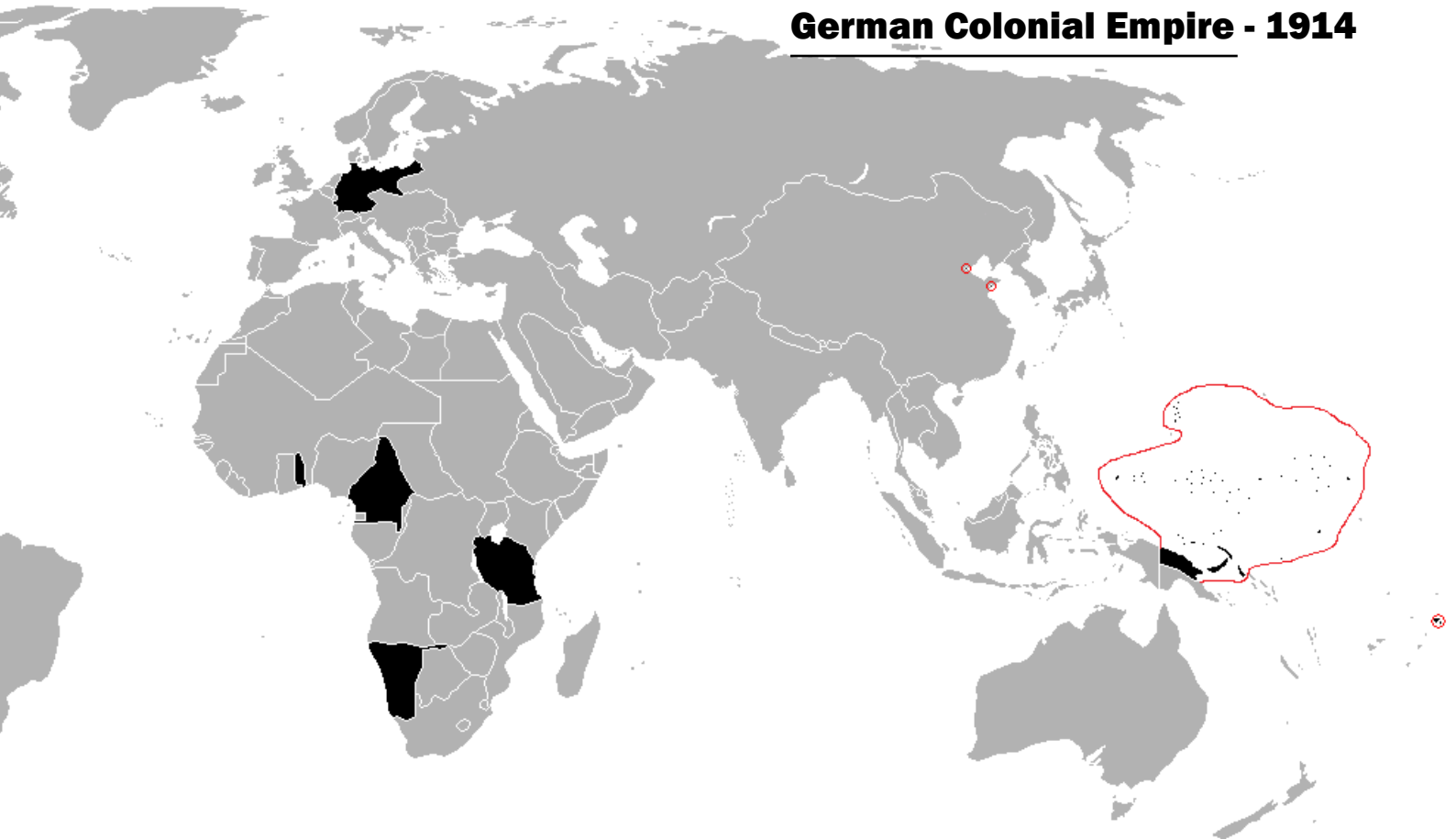
Like the other European imperialists, the ill-treatment led to an uprising by the Herero at the start of 1904 in modern day Namibia. Fewer than 200 German settlers and their families were murdered. Reprisals quickly followed. The indiscriminate violence

by German forces came in waves. Inhumane tactics included poisoned wells and deliberate starvation. Thousands were killed and concentration camps were set up for the Herero population. That was considered a more humane solution by the German government back in Berlin! Besides poor hygiene, starvation-level diets and slave labour, medical experiments were also recorded.

In 1905, about a year after the Herero insurrection, the Nama in turn took up arms against the German colonisers. Over two years, the same military and confinement tactics were used to pacify the Nama population.

Germany lost control of most of its colonial empire at the beginning of World War One in 1914, but some German forces held out in German East Africa until the end of the war. After the German defeat in the WW1 Germany's colonial empire was officially confiscated as part of the Treaty of Versailles.

German Colonial Empire - 1914





Why was Germany Defeated in World War One

The Germans used the assassination of the Austrian heir, Archduke Franz Ferdinand on the 28th of June 1914 to begin the war it had long planned. Germany supported severe Austrian demands and ultimatum on Serbia, who was accused of knowing and supporting the murderers. If Serbia went to war, its main supporter would be Russia; Germany would honour treaty commitments to Austria-Hungary through the Triple Alliance. When the Serbians did not give in to Austrian demands by the 28th of July, Austria declared war and the dominoes started to fall. On the 1st of August 1914, Germany declared war on Russia; on the 3rd of August, Germany declared war on France; on the 4th of August the Schlieffen plan went into action.

At first, everything seemed to be going according to the German plan. The French armies along the frontier attacked but made little progress, while German forces raced for Paris. The one thing the Germans could not overcome, however, was the lack of roads with which to keep their forces supplied. German troops made rapid headway against relatively ineffective British resistance who joined the war to defend Belgium. By the time Paris was in sight, the German offensive ran out of steam as supplies were slow in getting to the front. The French forces abandoned

their war plan and moved troops to block the German flanking manoeuvre. The attempts by each side to outflank the other, ultimately spread the offence and defence into lines stretching from the English Channel all the way to Switzerland. Unable to move, the two sides began to dig in, and the Western Front was created. Most of World War One was fought in the trench lines of northern France, where neither German nor French planners ever expected the war to be. What was meant to be a quick war became the least mobile and deadliest wars ever. Germany was forced to fight on two fronts. In France, four years of mud, barbed wire, poison gas, and millions of casualties were the results.

The Russian withdrawal in 1918 didn't alter the battlefield reality for the Germans as the American entry led to more resources and equipment to flow to the allies on the western front. As the war dragged on, by 1918 Germany was facing a series of military defeats on multiple fronts. The Allied forces, having gained momentum, were making significant advances and pushing German forces back. The German army was exhausted, and its ability to defend effectively had been compromised. The German military was unable to halt these advances, and the fear of an impending invasion of Germany itself contributed

to the decision to surrender. Germany's allies, the Austro-Hungarian Empire and the Ottoman Empire, had already collapsed. This left Germany isolated and without support. Germany also began to experience widespread domestic unrest and social upheaval. The German population was suffering from food shortages and economic hardships, making it increasingly difficult for the government to maintain support for the war effort.

The British naval blockade had severely impacted Germany's economy by blocking imports of essential goods, leading to shortages of food, raw materials, and other critical supplies. On the 9th of November 1918, civil unrest had been escalating for months and the Kaiser, Wilhelm II, abdicated, leading to the establishment of a German Republic. On the 11th of November 1918 Germany surrendered and an armistice was agreed, bringing to an end to the most devastating war in history. But worse was to come for Germany.





German envoy arriving at railroad siding in the Forest of Compiègne to agree to halt fighting, 8 November 1918.

What Were Germany's Terms of Surrender?

The German surrender in 1918 brought hostilities to an end, but a formal treaty needed to be agreed. In order to establish the terms of peace and determine the post-war settlement the leaders of the Allied and associated powers, as well as representatives from Germany, gathered in the Palace of Versailles in June 1919 to sign the final treaty.

The Versailles Treaty forced Germany to give up territory to Belgium, Czechoslovakia and Poland, return Alsace and Lorraine to France and cede all of its overseas colonies in China, the Pacific and Africa to the Allied nations. In addition, it had to drastically reduce its armed forces and accept the demilitarisation and Allied occupation of the region around the Rhine River. Most importantly, Article 231 of the treaty placed all blame for inciting the war squarely on Germany and forced it to pay several billion in reparations to the Allied nations.

The British economist John Maynard Keynes lamented that Germany could not possibly pay so much in reparations without severe risks to the entire European economy. In his later memoir, US President Herbert Hoover went so far as to blame reparations for causing the Great Depression.

The Germans long believed that the politicians and traitors in the army agreed to the 1918 armistice and sold the Germans out after the sacrifices they made. The Treaty of Versailles was for long seen by the Germans as a Diktat (dictated peace) and for long the German representatives who signed it were considered to have stabbed the Germans in the back. The guilt clause in the Treaty was an issue of shame for the Germans as they believed they did not militarily lose on the battlefield.

The treaty of Versailles and the other agreements concluded after World War One redrew the borders of Europe, carving up the former Austro-Hungarian Empire into Yugoslavia, Poland and Czechoslovakia. The Versailles Treaty also included a covenant for the League of Nations, the international organisation envisioned to preserve peace among the nations of Europe.

Germany's economic woes, exacerbated by the burden of reparations and inflation would just be one of the many problems the Weimar Republic would have to deal with.



Why Did the Weimar Republic Collapse?

The Weimar Republic, established in Germany after World War One, faced numerous challenges and difficulties that ultimately led to the rise of the Nazis. The Weimar Republic inherited a fragile and devastated economy due to the costs of World War One, reparations payments, and the economic impact of the Treaty of Versailles. The economy would experience hyperinflation, with the monthly inflation rate in 1923, reaching an astronomical 29,500%! This led to mass unemployment leading to widespread economic suffering, millions of Germans had their savings wiped out and faced poverty or starvation.

The economic situation had a major impact on political stability. The Weimar Republic had a multiparty parliamentary system, which led to frequent changes in government and coalition politics. This political fragmentation made it difficult to form stable and effective governments, leading to an environment of instability and political gridlock. At the same time German society was deeply divided along ideological lines, with extremist groups on both the left (communists) and the right (nationalists and fascists) actively challenging the political system. These groups sought to undermine the stability of the republic and impose their own ideologies.

Paramilitary groups, such as the Freikorps and later the SA (Sturmabteilung), engaged in violent actions against political opponents, undermining political

processes and the rule of law. The government's inability to control these groups further eroded public confidence in the republic's ability to maintain order. Many Germans held the Weimar Republic responsible for the humiliating terms of the Treaty of Versailles. The republic was often perceived as a product of defeat, leading to a lack of legitimacy and widespread mistrust among the population. Many former military and aristocratic elites, who had previously held power under the monarchy, were resentful of the Weimar Republic's democratic structure. Their opposition to the new system often hindered the government's effectiveness.

What ultimately led to the collapse of the Weimar republic was the Reichsbank, the German central bank. The Reichsbank was under the authority of the Reparations Commission to ensure Germany paid its World War One reparations. Half the seats on the central bank's general council went to Britain, France, Italy, Belgium, America, Holland, and Switzerland. The commissioner for money creation was required to be a foreigner. This commission had no mandate to operate in the interest of the German people. To the contrary, his job was to efficiently extract the reparations imposed on Germany by the Treaty of Versailles. Officially the payments were to the United Kingdom and France. But Britain had been vastly indebted to US Wall Street banks due to its heavy borrowing during the First World War. Thus, the

Reparations Commission was staffed with members from J.P. Morgan and other US banks.

The Reichsbank Independence was explicitly written into law in 1922 and lasted until 1939. Until then the Reichsbank was not accountable to the German people, the government, or parliament, but only to foreign creditors. The Reparations Commission was dominated by Wall Street banks and their interests and not the German population.

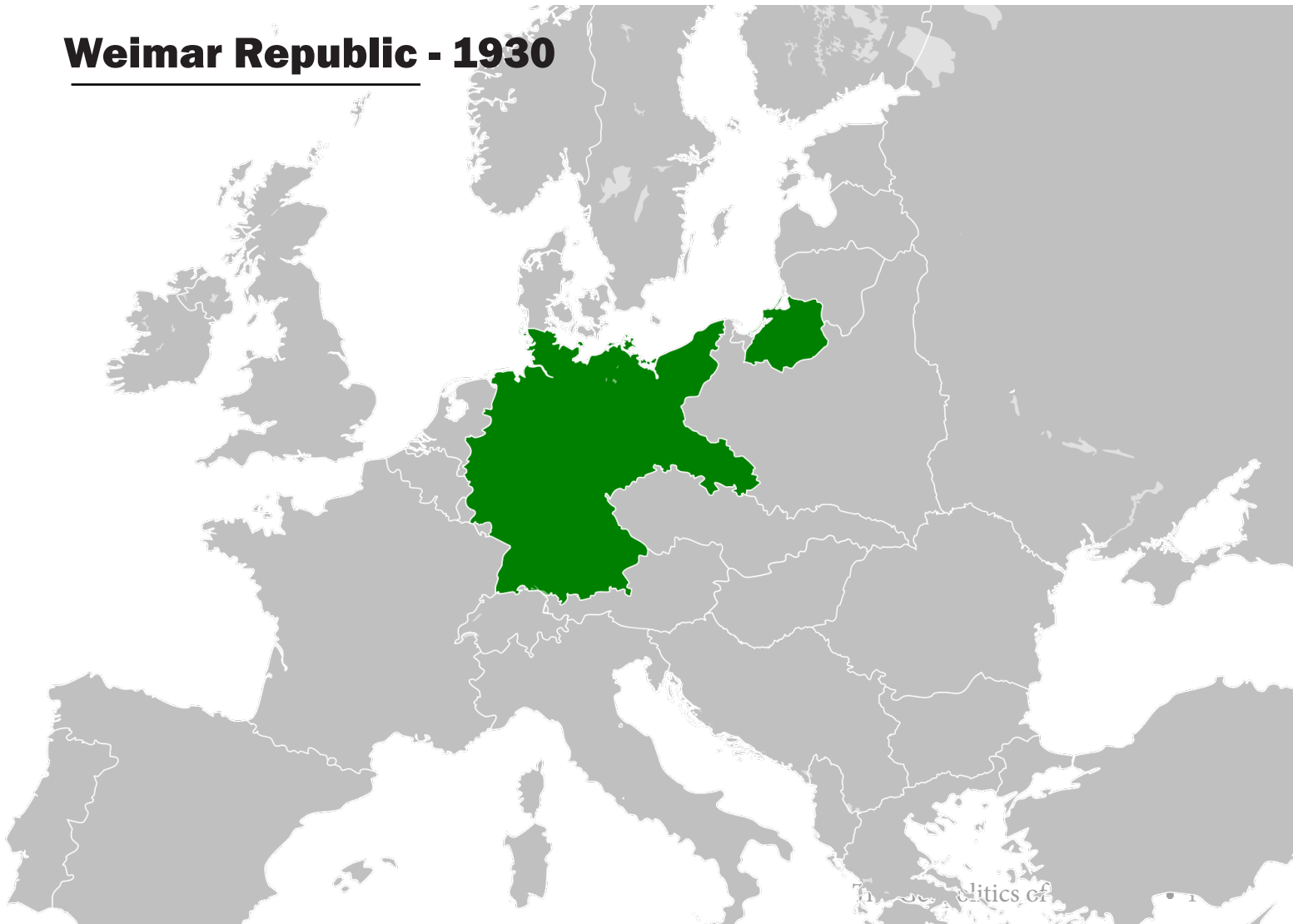
The Reichsbank produced hyperinflation, which started in mid-1922 and peaked in late 1923 with a huge expansion of the money supply. Consumer prices rose two-billion-fold. But then from the mid-1920s until 1933, the Reichsbank adopted highly restrictive policies. The first phase of credit tightening, between 1924 and 1926, was followed by an even worse credit crunch in 1931. In both periods, thousands of firms failed to obtain funding and went bankrupt. The Reichsbank implemented extra-legal credit controls over the banking sector. These were used in order to engage in the active transformation of the German economy by forcing the bankruptcies of many firms in a process Reichsbank president Hjalmar Schacht described as having a 'cleansing'

effect. His declared goal was to accelerate 'rationalisation,' which was the equivalent of restructuring or structural change.

When US banks pulled their deposits from German banks in the aftermath of the US credit crunch that began in 1929, the Reichsbank insisted that the banks call in their loans to German industry to pay the US depositors. As had always been expected, industry had invested the money in plant and equipment. The policies of the independent Reichsbank meant that firms had to close down and sell their assets at distressed prices. Overnight, mass unemployment was produced. Germany was thrown into the Great Depression.

The economic instability that doomed the Weimar Republic was due to the demands of the victors of the First World War. It was at least as much the result of an unaccountable central bank that had excessive powers. The Weimar government tried to create economic growth, but ultimately the power over the economy was in the hands of the central bank. Economists concluded that the Reichsbank had become a 'second government' that acted 'dictatorially' and independently from the elected government.

Weimar Republic - 1930



What Was Hitler's Role in the Rise of Germany?

The chaos of the 1920s, the political failure, economic collapse and social divides created a political vacuum that led to the rise of Adolf Hitler who would unite and rapidly develop Germany, but with catastrophic results.

When World War One ended and the armistice was signed in 1918, Hitler was a 29-year-old lance corporal in the Bavarian Army. He encouraged demobilised soldiers to not get involved in the political chaos that ran through Germany in the months after the war, but to wait for calmer times when Germany could reassert itself. Hitler showed some speaking talent in this position and was later asked by the army to do some spying. The army kept watch on the growing number of political parties in postwar Germany, placing agents in each to watch for signs of danger should a political group prove threatening. Hitler was assigned to join the Socialist Workers Party, an extremely small group operating in Munich. He found their political philosophy interesting and when he was released from the army in the wake of the Versailles Treaty, he decided to go into politics. He quickly took control of the party, renaming it the National Socialist German Workers Party.

In late 1922 and throughout 1923, Germany suffered the worst inflation in history. Lack of hard currency, owing to the reparation payments imposed by the Versailles Treaty, forced the German government to print money, rapidly increasing the money supply. By November 1923 it took 40 billion marks to buy one dollar. Millions of Germans had their savings wiped out and faced starvation.

Believing that desperate times called for desperate measures, Hitler decided to overthrow the government of the state of Bavaria and place himself in charge. In the Beer Hall Putsch of November 1923, Hitler stormed into a rival political party meeting, and at gunpoint coerced a promise from the city mayor and the state governor to give him power. When his forces marched on the capitol building the next day, they found soldiers waiting for them. Shots were fired and Hitler was wounded, then taken captive. The trial judge favoured Hitler's political views and allowed him to use his trial as a forum. He was found guilty of treason but was sentenced to only nine months of minimum-security confinement. During this time, he wrote *Mein Kampf* (My Struggle), in which he told the story of his upbringing and laid out his plans to return Germany to greatness and its rightful place in the world. Hitler's core positions were:



1. Germany did not lose World War One, but was forced into surrender when the government could no longer get loans to finance the war from Jewish bankers. So, getting rid of the Jews was a top priority.
2. All German speaking people needed to be united under one government.
3. Germany needed living space (lebensraum). The land Germany had captured in the East in World War One, was rightfully German, and Germany should use this land to settle its hard working people.
4. The people who lived in this area were subhumans (untermensch), who would be killed or used for slave labour for the superior German race.

Hitler spelled out his racial views and his plans for expansion for all to see. Why, then, was all that happened later a surprise to the world? This was because Mein Kampf was so apocalyptic, nobody read it. It was not widely read in Germany until after Hitler came to power in 1933, and not read outside Germany well into World War Two. After his release from prison, Hitler decided that force was not the way to gain power; he spent the remainder of the 1920s building his party, gaining the support of big business who liked the idea of Germany being a great power again.

The Nazi role in the government grew with each election, though Hitler himself held no office. After the election of 1932, Hitler was approached by the Social Democratic party to form a coalition government. He agreed, as long as he could hold the number two position, the chancellor. Because the Social Democrat president, Field Marshal Paul von Hindenburg, would retain most of the power, Hitler could be kept under control, so the agreement was made. Hitler became chancellor at the end of January 1933. Within a few months, he announced that Germany would no longer pay the reparations demanded by the Versailles Treaty. When Britain and France refused to go to war to force repayment, Hitler saw the Versailles Treaty as a scrap of paper.

After Hindenburg's death in August 1934, Hitler forced bills through a Nazi dominated special session of Parliament that achieved two important things: The positions of president and chancellor were combined, and all political parties but the National Socialists were banned. Political resistance was brief because vocal opponents soon found themselves in

prison. With dictatorial power, Hitler began wholesale violations of the Versailles Treaty. He expanded the army past the prescribed 100,000 men, he built an air force and he constructed warships. No one outside Germany resisted him, because public opinion would not allow another war so soon after the horrors of World War One. Hitler began to follow the plan laid out in Mein Kampf. Jews were soon restricted in their rights, then openly persecuted. He used the army to reoccupy the industrial area of the Rhineland in 1936. Later that year, he lent his air force to Francisco Franco, who used it to begin the Spanish Civil War. Hitler supported, then allied himself with, Benito Mussolini, dictator of Italy.

By 1938, Hitler had returned Germany to where it was on the eve of World War One. Germany was an economic power, a military power and politically united. Hitler however faced the same challenge both Bismark and Kaiser Wilham II faced of insecure borders on the Northern European plain. Hitler wanted to finish what was started in 1914, but this time with a different outcome.





The Quest for *Lebensraum*

By 1938 Hitler had taken back the Saar and the Rhineland that bordered France, which had been under French occupation since World War One. Britain and France didn't challenge Germany on this. **Austria** was the first target for German expansion. It was the birthplace of Hitler, and the people there were German speaking. On 13th of March 1938, German troops crossed the border into Austria and rather than facing an army they were welcomed by cheering crowds, there was no war as there was no resistance. Why did the Austrians accept this? Austria at the time was a poor country and had been ruled over by successive dictators. Germany had rapidly developed since the Nazis came to power and the Austrians were convinced being part of Germany would improve their economic prospects. The lack of response from Britain and France only fuelled Hitler's ambitions. Three days after invading Austria, the country was amalgamated into the Third Reich, becoming a province of Germany, called Ostmark.

The conquest of **Czechoslovakia** began two days after the Austrian invasion. The Western portion of the country, the Sudetenland, had a large German minority and Hitler claimed they were being treated unequally. The Czech government entered into negotiations with Hitler and agreed to give the region autonomy. Both France and Britain agreed to inter-mediate. When rioting started in the country Britain's Neville Chamberlain agreed to a referendum on the Sudetenland and cessation to Germany in order

to avoid war. In a meeting on the 29th of September 1938 in Munich, Italy's Mussolini, Hitler, Chamberlin and French president Daladier gave the Germans the Sudetenland. The Czechs were not invited to the meeting. Chamberlin returned to Britain claiming, "*we have peace in our time.*" Five months later in March 1939 all of Czechoslovakia became a German protectorate when a German backed Slovak movement overthrew the Czech government. The Nazis swallowed up Czechoslovakia without a shot being fired.

The next country Hitler turned his attention to was **Poland**. The treaty of Versailles gave Poland a sea-port at Danzig on the Baltic Sea. Its population was completely German and the land around Danzig also went to Poland. This land was in effect a detached East Prussia. Using the same rationale Hitler used for taking over Austria and the Sudetenland he began agitating for all German speaking people to be under one government. The Poles rejected this and turned to Britain and France, who had guaranteed Polish sovereignty. From the moment Hitler rose to power in Germany he was anti-communist and Stalin also never expressed any love for the Nazis. The Poles and the world were shocked when both countries agreed a non-aggression pact. A secret clause included the dividing up of Poland between the two. On the 1st of September 1939, without any formal declaration Germany invaded Poland and the national capital, Warsaw, fell 28 days later. The Poles were not pre-

pared for the style of warfare the Nazis launched.

The fast-moving armoured columns, with infantry support, the Poles were the first to be on the receiving end of Blitzkrieg - lightning war. When Soviet troops invaded from the east, Poland was doomed. Germany and the Soviet Union divided Poland between them, and Britain and France officially declared war on Germany, but no soldiers, aircraft or ships ever came to Poland's aid. 21 years after the end of World War One, Europe was at war again.

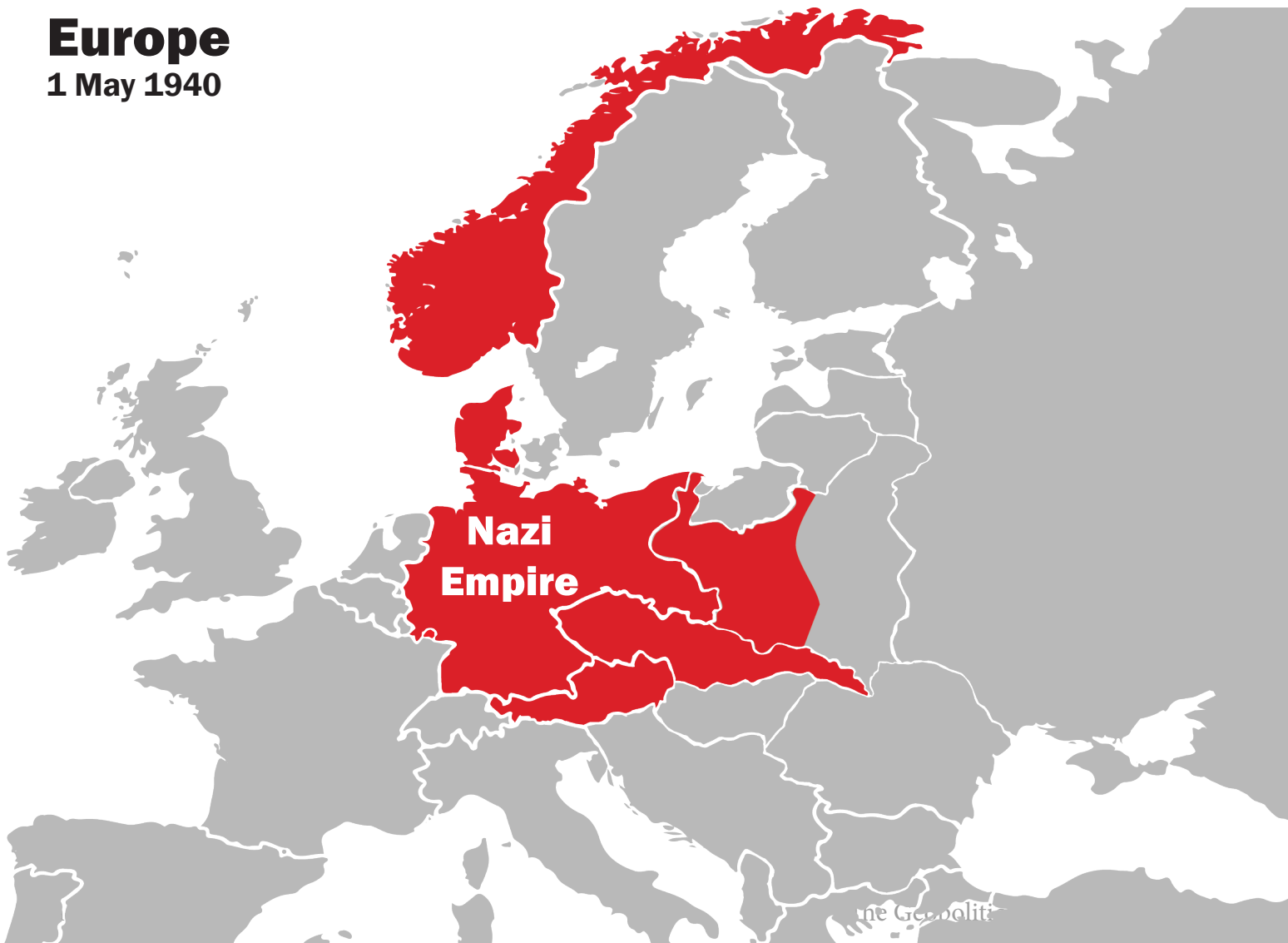
In the wake of the Nazi conquest of Poland the Soviet Union invaded **Finland** in November 1939 in order to secure the Soviet Union's western borders. Due to the nonaggression pact between Hitler and Stalin the Germans stood by as the Soviets occupied the Baltic states of Lithuania, Latvia, and Estonia, and attacked Finland. But the aggression provoked British attention to Scandinavia and as the Germans needed iron ore from Sweden, making war over Norway inevitable. Germany imported some 10 million tons of iron ore from Sweden, 90% of which was shipped through the Norwegian port of Narvik. In World War One the German navy had been bottled up by a very effective British blockade of Germany. If, in 1940, the Nazis

could gain control of Norway, this would give them an extended coastline and make a British blockade much more difficult.

German forces invaded **Denmark** on the 9th of April 1940 in order to use it as an airbase for the invasion of Norway. The Danes had no chance of putting up any sort of defence against Germany, the Danish king announced the surrender of his country almost as soon as German forces entered. Germany occupied Denmark in a matter of hours.

The invasion of **Norway** began on the same day as Denmark with German troops landing on Norwegian coasts and attempting to seize key cities. The Norwegian government fled before the German advance, and the newly appointed minister of defence attempted to mobilise Norwegian forces to resist from the interior of the country. The British Royal Navy intervened but was unable to stop the Nazi advance and by the end of April 1940 Norway had fallen to the Nazis. With Norway under Nazi control, Hitler could count on the iron ore shipments that Sweden continued to provide; the Swedes saved themselves from invasion by maintaining trade with Germany.

Europe 1 May 1940



With Germany's eastern border and northern border secure Hitler turned his attention to the western border and the country's traditional foe, **France**. It had long been a strategic imperative to secure Germany's western border and Hitler dealt with this in two parts. The first was to go through Holland and Belgium into France. On the 10th of May 1940 Nazi forces invaded both countries. **Holland** capitulated in 5 days, with General Winkelman signing the capitulation agreement on the 15th of May. **Belgium**, despite help from Britain and France, was pushed into a pocket in the north-West of the country's border with France. After 18 days the Belgians surrendered. The Nazis now had a clear run to Paris and the English coast and could finally correct the wrongs of World War One where they got bogged down by trenches.

The first part of dealing with Germany's Western border was to conquer the low countries and therefore control all the way to the coast. But this was also to draw in the bulk of French troops. The South-West of Germany was where Franco-Germans shared a border and in the years after World War One France constructed the Maginot Line. This was a string of fortresses guarding the Franco-German frontier. But the string of forts did not stretch all the way across the French border. The French-Belgian border was far less heavily fortified. This was because it was

covered by the Ardennes Forest, which the French believed would function as an effective natural barrier and also because they believed Germany would not dare test the neutrality of Belgium and Holland again. With Holland and Belgium under Nazi control the French and British forces in northern France hastily moved troops to defend the French border and it was here the Nazis launched an armoured thrust through the Ardennes Forest. With the bulk of the French and all of the British and Belgian armies to the north, the pathway was open for the armoured blitzkrieg to Paris.

The Wehrmacht went through the Ardennes Forest, catching the Allies off guard and beginning the invasion of France on the 10th of May 1940. Thereafter, they raced to the English Channel to cut off the Allied soldiers. While hundreds of thousands of British troops were rescued during the evacuation at Dunkirk, they left behind significant military equipment and lost any position on the European continent. On the 14th of June 1940 Nazi forces entered Paris, moving too quickly for the French to react. The rapid armoured movement had succeeded in splitting the French military. An armistice was signed on the 22nd of June 1940 and 400,000 French soldiers surrendered. The French had capitulated to the Nazis in just 44 days!



Why Did Hitler Fail to Conquer Britain?

By the end of June 1940, Hitler had conquered or placed under his control most of Europe. With France in his hands, Hitler was in a position to attack his last remaining opponent, Great Britain. Whilst much of the British army escaped almost certain Nazi annihilation at Dunkirk the problem facing Hitler was the centuries-old British defensive barrier, the English Channel. German admirals told Hitler that they needed absolute air superiority before they could launch an amphibious invasion of Britain. Operation Sea Lion for the Nazis and the battle for Britain for the British, began on the 10th of July 1940.

In the battle of Britain, the British had a technological advantage. British scientists had just perfected radar, with which they could detect German air attacks in advance. This early warning system would make constant standing patrols over the coast unnecessary and allow the Royal Air Force (RAF) sufficient time to assemble defending aircraft over German targets. Luftwaffe chief Hermann Goering attempted first to knock the radar antennas out of action. The Stuka dive-bombers, though accurate, were slow which made them easy targets for British fighters. Then the Nazis turned their attention to the airfields, knowing that the RAF couldn't resist invasion if their airfields were out of operation. Intensive bombing of the airfields of southeastern England proceeded through the rest of the summer of 1940. Whilst aircraft hangers were destroyed, they had dirt runways, which were easy to repair, and the planes continued to fly. The Nazis then targeted the aircraft factories. If British aircraft could not be replaced, then superior German numbers would soon wear them down. This tactic proved very effective, and soon the British were in desperate straits.

When Britain launched an air raid on Berlin in August 1940 Hitler ordered that England be repaid in kind. Attacks on the airfields and factories were called-off to focus on British cities. This decision took pressure off the factories and the Royal Air Force could now replace their losses. Hitler's decision to halt his successful war of attrition with the RAF in favour of the negligible results of bombing population centres guaranteed he would not achieve air superiority. By October 1940, it was too late in the year to attempt a Channel crossing; Operation Sea Lion was postponed. The Battle of Britain lasted from the 10th of July to the 31st of October, 1940. Britain's advantages of radar and operating over its home territory proved too taxing for the Nazi juggernaut. Having failed in his effort to conquer Britain, Hitler turned back to his primary target in the east. He told his staff that the British were continuing to fight because they hoped Russia would be drawn in on their side. Hitler came to believe if Russia was defeated, Britain would capitulate. For Hitler the road to London ran through Moscow.





Operation Barbarossa: The Largest Battle in History

Hitler's primary focus, as he made plain in *Mein Kampf*, was land in the east that was *Lebensraum* land. Germany's geopolitical imperatives on the northern European plain was to not fight a two-pronged war, but a westward conquest, which was a secondary focus, made a priority when France and Britain honoured their commitments to Poland. In the east, he saw a loathsome Bolshevik regime, Slavs whom he considered *Untermenschen*, (subhuman) and leadership by a so-called Jewish elite. Of course, this was also the best land the Soviet Union owned: the great farm country of the Ukraine, the industrial and economic centres of Kiev and Minsk, and the Baltic ports.

As early as 1939, Hitler and his *Schutzstaffel* (SS) began an effort to convert this vision into a brutal plan, called *Generalplan Ost*, which called for the racial reorganisation of Eastern Europe, including Russia that prescribed ethnic cleansing and genocide of Slavs in order to make room for Germa-

ny's population. This plan preceded and was directly linked to the so-called Final Solution. But the time was not ripe in 1939 for an attack on Russia as Hitler wanted to take advantage of a shared interest with Stalin over Poland. By October 1940, Hitler decided that the invasion of Russia would begin in the spring of 1941, calling it Operation Barbarossa in honour of Frederick I. An elaborate deception campaign had begun designed to increase the prospects of surprise. The Nazi's had also begun developing road and rail links to the east to facilitate the invasion.

But in April 1941, Hitler ordered invasions of both Yugoslavia and Greece as the Yugoslav government was overthrown by a coup d'état. Hitler's ally Mussolini had failed to occupy Greece, and this all delayed Operation Barbarossa for another five weeks. The Yugoslavs signed an armistice on the 17th of April 1941 and by the end of the month all of mainland Greece was under German or Italian control.

At 3:00am, on the 22nd of June 1941, one year to the day after the fall of France and 129 years after Napoleon's failed invasion of Russia, 3 million Nazi troops along with troops from Italy, Romania, Hungary, Slovakia, and Croatia, crossed the European frontier to conquer Russia. Operation Barbarossa still remains the largest individual battle in all of human history.

Operation Barbarossa was a three-pronged attack. One was into the Baltic states and then towards Leningrad (modern-day St. Petersburg), the second was towards Moscow, and the third was into the south, designed to capture Ukraine and then the Caucasus and its oil fields. Stalin was purging his military when the invasion began. The unprepared Soviet government watched in horror as entire Soviet armies were surrounded and captured in a matter of days. The German blitzkrieg, perfected in Poland and France, proved itself once again on the plains of Belarusia and the Ukraine. The Nazi army raced over vast tracts of land; the only defence the Soviets could mount because of their huge losses in manpower was a scorched-earth policy, attempting to deny the Germans the ability to live off the land.

At the end of 1941, two years after Hitler began to correct the wrongs of World War One and achieve *Lebensraum*, nothing could stop the Nazi steam roller. Western Europe had been decisively conquered, and there was no serious resistance to German rule. The failure of the Italians to establish Mussolini's much-vaunted new Roman empire in the Mediterranean had been made good by Nazi intervention. In north Africa, Rommel's leadership was pushing the British forces eastwards towards Egypt and threatening the Suez Canal. The invasion of Russia had reaped stunning rewards, Nazi forces were besieging Leningrad and were within reach of Moscow. They also took Crimea and were staring down at the Caucasus with the oil fields nearly in sight. Surrounded by a belt of allies, from Vichy France and Finland to Romania, Hungary and Italy and with the more or less benevolent neutrality of countries such as Sweden and Switzerland posing no serious threat. The Greater German Reich seemed unstoppable in its drive for supremacy on the European continent. *Lebensraum* was nearly at hand.



The End of the Reich



1941 in retrospect proved to be the high point of Nazi success. The rapid success over such a large territory covering thousands of miles was going to require immense resources, long supply lines and human capital as well as fighting on so many different fronts at the same time. As 1942 began all of this caught up with the Nazis.

When the Nazis were building up their forces along the Soviet frontier in preparation for Operation Barbarossa, Stalin believed this was for defensive purposes only and never believed it was for the invasion of Russia. Russia and Germany had a pact that saw them divide Poland and despite the initial intelligence, Stalin was slow in accepting his country was being invaded and suffered a mental meltdown and this was why the Nazis made rapid ground in their invasion. But once Stalin got his act together the tide began to turn. The Soviets began with a scorched-earth policy by denying the Nazis the ability to live off the land and harassed the ever-lengthening supply lines.

Of the 350,000 German soldiers, the Sixth Army, that went into Stalingrad at the end of August 1942, only 5,000 ever saw Germany ever again. Having survived

from late 1941 in Russia's freezing winter the Soviets forced them to fight urban warfare which was a far cry from the blitzkrieg tactics that had proven so successful for the Nazis. The whole Russian invasion was a deviation for the Nazis as it was a three-pronged attack along a vast 1,000-mile front. Formulating the invasion plan in this way violated one of the principles of warfare, one sacred to the Nazi high command: the concentration of forces. By dividing their forces, none of the Nazi' goals were achieved. Leningrad held out in spite of the Nazi blockade, the Nazis were stopped just outside of Moscow, and the southern thrust failed at Stalingrad. The Nazis never got the oil of the Caucasus and when Stalin withdrew forces from the Far East, where he had been waiting for a possible Japanese offensive, these troops, transported across the breadth of Russia, finally surrounded and destroyed the Sixth Army at Stalingrad. It didn't help the Nazis that Hitler ordered his forces in Stalingrad to not break out. Hitler believed "*where the German soldier has once set foot, there he remains.*" The orders doomed the Nazis, because a tactical withdrawal might have linked up with forces fighting to relieve the Sixth Army and made a later capture of the city possible. Hitler's dream of lebensraum died in Stalingrad and from here the Soviet

Union threw planes, men and material into the war and the Nazis never recovered.

Hitler could have split Eurasia with Stalin and after the war they could have made a move over Africa together. But Hitler was married to the racial policies spelled out in *Mein Kampf*. The *lebensraum* was to be for Germans only, so the *untermensch*, or subhumans, who lived there were to be removed. The Slavs were considered to be of subhuman status according to Nazi ideology, and therefore were either killed, rounded up for slave labour, or—if they were Jewish—shipped to extermination camps.

When the Nazis were invading Russia in 1941 they found that many Belarusians and Ukrainians so despised the communist regime in Moscow that they would assist the Germans in deposing it. Some people viewed the Germans more as liberators than invaders and a potential means of liberation from Soviet rule. The Nazis forces had the opportunity when they invaded Russia to increase its size; as they drove deeper into enemy territory, they could actually have built a larger army—an army augmented by motivated soldiers familiar with the Soviet military. But the Nazis deemed Slavs as nothing more than slave labour to be exploited. At the height of the Nazi advance, when they were engaged heavily at Leningrad, Moscow, and Stalingrad, they were obliged to maintain almost half their army in the rear to guard their supply lines. Hitler was forced to cut in half the army he had in order to deal with the Ukrainians and Belorussians he had rejected.

Winston Churchill had been trying since the fall of France to bring the US into the war. Churchill believed with most of Europe conquered by the Nazis it would become a fortress and only America's industrial and military capabilities could turn the tide. The US initially provided supplies and equipment through the lend-lease programme to the allies. This led to the battle for the Atlantic as the Nazis began sea warfare to disrupt the transatlantic supply routes that were crucial for sustaining the British war effort. The Nazis also sought to undermine the economies of the Allied powers by sinking merchant ships carrying vital resources and supplies. The US declared war on the Nazis on the 11th of December 1941, after Hitler declared war on the US in support of Japan's attack on Pearl harbour three days earlier. With the US mainland across the Atlantic US cities were never under threat and this allowed the US to deploy a large number of troops, ships, and aircraft

to the European theatre of operations. The US Air Force conducted a massive strategic bombing campaign against Germany targeting German industrial centres, transportation networks, and military installations, weakening the German war effort and preparing the way for ground offensives. Whilst the Nazis struggled to maintain their supply lines the US established and maintained supply lines to keep the Allied forces well-equipped. The US also contributed technological advancements, such as radar, code-breaking techniques, and advances in military medicine, as well as the invention of the first nuclear bomb that helped improve the Allies' overall capabilities and effectiveness. The US geopolitical imperative of ensuring no other continental power emerging saw it enter the war in Europe and the Nazis were in the long term always doomed due to this.

World War Two could have turned out very differently if the Nazis had defeated and occupied Britain. This was because as the British Isles remained free, they were used as the forward base for the Allied war effort. It was Churchill who brought the US into the war and US troops assembled there and it was from Britain the largest armada ever, was assembled. Warships and landing craft were used to lead the D-day landings to take back France and then drive on to Germany. Had Hitler taken Britain, it would have been difficult if not impossible for the US to intervene in Europe, and the Third Reich probably would have lasted much longer than 12 years.

In his determination to destroy European Jewry Hitler brought about the concentration and death camps, and transport dedicated to that use was siphoned from desperately needed military use in the war. His decision to fight a two-front war and his declaration of war on the US proved his ultimate undoing. Germany was overwhelmed by manpower and weaponry that negated the German army's advantages of training and experience. Hitler grew more paranoid and more self-assured as the war progressed. He was convinced that no one could accomplish what he could, and no one had his vision, so he trusted fewer and fewer people. He ended the war in an underground bunker as Soviet and Nazi troops destroyed Berlin over his head. Until the end, he directed the movements of units long since destroyed, but which he would not believe had ceased to exist. He committed suicide on the 29th of April 1945 rather than be humiliated by his captors.



How Was Germany Divided After World War Two



Nazi Germany's defeat left the country shattered physically, emotionally, and financially. The Allied leaders had met at the Russian resort city of Yalta in February 1945 to discuss postwar Germany. At that time President Franklin Roosevelt, Prime Minister Winston Churchill, and Premier Joseph Stalin drew lines on the map designating areas that the forces of each nation should occupy. Decisions at Yalta profoundly affected the postwar world, for the eastern portion of Germany and the nations of Eastern Europe were captured and occupied by Soviet troops.

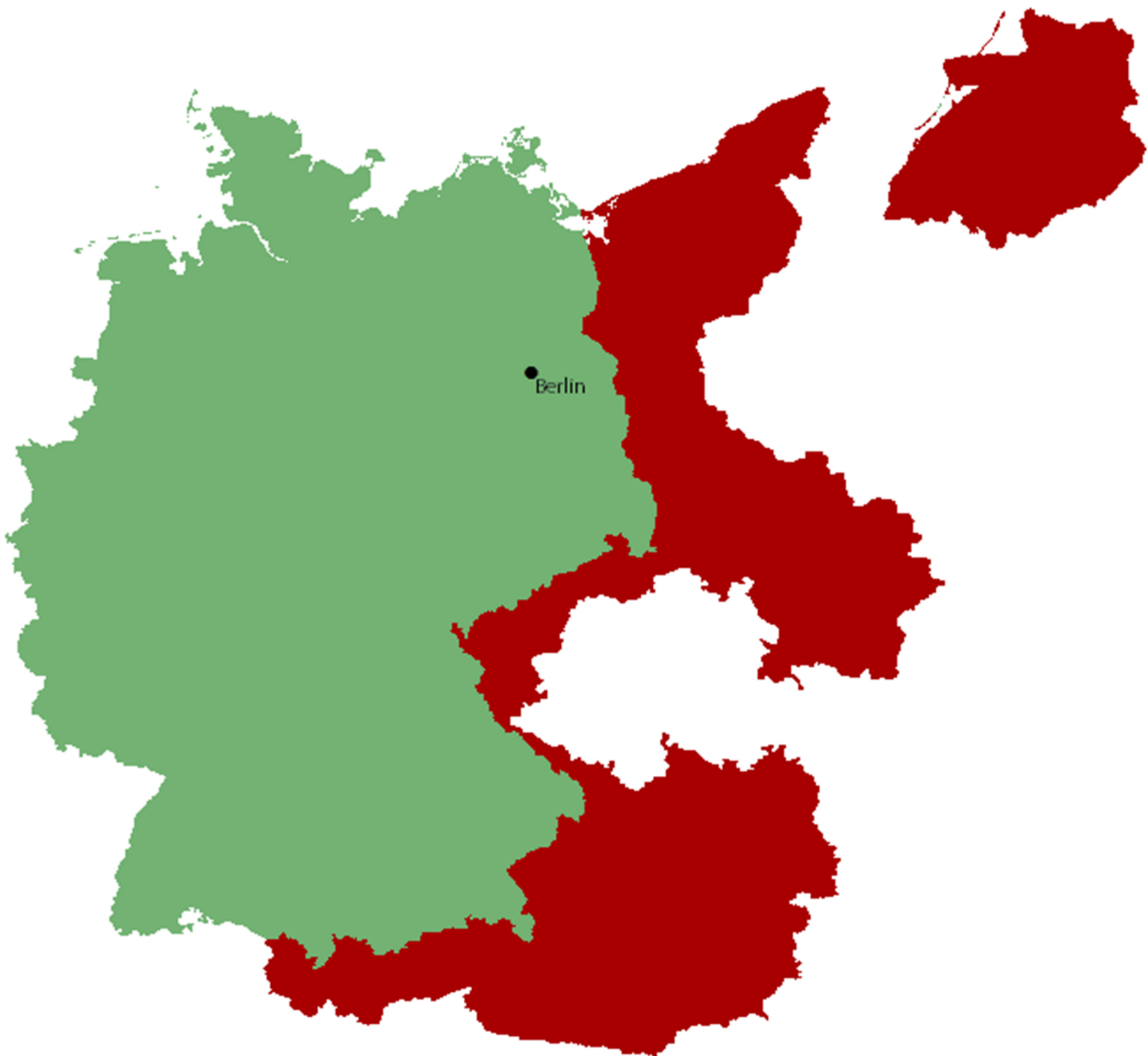
Decisions made at Potsdam, in July and August 1945, gave the occupied areas to the capturing nation until each country was prepared to embark on an independent course. That meant, for eastern Germany and Eastern Europe, Soviet occupation and domination for 45 years. Believing that they had suffered the most of any nation during the war, the Soviets felt justified in looting the remaining assets of the occupied countries for the reconstruction of their home-

land. They also launched a campaign to convince the people of those occupied nations that communism was the ideal system of government. The need to convince the population of East Germany, Poland, Bulgaria, Hungary, Czechoslovakia, and the Baltic States saw them cut off from the outside world. The USSR refused to allow any of its occupied countries to accept money from the US offered under the Marshall Plan of 1948. Thus, industrialisation in those countries was extremely slow and the factories never matched the quality of those in the West.

Germany, as a defeated country was divided into four sectors, each of the major victorious countries in the war the US, Soviet Union, Britain and France controlled a sector. The three western countries established West Germany in 1949 and Russia established East Germany. As the Cold War was beginning West Germany became a vassal nation of the US and became the front line in the battle with East Germany that was a vassal of the Soviet Union.

German Territorial Losses as a Result of WW2

-  German territory after WW2
-  Territories lost





Why Did Germany Reunify?

By the turn of the 1980s the Soviet Union was in decline. Despite its oil wealth, large military and global position it was rotting from the inside and the decades of the KGB covering this up could no longer be contained. German reunification took place because the Soviet Union was in decline and could no longer hold the USSR together. The Soviet Union leadership turned to the young Michael Gorbachev in 1985 to save what he could of the system.

On paper, according to the Soviet Constitution, the Soviet Union was a federation made up of 15 union republics. There was the Ukrainian Soviet socialist republic, the Polish Soviet Republic and the Hungarian Soviet Republic amongst others. In theory they had the right to secede from the union because they were, constitutionally speaking, independent republics part of a loose union, the USSR. But because the USSR operated as a pyramid structure, the republics had no real power in practice. The Central Communist Committee in Moscow controlled everything and were in effect running an ethno-territorial federation, despite the Communist Party never recognising ethnicity.

Gorbachev's solution to the economic decline and malaise that had overcome the Soviet Union was to reduce the economic burden of the republics, by giving them autonomy, something the Soviet constitution gave. Gorbachev introduced multi-candidate free and fair elections that allowed nationalists to get elected in the republics. When Gorbachev gave the republics autonomy, they wanted to be completely free to leave the USSR. In 1980 the Polish solidarity mass movement challenged the Polish communist leadership's alignment with Moscow, the Soviet politburo pressured the Polish leadership to crack down. However, internally Moscow recognised that its

ability to use force to maintain loyal socialist regimes in Eastern Europe—was exhausted. At Konstantin Chernenko's funeral in 1985, Gorbachev advised Eastern European leaders that they were now on their own.

The Solidarity movement in Poland in June 1989, won an overwhelming victory in partially free elections, leading to the peaceful fall of communism in Poland. This opened the floodgates to various republics overthrowing their communist parties and regimes due to the outbreak of strong nationalist and separatist movements across the entire USSR.

In East Germany, many had for long been trying to flee westward and this increased in 1989. With popular (and Soviet) pressure mounting against the East German regime, someone in the GDR leadership, at a bungled press conference on the 9th of November 1989, accidentally declared foreign travel open. Crowds then began dismantling the Berlin wall. Gorbachev had never planned to lose the USSR, but overtaken by events, he began pressing for guarantees that NATO would not absorb East Germany or expand eastwards. The Soviet leader's dramatic non-intervention to retain Eastern Europe was because Moscow could no longer afford the superpower competition with the US.

The US supported the reunification of Germany and on the 3rd of October 1990 the unification treaty entered into force dissolving the German Democratic Republic (GDR) and integrating the constituent federated states into the Federal Republic of Germany.





How Did Germany Become an Economic Power?

Germany has a GDP in excess of \$4 trillion. It is the world's largest economy after the US and China today and dominates the industries of Europe. German brands such as Volkswagen, BMW, Adidas, Siemens, Audi, Mercedes, DHL, Bosch, Aldi and Allianz are just some that have turned into global brands. As a result nearly 50% of Germany's GDP is based on exports. Alongside these large corporations exist the Mittelstand companies – “Mittel for middle and “Stand” for class) who are highly focused and achieve efficiencies by designing a business model with a razor-thin focus and learning to do the one thing well.

The Nazis left Germany with a haunting moral inheritance but bequeathed to West Germany a tremendous economic head start. The Allies succeeded at damaging only about 20% of the German industrial plant by 1945, and the Nazi government's massive investments in new industrial equipment and its focus on industries such as engineering and automobiles made German production of these goods world class.

As the Cold War was beginning, West Germany received immense support from the US, to rebuild West Germany to hold the line against the Iron Curtain. Through

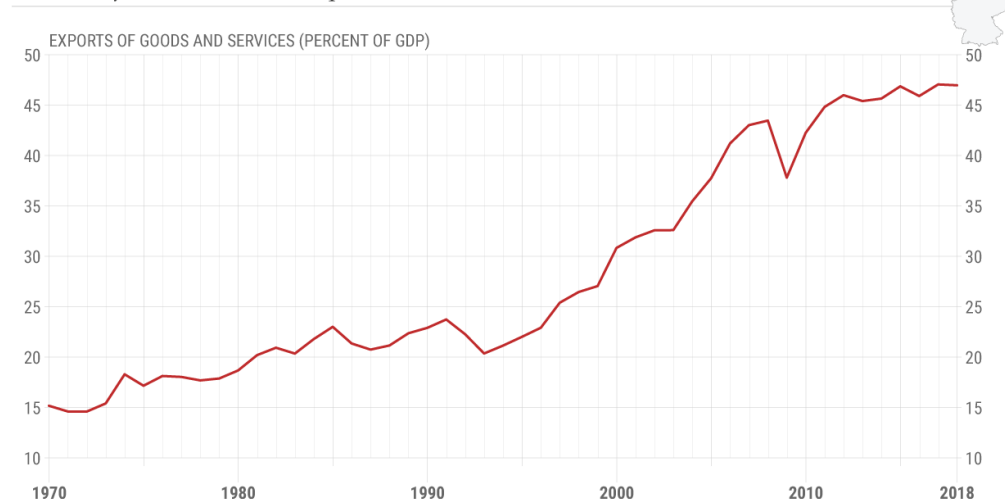
the Marshall Plan alone, the US contributed \$1.45 billion (nearly \$13 billion today) to West Germany's reconstruction.

West Germany also experienced a population explosion after World War Two. West Germany on the eve of World War Two looked like a demographic nightmare, but she saw her population grow by 28% from 1950 to 1970, with an average fertility rate almost double the current 1.5 children per woman. More workers meant more economic productivity and tax revenues.

West Germany became a capitalist success story, whilst East Germany struggled behind the iron curtain. But when the Soviet Union unexpectedly and rapidly collapsed in 1991, most economists believed German reunification would cripple the West German economy. Indeed, the early results weren't pretty. Germany spent roughly €2 trillion to provide East Germany with social benefits, to rebuild East German infrastructure and to offer a 1:1 exchange for East German currency. The situation was so grim that by 1999, an Economist report concluded that Germany was consigned to the role of “sick man of Europe” for the foreseeable future. At first, it seemed like the correct analysis. In 2003, after years of stagnant growth, the German economy shrank.

With Germany's fertility declining throughout the 1990s Germany turned to Eastern Europe's cheap labour and relocated production which led to costs plummeting leading to a huge increase in productivity. The establishment of the common currency in 1999 helped make German goods even cheaper throughout Europe. When the communist system collapsed German bankers and industrialists moved quickly to fill the vacuum. This time it was not tanks and soldiers that invaded Eastern Europe but German money and industry.

Germany's Reliance on Exports, 1970-2018





What Political System Does Germany Have?

Germany was formed from many different territories in the centre of Europe in 1871. These territories had been dominated by noble families for centuries and one of the most influential was the Hohenzollern family, who ruled Prussia when Germany was established and Wilhelm I took the title of the emperor from 1871. Germany needed rapid economic development in the face of its geopolitical imperatives, and this saw the rise of many enterprises in heavy industry who became captains of industry. This saw the rise of the likes of Krupp, Thyssen, Stinnes, Wolff, Stumm, Klöckner, Siemens, and Bosch. The families who established these corporations would in time replace the noble families who lost their positions after Germany's loss in World War One.

These German businesses and dynasties and many others supported the rise of Hitler, they made fortunes by aiding and abetting the Third Reich. Ferdinand Porsche persuaded Hitler to put Volkswagen into production. His son, Ferry Porsche who built up the company, was a voluntary SS officer. Herbert Quandt, who built BMW into what it is today, committed war crimes. So did Friedrich Flick, who came to control Daimler-Benz. Unlike Mr. Quandt, Mr. Flick was convicted at the Nuremberg trials.

These companies and dynasties thrived in a Cold War West Germany that needed their skills and wealth, and passed on that wealth to new generations

that prosper in Germany today. These include the owners of firms such as BMW, Daimler (then Daimler-Benz), IG Farben, Siemens, and ThyssenKrupp (formerly Krupp). Most German billionaires today are not self-made but scions of industrial dynasties. The companies owned by these dynasties are the real rulers in a country where exports are nearly half of the economy.

The German political system that evolved after World War Two was established by the west to ensure a Weimer style fragmentation and autocrats didn't emerge. The system works by elections of local representatives in which a winner takes all votes and then for the national system a system of proportional representation exists. This makes it difficult for one party to have a majority and that's why in the post war era Germany has always had coalition governments and seven three-way coalitions. The system was designed to make it difficult for extremist parties to enter the federal parliament. Germany has an access threshold of 5%, which substantially limits fringe parties' ability to gain a place in the federal parliament. This is why extremist parties often enter local and regional legislatures, where the thresholds are usually lower, but fail to make it into the Bundestag. Furthermore, Germany's political tradition leads mainstream parties to refuse to cooperate with the far right. This is why despite the Far-Right gaining much attention when they do well at a local level, these same parties are always politically isolated at the national level.



Why Germany Makes Exports Not War?

Germany has an annual GDP of \$4.26 trillion. Germany regularly shares the world's 3rd largest economic spot with Japan and has been Europe's largest economy for decades. Germany has for decades run a trade surplus and in 2016 achieved a world record trade surplus of \$316 billion. Germany is able to achieve this as nearly half the German economy is based on exports. Germany manufactures well in excess of what its society can consume as a result its economic structure is geared towards exporting to the world.

With the European Union, Germany has a continent-wide market with unlimited access who also share the same currency. This EU wide market restricts and tax imports whilst German imports and exports are not taxed as they are part of the same market. As a result, Germany has emerged as a European leader, especially since Berlin led the response to the 2008 economic crisis in Europe and the subsequent debt crisis.

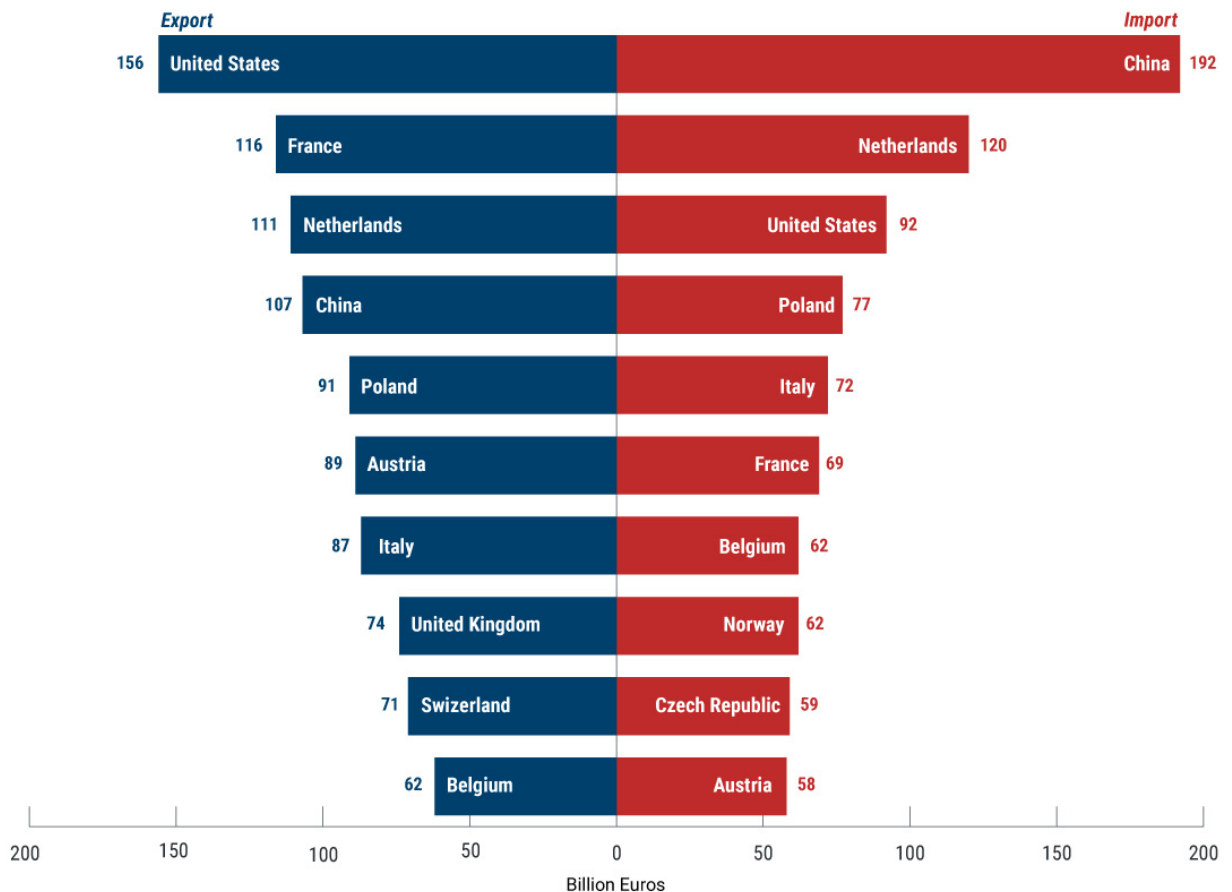
Germany took full advantage in the fall of the Soviet Union and its companies cornered most of the markets of the former Soviet republics. Germany continues to excel in the production of automobiles, machine tools, and chemicals. Germany's economy is what has shaped its foreign policy, in fact its foreign policy is completely economic driven. The German president Horst Kohler, was forced to resign for stating in 2010, due to Germany's economic driven foreign policy: *"In my estimation, though, we—including [German] society as a whole—are coming to the general understanding that, given this [strong] focus and corresponding dependency on exports, a country of our size needs to be aware that where called for or in an emergency, military deployment, too, is necessary if we are to protect our interests such as ensuring free trade routes or preventing regional instabilities which are also certain to negatively impact our ability to safeguard trade, jobs and income. All of this should be discussed and I think the path we are on is not so bad."*

Germany's foreign policy is economic driven, it's about finding markets for German brands. Germany does partake in global issues from Iran's nuclear programme talks to the Palestinian issue, but on this and other such issues Germany follows the political plans of others rather than coming up with its own political plans.

TOP 10 EXPORTED PRODUCTS GERMANY



Germany's Major Trading Partners, 2022



Germany's Security

Guarantor

Germany's most important foreign relationship is with the US. When World War 2 came to an end in 1945 Germany was defeated and was divided into four sectors, each of the major victorious nations in the war – the US, Soviet Union, Britain and France controlled a sector. The three western nations established West Germany in 1949 and Moscow established East Germany. In practice West Germany followed America as a dependent state. This was similar to East Germany which was with the Soviet Union. East Germany represented a forward base for the Soviet Union to the west, and similarly for the US West Germany became the front line in its containment line to protect Europe against any Soviet advance.

Germany joined NATO in 1955 and ever since its security has been managed by the US and closely tied to France. West Germany became fully integrated into the western bloc. The US military presence reached 274,000 US troops in Germany at its peak and today the US maintains eight military bases in Germany with 35,000 troops stationed in the country.

The US continues to provide Germany with a nuclear guarantee and a ballistic missile defence guarantee. As a result, Germany has not pursued an advanced missile program or a nuclear weapons programme.

Under the Trump presidency he criticised Germany for not investing in its armed forces and bullied Angela Merkel for not meeting the country's NATO spending requirements. But when Russia invaded Ukraine, Germany joined the US alliance structure against Russia and showed it is fully with the US, its security guarantor.



A photograph of Angela Merkel and Vladimir Putin. Angela Merkel is on the left, wearing a blue jacket and a necklace, with her hands clasped. Vladimir Putin is on the right, wearing a dark suit and tie, gesturing with his right hand. The background is blurred, showing other people in a public setting.

Who is Germany's Energy Supplier?

The Soviet Union drove the Nazis from the outskirts of Moscow in 1941 all the way back to Berlin by 1945. At the end of World War Two East Germany became a sector separate from the rest of Germany and became a Soviet controlled zone. East Germany became the German Democratic Republic (GDR) and became the front line in the Cold War against the West. The two German states, West Germany and East Germany did not have a policy independent of their camp leader.

In 1955, West German Chancellor Konrad Adenauer visited Moscow to establish diplomatic relations between West Germany and the Soviet Union. A trade agreement followed in 1958 and by 1960, bilateral trade between the countries was booming. In the 1960s, the astonishing wealth of Russian oil and gas resources was becoming apparent. Demand for German-made large diameter pipes soared as a mammoth energy business dawned for the Soviets.

To keep Germany's industrial machine running it needed access to a regular and reliable supply of energy. The Soviet Union built the Druzhba (friendship) pipeline in 1963, one of the world's longest oil pipelines and one of the biggest oil pipeline networks in the world. This pipeline sent large volumes of oil to Czechoslovakia, East Germany and Hungary. From 1991 it would provide energy to Ukraine, Belarus, Poland, Hungary, Slovakia, the Czech Republic, Austria and Germany. After the collapse of the Soviet Union, Germany would be part of the Yamal-Europe pipeline that would provide natural gas to Germany

from Russia's Siberian energy fields through Belarus and Poland. The Nord Stream pipeline, operational from 2011 would further provide large volumes of natural gas to Germany from under the Baltic Sea from Russia. This energy relationship has been a major factor in German-Russian relations. For Russia it meant it had a direct and unique relationship with a key pillar of Europe. For Germany it was the link in a chain that would lubricate German industry and provide large volumes of natural gas that was necessary to fuel this.

German-Russian relations were built upon the two economies needing each other. Germany manufactures the industrial chemical products and the machinery that Russia needs to modernise its economy, as well as the cars which rich Russians like to drive. Additionally, Russia produces the gas on which the German economy relies upon.

With Russia's invasion of Ukraine, Germany joined the US bloc against Russia and began the process of reducing its energy imports from Russia after decades of a deepening energy relationship. Germany now gets more pipeline gas from neighbouring Europe and Norway, buying liquefied natural gas (LNG) via existing European terminals, and constructing new LNG terminals on German coastlines. Norway has replaced Russia as Germany's top gas supplier, accounting for a third of imports. Belgium and the Netherlands also helped plug the gap.

The German-Russian relationship is now in a flux.



Are Germany and France Now Frenemies?

The Franco-German alliance is the most important relationship in Europe. Disputes between France and Germany led to several European wars between 1870 and 1945, while their reconciliation after World War Two led to the creation of the European Union. Although the bloc has become increasingly complex in recent decades, Paris and Berlin remain at the organisation's political and economic core

French President Emmanuel Macron and German Chancellor Angela Merkel signed a document in 2019 to deepen the bond between their governments. The agreement enhanced cooperation on security, defence and the economy. The Aachen agreement was intended as a follow-up to the Elysee Treaty of 1963, in which France and West Germany agreed to increase their political, economic, military and cultural cooperation.

The two countries signed that pact less than two decades after the end of World War Two, when the European Economic Community was only six years old. At that time, Paris and Bonn were still seeking ways to leave their traumatic past behind and foster cooperation on crucial issues such as foreign policy and defence. France viewed the treaty as a means to enhance Europe's autonomy from the US at a time when West Germany was pursuing close cooperation with the US. Bonn was also backing the UK's acces-

sion to the EEC in the face of French scepticism. Despite numerous challenges that have emerged in the relationship Franco-German cooperation has deepened substantially over the past six decades, so much so they now share the same currency, a development that would have seemed impossible in 1963.

The Aachen agreement took place in a dramatically different context than its predecessor six decades ago. The European Union is not an alliance of just six countries, but 27. The much bigger bloc is less cohesive than it was in the 1960s. France and Germany still carry a lot of weight in the European Union's decision process, but they are no longer its undisputed leaders. Strategic and ideological disputes between Northern and Southern Europe, and between western and eastern members of the bloc, have led to political fragmentation. At the same time, the emergence of nationalist and Eurosceptic political forces everywhere on the continent pose a serious threat to the union's continuity.

By pushing ahead with this bilateral agreement France and Germany will further tighten their grip on the continent. It has been in both countries' interest to work closely so that another war between them is impossible, while both wish to limit the influence of external powers like the US, Russia or China. Germany is fast becoming the dominant partner in the relationship.

Is Germany the Undisputed Leader of the EU?

Germany after World War Two embedded itself into the European Union and NATO and avoided anything that looked like German unilateralism. Germany became the financial guarantor of the EU whilst the French shaped the European Union. But the debt crisis in 2008 led to certainties about a united Europe fraying and Germany for the first time since World War Two started to take a more leading role within the EU.

For long Germany's relationship with the EU was based upon Germany being wedded to EU decisions and engaging with the world through the EU. This suited Germany as it kept any accusations of German unilateralism at bay. This led to Germany over time becoming a powerful player within the EU and today Germany is at the centre of the European continent. It is not Brussels, London, Amsterdam or Paris that will determine Europe's fate, but Berlin. Europe cares about Germany like Asia does about China.

When the EU crisis began in 2010 Germany led the solution to the crisis. It used the crisis to introduce controls on the fiscal systems of EU member states as well as restrictions on their national budgets. Germany imposed austerity as the only way to resolve the crisis on the continent and kept out any other potential solutions. This meant European nations would need to cut their budgets and balance their books. Germany has now rewired European structures to its advantage. The German-dominated EU bailout fund operates largely independent of EU authority or scrutiny. The EU now serves Germany, and it remains to be seen how Berlin will use the EU in terms of supporting its global interests or will it remain an EU institution that Berlin dominates.





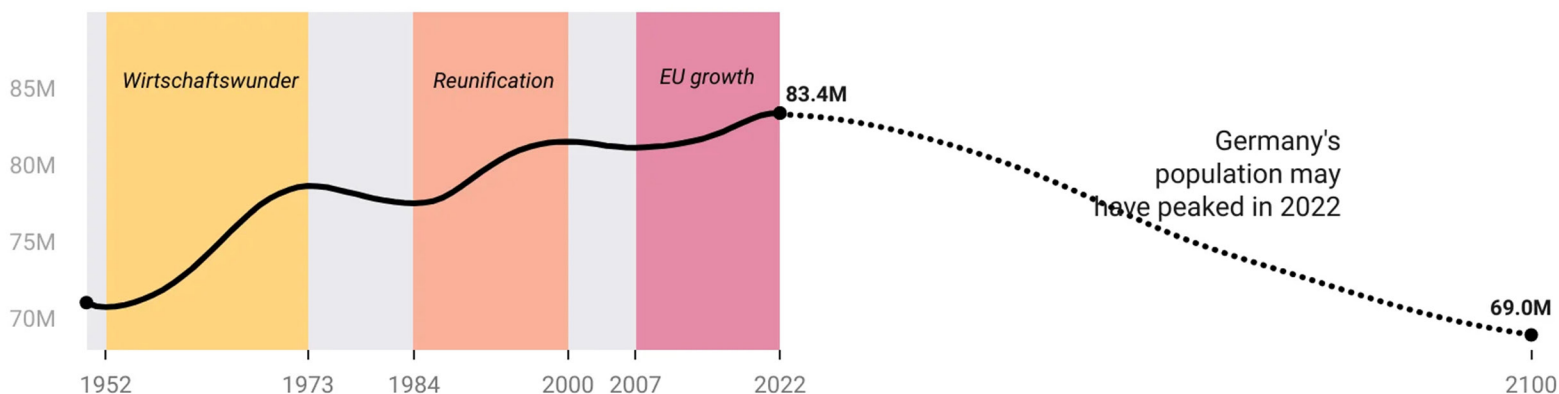
What Are Germany's Long-Term Challenges?

Demographic decline - In 2012 Germany's Federal Statistical Office reported that Germany's population will decrease to around 65 million by 2060, assuming the birth rate stays at 1.4 children per woman. In 2019 there were fewer Germans under 30 years old than there were Germans that are 60+ years. After years of declining demography Germany's future is uncertain as the shrinking population will affect the size of its labour force and the size of its military and fundamentally in its ability to be a world power.

By 2060 Germany's labour force of 50 million is expected to drop to 33 million. Half of Germany's population will be of retiring age by 2060! Japan has become the world's largest indebted nation due to having a sizable population over the age of retirement. Having a sizable population and labour force has been central to becoming a global power. This trend does not bode well for Germany.

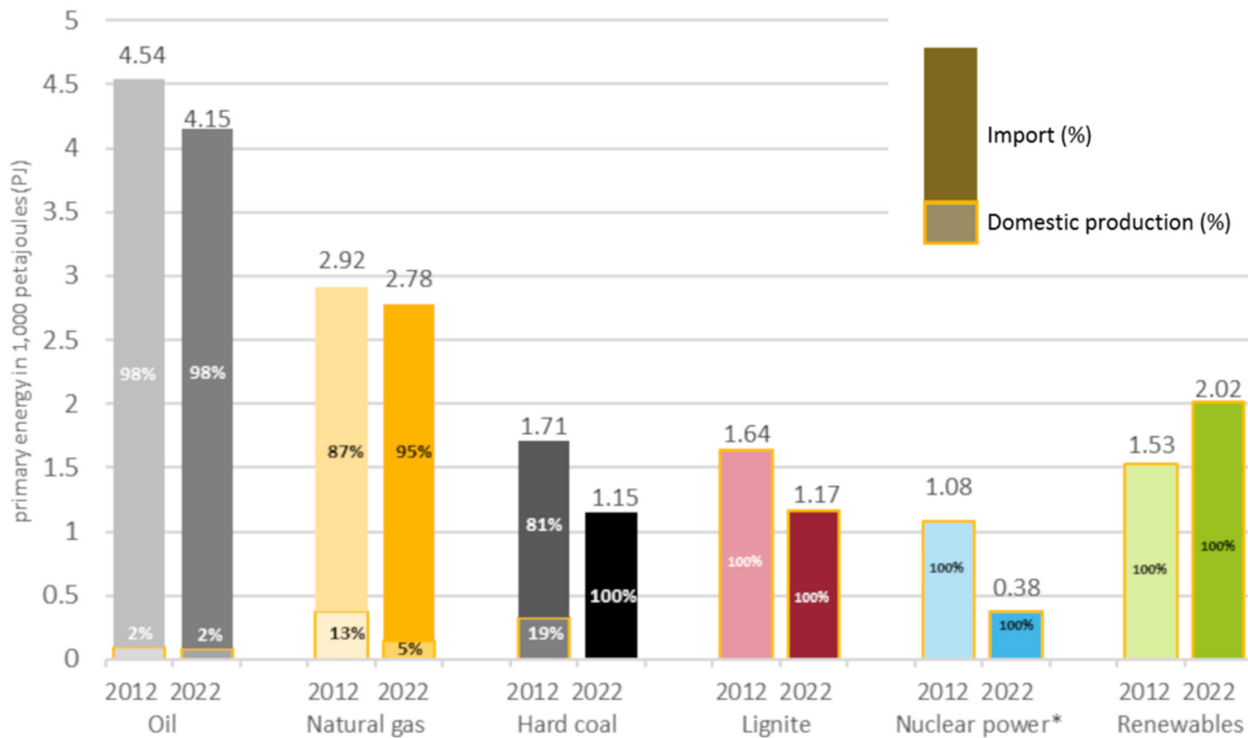
Population growth may be over in Germany

Germany has entered its fourth period of population decline in the postwar era. This one might be permanent.



Energy dependency - Germany's Achilles heel has always been its lack of energy resources. Germany became a power in the past by conquering territories with energy resources and lost both World War One and World War Two when it was cut-off from energy sources. Today Germany imports 100% of its oil and 90% of its natural gas, which until recently mainly came from Russia. The phasing out of nuclear power after the Fukushima nuclear reactor disaster in 2011 made the problem more acute. In 2010 Berlin announced a new energy strategy to 2050, it mainly consisted of a shift to renewable energy. Renewable energy depends on geography and nature, the sheer size of Germany and its large industrial requirement, dispersed across the country will require transportation from energy sources to where it will be used. Going forward Germany's dependence on energy imports will not be reduced by a shift to renewable energy and a regular secure supply of energy is crucial for any aspiring power.

Import Dependency by Source

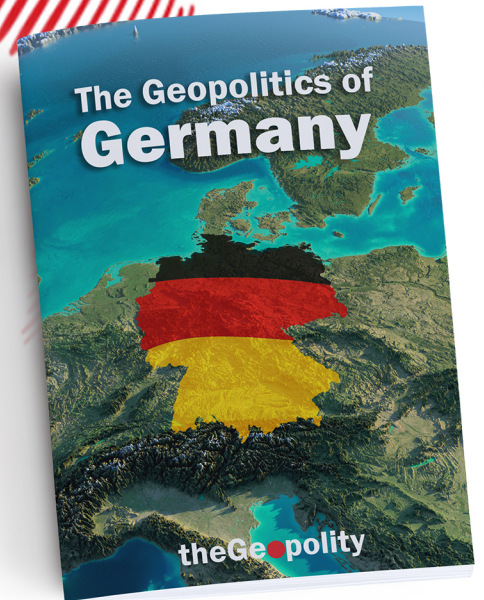
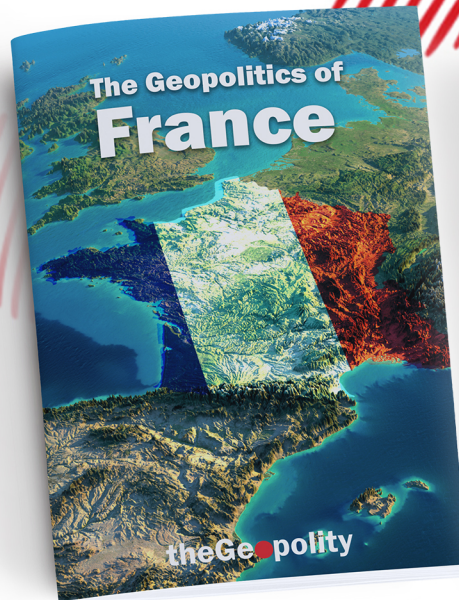
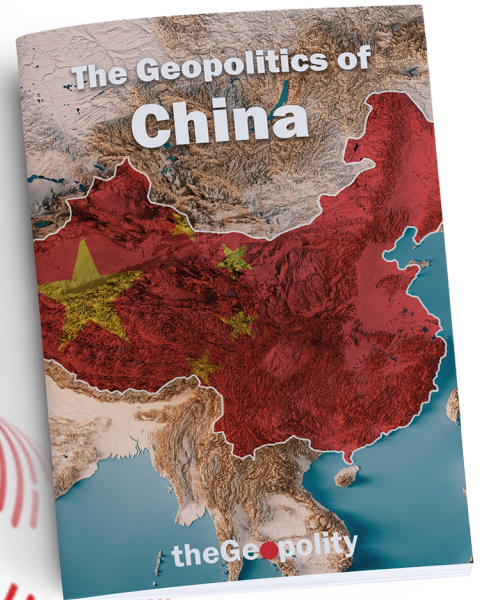
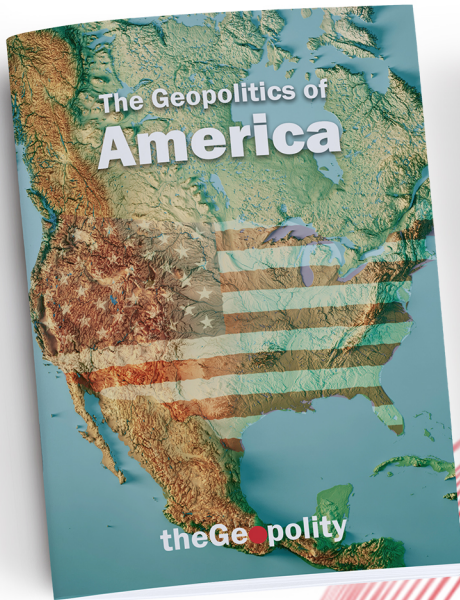


Will the EU Survive? - The creation of a union in Europe has played a central role in Germany's post war development. Europe's long history of war is what a union of Europe was attempting to solve. Europe's constant wars had ravaged the continent. It was believed Europe could overcome nationalism through creating a structure in which Europe acted as a union of states.

In the intervening years the EU has grown in size by the accession of new member states, and in power by the addition of policy areas to its remit. Today the European Union is an economic and political union, which consists of 27 member states. The EU emerged with the goal of creating a system of interdependency in which war in Europe was impossible, an extraordinarily ambitious project. The idea was that with Germany intimately linked to France, the possibility of significant European conflict could be managed.

The Sovereign debt crisis in 2010 challenged every aspect of the European Union and has brought the spectre of nationalism back to the surface. The principle of the free movement of people, has seen the flow of refugees towards Europe. The German initial message of welcome quickly turned to 'no more welcome.' But the influx of so many refugees has led to problems within and between EU member states.

The fundamental problem is the EU never really solved nationalism, which has been its curse. Merely creating an economic bloc does not do away with centuries of differences. It is unlikely the EU will survive in its current form. Many also argue that there is a good chance the EU will not survive at all. The only thing really holding the union together is Germany, who benefits immensely from the union, but there will be nothing Germany can do if the forces of nationalism lead to another war on the continent.



Our Mission

The world is a complex place with daily political events taking place which affect us all in different ways. The sheer number of events happening makes making sense of the world even more complex.

Geopolity.com aims to help in making sense of this complex world.

At geopolity.com we look at the world through the lens of power and ideology. We see forces such as geography, politics, economics and military capability constrain world leaders and nations. Through understanding these forces, we believe we can make sense of what nations are attempting to achieve. We also believe by determining the ideology nations embrace we can appreciate why the US is interested in the Middle East and why much of the world worries about Pakistan's nuclear capability.

This allows us to filter out all the noise and focus on the important political actions, moves and developments.

Who are we? Geopolity has no office as we believe it is people and ideas that are key, not offices and buildings. We are individuals who believe the world should be a better place for all and this can be understood by understanding the world around us. We are a non-profit-making organisation and so have no shareholders to satisfy. We believe the more people can understand the world, the better the world would be.

The mission of geopolity.com is to analyse the political events and empower you the reader to understand and successfully navigate the constantly changing and complex geopolitical environment. Geopolity aims to do this by regularly and vigorously analysing political events as they take place.



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