German-Israeli Relations
Security of Israel – Reason of State?

by

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United States Army War College
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In 2008 German Chancellor Merkel declared that Israel’s security and right to exist is a German Reason of State. She promised Israel assistance in case of war. Four years later, German President Gauck publicly dissociated himself from this commitment. In this context particularities of political, economic and military aspects of the German-Israeli relations are discussed from a German perspective. The Israeli-Palestinian conflict and the Iranian nuclear program are analyzed in order to delineate elements of German policies. Finally, this paper assesses statements of the President and the Chancellor with regard to a realistic German Middle East policy.
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Israel's security situation characterized by the ongoing failure to advance the peace process, the civil war in Syria as well as in Iraq, the continued threat to existence from Iran, Hamas and Hezbollah, and the issues of the various Arab Springs remains precarious. In 2008 German Chancellor Merkel promised Israel assistance in case of war. Four years later, in May 2012, German President Gauck publicly dissociated himself from this commitment. In contrast to Merkel, he criticized Israel’s politics cautiously. As the German President does not have a mandate to design German foreign policy, his statements which deviate from the official government line are monitored carefully. The German public perceived the differences and discussed them in detail. In this context this strategic research project focuses on the German-Israeli relations from a German perspective. First this paper will discuss the particularities of the political, economic and military aspects of the German-Israeli relations. Subsequently two conflicts vital to Israel’s security and right to exist, the Israeli-Palestinian conflict and the Iranian nuclear program are analyzed in order to delineate realistic elements of German policies. Finally, this paper summarizes the policy options and assesses the statements of the President and the Chancellor regarding this issue.

The relations between Germans and Jews were broken through destruction and genocide. This prevents the relationship between the Federal Republic of Germany and the State of Israel from ever being normal. Instead they will always remain somewhat uneasy. On the German side, it is difficult to get occasional criticism of Israeli government policy and the fundamental responsibility towards Israel as the Jewish state under one umbrella. With criticism of Israel’s policy pertaining to the Palestinians and
the Occupied Territories sometimes the right of Israel’s self-defense is called into question. This of course is unacceptable since Article 51 of the Charter of the United Nations recognizes an inherent right of self-defense. An additional concern is that even modest German criticism of certain Israeli decisions comes under the suspicion of bias and anti-Semitism. The result is an ongoing inflammation of an often poisoned debate within Germany about how to interact with Israel and deal with their activities; especially those that are at odds with German sentiment or national policy. It is therefore difficult to achieve fair and politically balanced positions regarding Israel because of the controversial nature of many issues.  

During her speech in the Knesset in 2008 Chancellor Merkel declared:  

Each and every German government and each and every Chancellor have been committed to Germany’s special historic responsibility for Israel’s security. This special historical responsibility is part of the Reason of State of my country. … If that is accurate, then it may not be empty words in the moment of truth.  

This statement was directly related to the threat arising from the Iranian nuclear program, yet the difficult questions, strategic and policy implications of what Chancellor Merkel clearly declared have been avoided. However, the context of the entire speech leaves no doubt that this applies to any threat to the existence of the state of Israel. Chancellor Merkel's commitment was in opposition to the public opinion in Germany. In May 2012 during his state visit to Israel President Gauck disassociated himself from this very strong pronouncement and when asked what he thinks about Chancellor Merkel's commitment, President Gauck replied:  

Advocacy for the security and for the right of existence of Israel determines German politics. Israel shall live in peace and within secure borders I do not want to think in war scenarios. … and I do not want to think about any scenario that would bring the Chancellor into enormous difficulties, while implementing her statement politically.
Although he takes Merkel’s basic message seriously; he considers her stated policy position to be risky for Germany, since the government cannot implement everything politically as chancellor Merkel's statement is nothing less than a promise of assistance in case of war with Iran. To the German public the scope of this promise, however, is not yet clear. President Gauck warned Israel about a military escalation. But related to the Iranian nuclear weapons program, he stated "this is a threat not only to Israel, but also a potential danger for Europe." 

Chancellor Merkel used the term reason of state in her speech. It is a term often traced back to Machiavelli. His ideas followed the principle that a State has the right to enforce its interests even in violation of laws. In these cases the moral quality of political action would be of minor importance. Thus the concept of reason of state has a dual function: first, it authorizes decisions on matters beyond legal and moral norms, and second, it subjects these decisions to an objective state interest. More often than not in international politics violations of international law were and are justified with an appeal to the reason of state. This is especially true in crisis situations and in case of a state of emergency. In both these cases states sometimes follow their interests without regarding law or morality. Obviously reasons of state always refers to the protection of the own state — precisely the objective of expediency. To declare the existence or the security of another state for reasons of state means a loss of sovereignty. Should the case cause unforeseen decisions of the other state it would trigger no longer modifiable own political actions. Incidentally, the term reason of state sounds archaic to a German audience as it recalls a case of existential emergency: to be or not to be. And that’s why
it is used so sparingly. However, President Gauck deliberately moved away from Chancellor Merkel’s formula.

German Israeli Bilateral Relations

Germany’s policy towards Israel is determined by political and economic interests, but more importantly by the Holocaust and the resulting sense of responsibility towards Jews and the Jewish state. In September 1952, only seven years after World War II and the Holocaust, then Chancellor Adenauer and Israeli Foreign Minister Sharett negotiated the Luxembourg Agreement (Reparations Agreement between Israel and West Germany). For Germany, it was beyond the recognition of guilt, a prerequisite for international acceptance and the so-called ‘Westintegration’. Germany paid more than 3 billion DM (Deutsche Mark) in restitution payments to the State of Israel, the Jewish Claims Conference and Jewish refugees in Israel. For Israel, and its then Prime Minister Ben-Gurion, the Agreement had an economic importance. Avi Primor, the long-standing Israeli Ambassador to Germany claimed that the modern Israeli economy began with the Reparations Agreement. In 1965 the two countries established diplomatic relations. Since then all German governments promoted stronger relations at state and civil society levels. Today, Germany has better relations with Israel than with any other country in the Middle East.

The German-Israeli relations are unique based on the Holocaust but also on common values of democracy, freedom and human rights. There are numerous joint ventures such as economic projects and cooperation in education. Scientific cooperation has played a special and pioneering role in the development of diplomatic relations between the two countries, i.e. a relationship between the Max-Plank-Gesellschaft and the Weizmann Institute of Science has existed since 1959. The two
countries have formed an important basis of cooperation based on the relationship’s diversity and vibrancy.\textsuperscript{17} Due to these scientific and cultural relationships there were 1,599 Israeli students in Germany and about 1,000 German students in Israel in 2010.\textsuperscript{18} The German-Israeli youth exchange constitutes a major success story in the relationship between Germany and Israel. Its effects cannot be overstated. The number of German youth exchange programs with Israel is ranked third behind France and the United States respectively. Today more than 500,000 young men and women from Germany and Israel have met each other and experienced daily life in each other’s countries. This is essential to the development of German-Israeli relations.\textsuperscript{19} In addition to the educational exchanges to promote the continuous peace process in the Middle East, the German Federal Ministry for Education and Research participated in multilateral collaborative projects with Israel and its Arab neighbors, mainly in the areas of marine research, environmental and water technologies.\textsuperscript{20}

Political –Diplomatic

Overall, continuity characterizes the German policy towards Israel. It occurs either within the EU framework or at least in close coordination with its European partners. The security of the state of Israel is essential to German foreign policy and there is a strong interest for peace and security in the region. Therefore, Germany contributes diplomatic efforts to the continuation of the Middle East peace process and to the recognition of Israel’s right to exist.

During the Schröder/Fischer government (1998-2005), Foreign Minister Fischer was responsible for German-Israeli relations and attempted to resolve the Middle East conflict. Fischer advocated for the Jewish people and the State of Israel, as well as for the rights of the Palestinians and a peaceful resolution to the conflict. Chancellor
Schröder adopted a rather distant attitude to Israel. Nevertheless, he made his position very clear: “Standing up for Israel’s right to exist and its security within recognized borders was and remains inalienable foundation of German foreign policy.” In his State of the Nation Address 2002, he referred to Germany’s historical responsibility, but he also stressed that Germany and Israel were connected by both being intact and functioning democracies, as well as a basic consensus on the values that form such a democracy. Therefore, in the defense of common values, German leadership would not accept an embargo or boycott of Israel. He then stated “I want to say very clearly: Israel gets what it needs to maintain its security, and it gets it when it is needed.” As a result, Germany has increased its arms exports to Israel significantly. The increase, however, was primarily due to the sale of submarines which the preceding government had agreed upon.

When Chancellor Angela Merkel took office in 2005 she made the relationship with Israel a top priority. As a result her foreign minister stepped back respectively. During her first official visit to Israel in January 2006, she repeated the Israeli Government’s line against Hamas almost verbatim. Also, during the Gaza War 2008/09 she stood firmly on Israel's side and exclusively blamed Hamas for the violent escalation. Additionally the two governments considerably deepened the cooperation. The majority of the ministers attend regular intergovernmental consultations held in 2008, 2010, 2011 and most recently in November 2012.

**Economic**

The Jewish state is one of those countries with which Germany has established an extensive network of business contacts. Upon completion of the Luxembourg Agreement, the Federal Republic began to supply Israel with products and goods. From
1953 to 1965 Germany provided a third of all imports to Israel. It was only after 1973 that the U.S. began to export more goods to Israel than Germany. Israel is Germany’s largest trade partner in the Middle East. This includes even military equipment, requiring special approval by the Federal Security Council. Germany must balance the moral obligation to fully support the existence of Israel against the intent and interest not to supply any weapons into areas of crisis. Regardless of these concerns Germany remains the most important economic partner of Israel within the EU. After a record year in 2008 and a crisis-related decline in 2009 the volume of bilateral trade rose significantly in 2010 and in 2011, where trade reached a new record high.

**Security Policy and Military**

The German-Israeli security and military relationships are trustworthy, created for the long-term, and largely independent of the current political situations in both countries. The degree of cooperation between the two countries has reached a very high level and as a result the politico-military contacts are remarkably deep. A strategic dialogue at the level of Deputy Defense Secretaries (beamte Staatssekretäre) as well as Staff Talks at the level of Policy Directors is conducted on a regular basis. Since 2008 the government consultations have provided a platform for regular dialogue on the level of the two states Defense Secretaries. Maintaining these excellent bilateral relations with the Israeli armed forces is of the highest importance for Germany. Due to the high performance of the Israeli Defense Forces, especially in regard to their experience with terrorism and asymmetric warfare, the cooperation is of particular interest for the German Armed Forces. Obviously Israel is Germany’s major military partner in the region. Israel considers Germany to be a strategic partner, mediator and advocate in NATO and the EU, and is therefore interested in an intensive
bilateral cooperation. Constructive armament cooperation between the government and industries of both countries is one of Germany’s priorities.28 Germany appreciates the capability for technological innovation and the mission-oriented, fast implementation cycle of the Israeli military industry. However, Germany has problems following Israel’s speedy and pragmatic planning and procurement process.

Role of the EU

German Foreign Policy always occurs within the EU framework or at least in close coordination with the European partners. The Euro-Mediterranean Partnership, the European Neighborhood Policy and the Union for the Mediterranean are all clear manifestations of the importance that the EU associates to this region. Together with the U.S., the UN, and Russia, the EU forms the Quartet. Within this organizational framework, the EU pushed the development of the Road Map. In principal this Road Map, launched in 2003, is still accepted by the Israelis and the Palestinians. This alone proves the crucial relevance of the EU as a player in the Middle East.29 The very positive attitude of Israelis, as well as, of the Palestinians towards the EU is very helpful for the EU and reinforces its influence.30 However, many observers underestimate the EU's role in the peace effort. The EU in itself is a complex player. On the one hand EU policy must be understood and considered as the sum of the policies of the individual member states of the EU and the proper EU policy. On the other hand, the influence of the EU is sometimes misunderstood by those “thinking of the impact primarily in terms of quasi-hegemonic capacities.”31

German foreign policy tries not to be isolationist. The United Nations General Assembly ballot on the non-member observer state of Palestine to the UN is a remarkable illustration of this. Initially, Germany, together with UK, wanted to vote
against the proposal. Great Britain eventually decided to abstain. Germany followed this vote in order to avoid isolation from major European countries. Therefore it is even more important for Germany to influence the development process of EU policies in line with its own interests. Germany was successful in doing so while ensuring that the EU relations with Israel were increasingly deepened. In 1994, within the framework of the German EU Presidency, a special and privileged status for Israel in relations with the EU was agreed upon.\(^3\) In 2012 the EU called on both the Israelis and the Palestinians to resume direct talks and reiterated its commitment to the two-state solution as well.\(^3\)

The Israeli-Palestinian Conflict

**Peace Process**

The Israeli-Palestinian conflict exists as long as the state of Israel itself. Major contentious issues are the Israeli Occupied Territories occupied since 1967 and in particular the status of Jerusalem. In 1967 Israel occupied East Jerusalem and in 1980 the city was formally annexed.\(^3\) Direct negotiations involving all parties occurred for the first time in 1991. Secret Israeli-Palestinian negotiations in 1993 led to the Oslo Declaration of Principles and then the Palestinian Authority was established. In 2001 President Bush mentioned the two-state solution which included Israel and Palestine living in peace with security and recognized borders, for the first time.\(^3\) Since 2002 the U.S., the EU, Russia and the UN Secretary-General form the so-called Middle East Quartet. Based on European preparations, the Quartet developed a Road Map for Israelis and Palestinians in 2003 aiming at a two-state solution. Some of the obligations of this Road Map (creation of the office of the Palestinian Prime Minister, interim constitution, preparation and conduct of free and fair elections, introduction of economic
and administrative reforms) have been met. Other obligations, in particular the withdrawal of settlements by Israel and the cessation of violence by Palestinians still have to be addressed.\textsuperscript{36} In 2011, the Quartet developed a multi-step plan envisaging a timetable for peace talks without preconditions. Although the parties accepted the plan in principle, strong differences on the settlement issue were not to overcome. After the suspension of direct official talks in January 2012, Israel restarted settlement construction again. At the end of October 2012, there was a new round of violence in and around Gaza with Palestinian rocket attacks on Israel. Israeli airstrikes in response aggravated the situation. On 29 November, the General Assembly adopted a resolution upgrading Palestine’s status to a non-member observer state status at the United Nations.\textsuperscript{37} United Nations Secretary General Ban Ki-moon asserted the decision underscored the need to enter into substantive talks. He called on the Israeli and Palestinian sides to renew their commitment to a negotiated peace.\textsuperscript{38}

\textbf{Two State Solution}

What America and the international community can do is to state frankly what everyone knows -- a lasting peace will involve two states for two peoples: Israel as a Jewish state and the homeland for the Jewish people, and the state of Palestine as the homeland for the Palestinian people, each state enjoying self-determination, mutual recognition, and peace.\textsuperscript{39}

Internationally, the two-state solution has prevailed as a model.\textsuperscript{40} The consensus includes that the territory of the Palestinian state is largely based on the 1967 borders, (West Bank, East Jerusalem and Gaza Strip). Generally, it is also agreed that there should be a limited exchange of territory. But it is unclear how the territorial link between the West Bank, East Jerusalem, Gaza and any exchange areas will be created. Moreover, it is completely unclear how the two states solution can be realized at all given the geographic and political split between the West Bank and Gaza. Anyway,
territorial continuity would be an important prerequisite for the viability of a future Palestinian state. In contrast, the sovereignty of the Palestinian state could well be limited initially. To meet Israeli security interests, for example, a substantial demilitarization and restricting of freedom of alliances could be agreed upon. The future status of Jerusalem is one of the most difficult issues. About 300,000 Palestinians live in the east part of the city. A broad political separation of East Jerusalem from both Israel and the Palestinian Authority led to the point that the interests of East Jerusalem are currently not adequately represented. The decoupling of East Jerusalem often leads to violence, i.e. the second intifada started in Jerusalem.

**Israeli Settlement Policy**

To date all Israeli governments have promoted settlements in the occupied territories. The settlement policy was initially aimed at controlling strategically important terrain, to protect the Israeli heartland, and consolidate rule over Jerusalem. Nonetheless, the settlements violate international law. Today more than 311,000 Jewish settlers are living in the West Bank and more than 186,000 in East Jerusalem. Although Jewish settlers make up only eight percent of the Jewish-Israeli population, they have a strong influence on government policy. The settlements are expensive as the government heavily subsidizes and protects them. Studies also show that a relocation of settlers to Israel would be cost-effective for the state in a midterm perspective. Although the two-state solution based on the Oslo accords in 1993 and 1995 remains the declared policy of Netanyahu, it is the Israeli settlement activity in the West Bank that makes a separation of Israeli and Palestinian territories more difficult.

The Middle East Peace Process should not be allowed to stagnate due to current instability in the region. Unconditional continuation of the peace process between Israel
and Palestine remains decisive. In both the Israeli and Palestinian societies a majority recognizes that only a two-state solution is a realistic option for a viable and lasting settlement of the conflict. Palestinians and Israelis support their government’s position to return to negotiations. However, a majority of Israelis reject the Palestinian conditions to stop all settlement construction and to return to the 1967 borders, and a majority of Palestinians oppose the return to talks without fulfilling these conditions. Israelis and Palestinians can only resolve this conflict through direct negotiations.

Israelis

Current polls show that 56% of Israelis support a comprehensive treaty implementing the two-state solution. However, considering the current political situation 65% do not believe in a peace agreement with the Palestinians for the time being. After initial hesitation Israel’s Prime Minister Netanyahu accepted a two-state solution in principle. He reiterated his willingness to concessions and abandoning some Israeli settlements. But he opposes any preconditions for negotiations, especially a settlement freeze and a division of Jerusalem. He also calls for robust security arrangements, including a long-term Israeli presence in the Jordan Valley and defensible borders. On the other hand, he demands Palestinian recognition of Israel as the Jewish state. For these positions Netanyahu can count on public Israeli support. Further concessions would currently converge with the well-organized settler’s movement and from parts of the ruling coalition.

The Israeli Arabs make up about twenty percent of Israel's population. Twelve members represent them in the Israeli parliament. However, they do not identify themselves with the Jewish State. Israeli Arabs do not serve in the Israeli Defense Forces. Altogether this results in an inadequate integration of this minority in the political
processes. Israel's relations with its neighbors are very tense. In this regard, it proves to be a disadvantage that no normalization of social relations came along with the various peace treaties in the past.\textsuperscript{49}

Israel's political strategy seems to be based on the premise that there is no reliable partner for peace talks on the Palestinian side. By exposing the bilateral peace process, moderate Palestinian political forces have been weakened. This was particularly true for the Fatah Party of Palestinian President Abbas.

Palestinians

Since Abbas took office in January 2005, the Palestinian Authority realized achievements in the security sector and had a nearly double-digit economic growth in the West Bank. Under Palestinian Prime Minister Fayyad's reforms, economic growth in the West Bank in 2009 reached 8.5%. A simple logic applies whenever there are no fights between Israelis and Palestinians, the economy will grow faster in the West Bank.\textsuperscript{50} Salam Fayyad was mandated to form a government in February 2011 by Abbas, not by an elected parliamentary assembly. The Palestinian Authority has partial political freedom to act independently in only in about 40 percent of the West Bank. This partner of the international community has neither the legitimacy nor the authority that is attributed to him. However, Abbas is considered to be the only credible negotiator on the Palestinian side.\textsuperscript{51} Four and a half years after they came to power in the Gaza Strip, Hamas is still excluded. Opponents of diplomatic recognition of Hamas often overlook that they are not exclusively composed of radical Islamic terror cells. The dilemma remains that even if Hamas is lagging behind the demands of international actors, there is no real alternative to their long-term political involvement.
German-Palestinian Bilateral Relations

The Palestinian Authority has no full, appropriate governmental structures or institutions. They are only partial and limited because of occupation and intra-Palestinian conflicts. There are some nine million Palestinians worldwide, four million live in the West Bank and the Gaza Strip, and at least one million are Israeli citizens and live in Israel.52

Many argue that Germany not only has a responsibility towards Israel, but also a responsibility towards Palestine. While there is no causal relationship between the German genocide of the Jews and the Middle East conflict, the state of Israel was created at the expense of the Palestinians.53 That is why the German Middle East policy in the era Schmidt and Genscher (1978 to 1982) and even more so under Schröder and Fischer (1999 to 2004) was determined by a desire to enhance the relationship with the Palestinians, without touching the favor for Israel. Angela Merkel's wholehearted support of Israel comparatively maintained a greater distance from the Palestinians.54 Still Germany is the world's largest donor to the Palestinian territories and supports them economically far more than many Arab oil states. In the last decade a quarter of the 1.5 billion Euros that the Palestinians received from the EU came from Germany. The Occupied Territories are a center of attention of German development aid where cooperation focuses primarily on water supply and sanitation, solid waste management, economic development, institution building and promotion of local government.55 Germany is also working bilaterally to support a peaceful solution. Federal Minister Niebel, responsible for economic cooperation and development, repeatedly stated that the Palestinian Authority is an important partner for pro-peace development. German-Palestinian development cooperation is making an important contribution towards
bringing about tangible improvements in the economic and social situation of the population in the Palestinian Territories. Germany supports in particular the Palestinian police. Examples of cooperation are fingerprint systems for Palestinian Police, training courses, infrastructure projects, and allocation of equipment. Moreover, since late 2005 the EU has maintained a presence in the Palestinian Territories with a Border Assistance Mission and a Police Support Mission.

Germany will not unilaterally recognize a Palestine state. Nonetheless Germany was the first country to open a representative office in the Palestinian territories. The Palestinian General Delegation in Berlin was upgraded to the "Palestinian Mission" in early 2012, however this does not imply official recognition. Therefore, the Vienna Convention on Diplomatic Relations does not apply. On 29 November 2012 the United Nations General Assembly recognized Palestine as a non-member observer state to the UN. Whether this vote serves the continuation of the peace process is at least controversial. Germany, to the dismay of Israel, abstained in the vote.

German Policy Options

As a consequence of Germany’s interest in a deeper European integration Germany’s policies vis-à-vis Israel and Palestine must remain embedded in the EU’s policies. Germany will have to take its special responsibility for Israel into account and at the same time respect the right of Palestinian self-determination. To achieve a two-state solution through negotiations remains the proper objective. The State of Israel and an independent, democratic and viable Palestinian state should exist side by side in peace and security. Options including an active German military contribution in the region are obviously not available. The debates on German parliamentary mandates for the German Armed Forces missions illustrate this clearly. The example of the United
Nations Interim Force in Lebanon (UNIFIL) mission leaves little doubt. In addition to a principal reluctance to employ armed forces beyond self-defense, particularly in the Middle East extremely high political obstacles would have to be overcome.\textsuperscript{61}

Nevertheless, Germany should implement or continue to apply a mix of measures including elements of hard and soft power. The following objectives should be pursued rigorously. Deficiencies must be addressed more clearly. Germany should insist on democratic processes in Palestine. Only genuine democratic principles in the Palestinian Authority sphere of influence can reduce the lack of legitimacy of the Palestinian government. Support services, benefits and assistance should be strictly bound to improvements stipulated. Vis-à-vis the Palestinians and Israeli-Palestinians it must be made unequivocally clear that terror and suicide attacks must end. Palestinians have to establish basic order and a free and democratic society, as well as to ensure the equivalence of religious freedom for all religions.\textsuperscript{62} A fundamental reform of the PLO is required in order to modify the political blockade of Hamas. An intra-Palestinian reconciliation should be encouraged and enabled. At least some form of engagement with Hamas will be required if progress is to be attained.\textsuperscript{63} Creative thinking on Palestinian reconciliation is essential. The current incentive structure makes a National Unity Government unattractive to the Palestinian factions, particularly the Hamas leadership in the Gaza Strip.\textsuperscript{64} This obstacle must be dismantled. For example, a potential National Unity Government could be offered rewards. Germany should credibly and sustainably clarify how it would interact with such an administration. In addition Germany should foster Israeli-Palestinian relations in the realm of civil society even with small projects. German political foundations, churches, and other NGO’s should be
encouraged to continue their efforts.\textsuperscript{65} By supporting actors working for human rights, international law standards, peaceful conflict resolution and social pluralism, the civil society notably on the Palestinian side could be strengthened. This might provide the necessary confidence for and trust in a peaceful resolution of the Israel-Palestine conflict.

Besides Palestinian deficiencies, Israel must understand the impossibility of building an independent Palestinian judiciary and a non-partisan security apparatus with democratic oversight amidst the current divisions in the Palestinian Territories. Therefore, support for Palestinian and Israeli civil society is required. Vis-à-vis our Israeli-Jewish partners this mainly means to address the negative consequences of ongoing construction and expansion of illegal settlements. The constant massive restriction of freedom of movement within the Palestinian Territories prevents economic development in the Palestinian Territories, as almost all goods have to be imported and exported via Israel and according to Israeli conditions. Practical measures to deal with the particularly problematic issue of settlement growth might include issuing a code of conduct to discourage German and European investments in and cooperation with settlement-based companies. In East-Jerusalem, Germany could tighten policies and practice to avoid de facto recognition of the Israeli annexation. Germany should urge the Israeli government to strengthen the integration of the Israeli Arabs and to enable the inclusion of the Palestinians in East Jerusalem. Those who do not involve all relevant actors today risk a rejection of the outcome of negotiations tomorrow.\textsuperscript{66} This also involves convincing Israel that it is in its very own interest to strengthen moderate Palestinian forces.
With a view to the mentioned very good teamwork in the field of youth cooperation and education, the creation of a German-Israeli Youth Office along the lines of the German-French Youth Office, and a German-Israeli Academy could help to foster mutual understanding and exchange of ideas for the long term.\(^67\)

**Iran’s nuclear program**

**Background**

The International Atomic Energy Agency (IAEA) report, published in 2011, justified the IAEA’s growing concern about ongoing Iranian nuclear weapons activities.\(^68\) The expansion of Iran’s uranium enrichment was reaffirmed in August and November 2012, highlighting the critical 20% enrichment in the hardened plant of Fordow.\(^69\) These military related activities are in conflict with the Nuclear Non-Proliferation Treaty (NPT). Contrary to official announcements, inspections by the IAEA were not allowed. Next to the five official nuclear powers at least four non-nuclear weapon states possessing nuclear weapons exist: India, Israel, Pakistan and North Korea. According to the NPT none of these states should be allowed to possess nuclear weapons. Nevertheless, these nuclear powers are tolerated. It is worth noting that with regard to the legality of nuclear weapons possession it is entirely irrelevant as to whether or not these states are democracies, dictatorships, or theocracies.

From Tehran’s perspective, Iran resides in a dangerous neighborhood and finds itself in a precarious security situation. The American presence in Iraq, Afghanistan, the Persian Gulf, and the NATO member state Turkey are perceived as threats. At the same time, Iran is losing its single ally in the region, the Assad regime in Syria and is realizing that the Arab Gulf States are making efforts to push back Iranian influence.\(^70\) Iran is internationally isolated. Therefore, Iran calls for security guarantees and relies on
the nuclear program as a means of deterrence and thus of self-defense. The paradox of nuclear weapons has not changed, since the end of the Cold War: one owns them to not have to use them. Even a successful nuclear first strike could not prevent a nuclear response with mutually devastating consequences. A nuclear strike would be as self-defeating for Iran, as it would have been for the Soviet Union or the USA during the Cold War. Tehran would have to reckon with a massive nuclear and conventional retaliation from both Israel and the U.S. An agreement in the nuclear dispute is hardly imaginable without credible assurances. "Iran acts as a reasonable player that also weighs the price and risk of its actions – even if by Iranian standards – and is not solely guided by religious-ideological motives…"71 Additionally, Iran's nuclear program has become a matter of national prestige. Across all social groups and political camps in Iran, there is a consensus that it is an inalienable right for the country to build up its own uranium enrichment. Mir Hussein Mousavi made this clear in his campaign for the presidential elections in 2009.72

The Islamic Republic of Iran has existed for more than three decades. The riots and violent protests after the apparently falsified parliamentary elections of 2009 demonstrate the potential of the Iranian opposition.73 The fall in oil prices and the current sanctions against Iran present enormous problems for the state budget. Although Iran has huge oil reserves oil production is declining due to lack of investment; today Iran produces less crude oil than at the times of the Shah. Moreover Iran lacks capacities to refine crude oil. Iran has to import 40% of its demand for gasoline at world prices. In addition very high subsidies on petrol derivatives place a burden on the budget.74 Socially, the Iranian regime is under considerable pressure as well. Iranians
still have relatively free access to foreign media; Iran has the highest internet penetration in the region. Even when looking solely at the internal pressure, the regime faces a tough stance against the West.\textsuperscript{75}

The Iranian nuclear threat worries the overwhelming majority of the Israelis. Netanyahu declared it his first priority to fight this threat. Israel's time for reaction is running out as Iran could soon harden underground nuclear activities and thus create zones of invulnerability. 52\% of all Israelis support a cooperative intervention of Israel and the United States, while only 18\% were in favor of unilateral Israeli action. A quarter of Israelis (24\%) reject any intervention - whether cooperative or solo.\textsuperscript{76}

Accordingly, an overwhelming majority of Palestinians (82\%) and Israelis (77\%) believe that an Israeli military strike against Iran's nuclear facilities would lead to a regional war with Iran, Hamas and Hezbollah.\textsuperscript{77}

\textbf{German-Iranian Bilateral Relations}

The diplomatic relations between the Federal Republic of Germany and Iran were resumed in 1952; after the Islamic revolution in 1979, the relations between the two countries were subject to considerable tensions. Since 2003 German-Iranian relations are marked by the concern over Iran's nuclear program.\textsuperscript{78} According to the official statistics on foreigners about 54,000 Iranians live in Germany.\textsuperscript{79} The actual number of people of Iranian descent is much higher, at about 120,000, since from 2000 to 2006, 50,000 Iranians applied for German citizenship under the new citizenship law. The Iranians in Germany have an above average level of education and their societal integration is considered to be particularly successful.\textsuperscript{80}

In 2011 German exports to Iran have fallen by 19\% and imports from Iran to Germany fell by 17\%. The bilateral trade volume was 3.9 billion Euros (minus 18\%).
Interestingly, exports to the EU have increased in the same period by 13%. The sharp decline in German exports is primarily due to the sanctions under the UN and EU framework since December 2006. The EU foreign ministers decided in January 2012 on far-reaching sanctions against Iran to increase pressure and to convince Iran to engage in constructive negotiations: e.g. the oil import embargo, central bank listing, and sanctions against the petrochemical industry. German Foreign Minister Guido Westerwelle stresses that the sanctions work. He cites the inflation in Iran, and the dramatic decrease in oil exports, as evidence. However, the current EU policy does not reach its ultimate goals. So far neither the nuclear dossier nor the human rights issues have changed. The Iranian middle class will be the main losers in all these processes. This has led to a high degree of frustration and de-politicization. Striving for economic development trumps political development as the first priority. The nature of internal competition changed from ideological-revolutionary to more pragmatic-economic. The greater competition for economic interests may shift the balance of power in the long run and it may lead to a scenario where economic interest groups will push for a moderation in politics to safeguard their interests.

Germany continues to strive for a diplomatic solution to the Iranian nuclear issue along with the U.S., Russia, China, France and Britain – in Europe known as E3 +3. In April 2012 the E3 +3 talks were resumed despite several rounds of negotiations without results. Germany still sees a solution within the political dialogue supported by additional sanctions of the EU and the UN. Negotiations should concentrate on practical confidence-building steps. Iran has to fulfill its obligations under the resolutions of the UN Security Council. This means to end deception and non-cooperation and dispel
legitimate questions regarding the true nature of its nuclear program in a transparent and verifiable way. Actually, there are basically two courses of action: a military strike or a revised policy approach that relies on cooperation. The military option is again placed on the table.\textsuperscript{84} However, a military strike against Iran’s nuclear facilities would most probably be counterproductive. The nuclear program would only be slowed down, but not eliminated permanently. In fact, an attack would strengthen Iran’s perception that the nuclear program is necessary as a means of deterrence and self-defense.\textsuperscript{85}

\textbf{German Policy Options}

Even though the Iranian leadership has misjudged German motives and interests in the nuclear dispute in the past, Germany can make use of the relatively high level of trust that it enjoys to continue to contribute ideas for a constructive solution. In particular, opening up of new suggestions in the field of energy partnership and regional security could help considerably.\textsuperscript{86} Due to limited resources and political will Germany cannot act unilaterally. Germany has to strive for political solutions within the framework of the E3 + 3.

Negotiations must be aimed at preventing Iran’s nuclear weapons. Still Iran’s basic security interests have to be acknowledged. Objectively, Iran is a de facto regional power whether this corresponds to the wishes of Western politicians or not. Therefore, the topic of regional security has to be put on the table in connection with the nuclear question. With security assurances from the great powers, there would be no reason whatsoever for Iran to divert from their actual intentions. The civilian use of nuclear power should be granted to Iran as to all other states under an efficient supervision of the IAEA. However, a nuclear-armed Iran would not be a complete disaster. A nuclear
shield for the neighbors could neutralize the Iranian nuclear weapons and negate the rise of Iran.

Cooperation would not cover the differences, but provide a basis from which their processing is possible. Commitments rather than sanctions are required. Ahmadinejad is certainly not a favorite of Germany or the West, but diplomacy is not only about forming friendships, but about forwarding interests. Presidential elections will be held in 2013 in the Islamic Republic of Iran. Incidentally, due to Iranian electoral law Ahmadinejad may not run for a third term, so Iran will have a different president in 2013. Some see Ahmadinejad's pronouncements on Israel and the Holocaust as well aimed disruptive action against more pragmatic members in the foreign ministry and the Supreme National Security Council (SNSC). Anyway responsibility for foreign affairs and security policy and especially for the nuclear dispute lies not with the President of Iran, but with the head of the SNSC (Larijani). Moreover the west has to deal with the reality of the Iranian theocracy and accept Iran’s ‘Supreme Leader’ Khamenei as an interlocutor. It is counterproductive to delegitimize him as a non-elected decision-maker. Khamenei’s fatwah which forbids the production and the use of weapons of mass destruction provides a starting point for negotiations. The weight of this fatwah should not be underestimated in a state which gains its internal legitimization through a religious form of government.

In order to defuse the conflict, one side must take the first step towards de-escalation - and make concessions. The U.S. can reach out to Tehran, without changing its security threat. The United States could deal with a nuclear armed Iran. Conversely, the United States is the greatest perceived threat to the regime in Tehran.
Therefore, any concessions to Washington can hardly be expected. The first step should be a moderate rhetoric towards Iran, not threatening Iran with military action or regime change.90 The international community needs to submit a credible offer to Tehran for regime security. Khatamis’ proposal from 2003 could serve as a basis for this offer to Tehran.91

Enhanced cooperation between Germany and Iran, in the framework of the E3 + 3 comes into question especially with regard to the fight against international drug trafficking, refugee policy, and the stability in the region (particularly in Afghanistan and Iraq). Cultural or academic convergence and the climate change policy could serve as further fields of cooperation.92 The energy sector is particularly suitable for cooperation. Common energy and economic interests could provide a sound basis. The involvement of Iran in the global energy market would allow tapping the Iranian energy resources to the world market and facilitating access to the resources of Central Asia for energy importers from around the world.93 Ideas in relation to a long-term infrastructural link of the prospectively most important region containing natural gas reserves in the world, Iran and Qatar to the largest consumer region, Europe, are met with keen interest. The efforts of the Europeans to convince the US government of the necessity of direct talks with Iran have received positive commentary.

The German government has several options. First, to put even more pressure on Iran to promote a diplomatic solution to the nuclear dispute. This is already happening - and soon it will be more powerful, as the stricter oil sanctions against Iran will cause severe effects. Second, advise Israel against any military action with regard to Iran’s nuclear program and also help build up Israel’s military deterrence capabilities.
Again, this is already happening. German submarines ensure a part of Israel’s second-strike capability. They are not capable to wipe out Iran’s nuclear program (or even the entire nation, as Nobel Prize winner Günther Grass suggests). These are strategic weapons that make it easier for Israel to negotiate from a position of strength.

Conclusions

Today Israel feels unprecedentedly threatened by Iran and the recent developments in the Arab world. At the same time, from a German perspective there are many reasons to judge Israeli policies critically. With Israel, Germany shares a common set of values. Should Israeli shortcomings therefore be ignored? Of course not! But they must be understood in contrast to disproportionately more significant deficiencies of other actors. Iran is an Islamic dictatorship, a regime that tortures dissidents, stones women to death and exports terror to the world. Hamas is also a terrorist organization. But this is in no way comparable with the illegal settlements violating international law. Even though Nobel Prize winner Günther Grass may sincerely believe that he needs to make the threat to world peace by Israel known (in friendship to the Jewish people and its state), the effect is more important than his motive. The Israeli Jewish siege mentality is a result of centuries of anti-Semitism that culminated in the Holocaust. Some Israelis sometimes confuse anti-Semitism and anti-Israeli policy. The accusation of anti-Semitism now and then is juxtaposed to avoid the need to deal with the problems that are criticized. What Israeli journalists criticize will be understood as a sign of freedom of expression, for the same arguments Germans are occasionally labeled anti-Semitic. Criticism that is made in the genuine interest of the welfare of the Israelis, in a fair and constructive manner must not only be possible, but is the responsibility of partners and friends. Moreover, proven by the billions in
heavy arms supplies that it provides, the Federal Republic of Germany has become one of Israel's closest allies. Does not that entitle Germany to be able to criticize? The Chancellor does not share this opinion. Like no other German head of government, she has led Germany to the side of Israel. Some consider the quest for reconciliation with the Jews the only authentic conviction of the Chancellor. No Chancellor ever had as much freedom of action in dealing with Israel as Angela Merkel. Since her Knesset speech, she is beyond reproach. At the same time she is stronger than ever before in Europe, where she has also done a lot for Israel. She has slowed down Europeans who wanted to be harsher with Israel. In the UN Security Council she interceded against the membership of the Palestinians at the UN in November 2011, despite her assessment of Netanyahu's settlement policy as self-destructive and in opposition to international law.

Chancellor Merkel's statements regarding Israel are, to say the least, complex. After all, what do they really mean? That Germany supports an Israeli policy, if it is reasonable, sensible and fair? A German government would do that even without a reason of state. That a German government would support an Israeli policy that is not appropriate, reasonable and fair? This cannot be what is meant. Thus, her commitment was more symbolic in nature. However, the response of President Gauck was a mistake too, or at least not wise politically. He should have reacted diplomatically and noncommittally when asked about the reason of state. Was it really necessary to express the German commitment as Merkel did in the Knesset? Although Israel was then still governed by the much more friendly Ehud Olmert and Tzipi Livni - Israel's Iran strategy has not changed fundamentally. Even if Merkel would not have gone so far the
question of what Germany can and what it would want to do for Israel’s security remains regardless of reasons of state. When the discourse of the German’s responsibility for Israel's security should not remain an empty phrase, Germany has to be harder on Iran, unveil alternatives to war vis-à-vis Israel and prevent the two-state solution from fading away, which is threatened by settlements and filibustering in the peace process. Diplomatic pressure both against Iran and for a two-state solution are most closely connected together. It is crucial to wrest the Palestinian issue from the Iranians, and the Palestinians not to become hostages of an Iran conflict. Angela Merkel would have more leeway here, if she wanted.

The Middle East will continue to retain considerable resources of American diplomats and military. Until further notice the U.S. is an indispensable nation in the Middle East. After all, who else has comparable military and political resources to contribute to the stabilization of this region? The Libya intervention in 2011 once again made it clear: nothing is achievable without the U.S. and its military power. Martin Indyk, a Middle East expert and former U.S. ambassador to Israel, even calls for a re-pivot from Asia back to the Middle East. Germany should make use of the existing, albeit modest possibilities to influence the United States to remain focused on Middle East conflict despite of all their domestic challenges. This will certainly serve the security of Israel the most.

Germany should urge Israel to acknowledge that its security cannot be guaranteed by anyone without a two-state solution. Unfortunately, out of cowardice this hardly ever happens. Nevertheless, the German Defense Secretary de Maiziere, urgently recommended "to hold back rhetoric and restraint in the matter". Military
escalation would bring "incalculable risks for Israel, for the region and also for others." More is hardly possible without creating an affront.\textsuperscript{102}

Merkel's statement could also be measured by the effect generated in Israel. The Israelis are too realistic to have confidence in a German promise of assistance in case of war. They would not entrust their safety to others, in part or entirely. Israeli's have observed how slowly the German government accepted the UN mandate after the 2006 Lebanon war. It is remembered that Chancellor Brandt declared the Federal Republic of Germany as being neutral when Egypt and Syria attacked in 1973. Whatever happens in the Middle East initially the Israelis will be alone with or without the German reason of state.

In this SRP an attempt was made to delineate existing German policy options for the two conflicts comprehensively. All the presented policy options are relatively limited in scope and effect. None of them require a reference to the reason of state concept for justification. No decisions on matters beyond the legal and moral norms are at stake. Even the chancellor has not revealed any. Sober interest policy is needed. Here, President Gauck has brought back the promise of assistance into the range of realistic Middle East policy.

Endnotes


vor mir waren der besonderen historischen Verantwortung Deutschlands für die Sicherheit Israels verpflichtet. Diese historische Verantwortung Deutschlands ist Teil der Staatsräson meines Landes. Und wenn das so ist, dann dürfen das in der Stunde der Bewährung keine leeren Worte bleiben."


9. Thomas Paulsen, “Machiavelli und die Idee der Staatsräson,” IfS-Nachrichten, Diskussions-Papiere des Instituts für Staatswissenschaften, (Neubiberg: Universität der Bundeswehr München, 1996), 22. However, it should be noted that Machiavelli never used the term reason of state.

10. Ibid., 9.

12 Joachim Gauk, "Empfang mit militärischen Ehren durch den Präsidenten des Staates Israel: „Das Eintreten für die Sicherheit und für das Existenzrecht Israels ist für deutsche Politik bestimmend."


17 Federal Ministry for Education and Research, Built on Trust: German-Israeli Cooperation in Science and Research, (Bonn: Federal Ministry for Education and Research, 2012), 4.


20 Federal Ministry for Education and Research, Built on Trust: German-Israeli Cooperation in Science and Research, 56.


22 Ibid.: „Ich will ganz unmissverständlich sagen: Israel bekommt das, was es für die Aufrechterhaltung seiner Sicherheit braucht, und es bekommt es dann, wenn es gebraucht wird."

23 Assenburg, “Deutschlands Politik gegenüber Israel,” 698.
24 Ibid., 703.


26 Paragraph 6 of the German War Weapons Control Act (Kriegswaffenkontrollgesetz) prohibits the supply of arms to other States, if there is a risk that these weapons will be used in a peace-disturbing activity, especially in a war of aggression. This provision is often understood to mean that the supply of weapons to conflict areas is forbidden. However, this is not covered by the wording of the law. Germany actually delivers weapons to Israel and Saudi Arabia thus in a crisis region.

27 In German: ‘militärpolitischen’.

28 Outstanding examples of armaments cooperation are the Israeli Heron UAV, the Dolphin-class submarines, and the loan of Patriot systems to Israel.


36 Muriel Asseburg and Volker Perthes, “Geschichte des Nahostkonflikts,” in Informationen zur politischen Bildung (Heft 278 Israel), (Bonn, Bundeszentrale für politische Bildung, 2008),


42 Fischer Weltalmanach 2013, „Zahlen, Daten, Fakten,”(Frankfurt am Main, S. Fischer Verlag 2012), 247.


49 Muriel Asseburg, “Der Arabische Frühling und der israelisch-arabische Konflikt.“


63 Michael Bröning and Henrik Meyer, “Diplomatie mit Scheuklappen, Wer dauerhaften Frieden im Nahen Osten will, muss die potenziellen Störenfriede einbinden,” Internationale Politik, July/August 2011, 93.


66 Bröning, „Diplomatie mit Scheuklappen,“ 101.


71 Ephraim Kam, “A Nuclear Iran: What Does it Mean, and What Can Be Done?,” (Tel Aviv, Institute for National Strategic Studies, 2007; General Martin Dempsey: “…we are of the opinion that the Iranian regime is a rational actor.”


74 International Monetary Fund Home Page,

75 Bätz, “Bewegung im Atomstreit.”


81 Germany Trade & Invest Home Page,


Volker Perthes, *Iran – Eine politische Herausforderung* (Frankfurt/Main, Suhrkamp, 2008), 129.

Volker Perthes, “Iranian Attitudes to the Nuclear Question,” 2.

Andreas Bock, “(Un-)Sicherheitsfaktor Atombombe,” 7.

Ibid., 8.


Ibid., 8.


