Iran and Germany's New Geopolitics

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Abstract

The end of the Cold War changed Germany's political geography and increased its international clout. Germany's reunification and its easier access to the political and economic space of Central and Eastern Europe enhanced Germany's overall power within the European Union. With its increasing economic strength and robust exporting capacity, it was poised to emerge as an even greater international actor in the global arena, although its strengths were markedly different from those of traditional great powers such as Russia and the United States. The new Germany's global capacity led to the redefinition of its external relations with many countries including Iran. This article attempts to analyze Germany's evolving geopolitical power dynamic and its implications for relations between the EU and Iran which in turn experienced a similar upsurge in potential opportunities with the collapse of the Soviet Union and the regaining of access to Central Asia and the Caucasus which had been integral parts of the Persian Empire until the first quarter of the 19 century.

Keywords: geopolitical change in Germany's power, geo-economic power, culture of restraint, special relations between Iran and Germany

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(Received: 3 April 2012 - Accepted: 10 July 2012)

Introduction

What does Germany pursue in the realm of foreign policy? This is a question with no clear answer. Signals sent through German foreign policy are mixed, making an easily explicable theoretical or conceptual framework problematic. Among the great European powers, Germany is key and the continent's most dynamic state. Its traditional aspirations are as worrisome for western states as is its culture of restraint. German preponderance and its silence both carry an alarming message for the West. Perhaps, Sarkozy has good reason for saying that Germans have not changed. If in the past, military force and an unrivaled professional army constituted the main instrument of German foreign policy and the resultant concerns among Europeans, today Germany's unwillingness to use military force in operations conducted by the West and opposition to certain policies of its western allies are now the instruments that characterize that policy.

German reunification in 1992 increased its power and influence significantly across Europe and the world. Despite Germany's historic penchant for growing its political influence at the regional and international levels, she is not ready to increase her military budget expand the army. There is no German appetite to participate in military operations led by U.S. and NATO states in crisis-ridden regions. Even in those instances when Germany has participated in such operations, it did so unwillingly and under pressure of its western allies. Its preferred approach is confidence-building measures towards its western allies acting through multilateral institutions,

particularly NATO and the EU. Berlin also quite consciously exhibits its political independence as proof to non-western states that it is not reflexively bound to the hegemonic policies of its allies. While its confidence-building approach harks back to its international commitments entered into following the end of WWII her distinctive "special way" (Sonderweg) has deep roots in its historical political tradition inspired by the third quarter 19th century chancellor Otto von Bismarck.

An important question is how this "special way" is compatible with the European Common Foreign and Security Policy (CFSP) of which Germany is one of its founder's under the framework of the Maastricht Treaty 1992. Although the authorities in Berlin have endeavored incessantly to quell any possible friction between the "special way" and CFSP with considerable success, on some important international questions, they failed to manage this tightrope act and were forced to choose one over the other. Its unique relationship with Russia and China or the way in which Germany responded to the Iraq crisis in 2003 and Libya in 2011 are clear instances of this. Studying relations between Iran and the EU is also revealing in this regard. Given the long history of these relations, post-revolutionary Iran tried to expand ties with European countries to meet her technological needs, in addition to attempting to gain a degree of political leverage as a counterweight against the hegemonic policies of the U.S. Germany was the most important European country in this regard. It had long been considered as a "third force" by Iranian kings, politicians and intellectuals to be used for reducing the influence exerted by Moscow and London over Iran's domestic affairs. To date few studies have dealt with the role of Germany in shaping EU policy towards Iran. Analyzing and understanding Berlin's role can lead to a more pragmatic view of relations between Iran and the EU and consequently help formulate better potential solutions in this regard.

The primary question of this research is that given Germany's

changing national dynamic in the post-Cold War era and its increasing influence in the EU, what is the role of Germany in EU foreign policy formulation towards Iran? This article argues that given Iran's strategic position in Germany's history and foreign policy, it has been the engine for expanding EU relations with Iran. It is Germany that has presented its policy towards Iran in the framework of the concept termed "change through engagement" as a European discourse.

I- Conceptual Framework

If the end of WWII brought the foreign policy of West Germany under the influence of European governments, the end of the Cold War and Germany's geopolitical reintegration created fears among these governments regarding Germany's future foreign policy and became a subject for discussion among different analysts. The geographical size and industrial power of unified Germany make it a force that cannot be ignored by other countries and automatically affords it greater international clout.

Since Germany's reunification, two principal analyses regarding the future trend of its foreign policy have been mutually opposed. An analysis known as the change approach posits the concept of the normalization of Germany's foreign policy relying upon the influence of external factors and geopolitics on the foreign policy of different countries. Based on this concept, the nature of the international system drives states towards militarization, regardless of changes in their domestic politics (Rosen, 1995:5). According to this view, it is expected that Germany with the removal of limitations related to the Cold War era, has left aside its foreign policy of restraint. This necessitates it solidifying its situation in the European order by redefining its historical memory and relying upon its new strategic interests. It means that Germany should reconstruct its military power and use it for achieving its national goals. As a result, European states will be obliged to form a united front against a new powerful Germany that is tantamount to the Balkanization of Europe and the

revival of nationalism or Europe will rally around Germany, creating an alliance against the U.S. According to this viewpoint, Germany will gradually adopt a unilateral approach in its foreign policy and pursue an aggressive foreign policy in the international system (Kundnami, 2011:40).

On the assumption that countries' foreign policies are mostly shaped by external factors (international system) and the end of the Cold War as the most important external factor has changed Germany's foreign policy significantly. But these predictions have not been realized during the last two decades and weakened the credibility of this point of view. The fact is that the increase in Germany's national power over these 20 years has not changed its view on refusing military force as an instrument for foreign policy. Germany has not strengthened its military might. It has not created a professional army or increased its military budget commensurate with its new geopolitical situation. It should be added that the share of military expenditure in the budget of the federal government has reduced from 20% in the 1980s to 10% in 2005. Objectively, while the U.S per capita cost in armed forces is USD 1,600 and this figure respectively for Britain and France is USD 800 and USD 760 dollars, it is only USD 400 for Germany (Gujer, 2009:751).

If Germany's Constitutional Court made a new interpretation of Article 87 of the Constitution issuing permission for the deployment of German military forces in international operations contingent on the existence of a U.N mandate and parliamentary ratification in 1994, this revision was made under pressure exerted by its allies, and most specifically, the U.S. In other words, there is no firm indication that Germany is leaving aside its culture of reticence which translates as not using military force as an instrument of foreign policy. To the contrary, there is another approach that instead of positing change, it emphasizes continuity in analyzing Germany's foreign policy. According to this view, despite the post-Cold War era's geopolitical transformation, the country would remain a passive power and

continue the same policies and behavior pursued during the five decades following WWII (Katzenstein, 1997:4).

The core of this argument is that Germany has learned substantial lessons from its 20th century history, especially from the two world wars. Today these lessons constitute its political culture and national identity. We can conclude that 20th century history is so deeply rooted in Germany's political culture that the current geopolitical transformation cannot have any influence on it. Hence, political culture and national identity rather than external and geopolitical factors constitute the primary axis of the country's foreign policy following reunification. A German diplomat ironically says in this regard that "I often hear from foreigners what they would have done if they had Germany's wealth, geographical size and population, but no one says what they would do if they had Germany's history" (Heneghan, 2007:7). For this reason, the legacy of WWII will inevitably insure Germany's future as an economic and non-military power (Leithner, 2003: 3).

Among numerous concepts, it seems that the notion of "geo-economic power" first advanced by Edward Luttwak in his article in "National Interests" circa 1990, best explains the behavior of Germany foreign policy in the post-Cold War era. Luttwak's assumption, like other realists, is that resources are limited and countries are forced to compete with each other to obtain them. But in some places in the world, there are countries that tend to use commercial instruments rather than force to obtain these finite resources. He says that in parts of the world - not in all of it- the role of military power is being reduced and the principles of trade have replaced military options. It should be noted that in Luttwak's view international relations will remain on the path of the logic of power and conflict, embodying within themselves competitive models in the form of a zero-sum game. In fact the metaphor of "geo-economic" is composed of the logic of power and the rules of trade. (Kundnami, 2011: 40-41).

Relying upon these concepts, we can assert that Germany is the epitome of such a power. It is the principal European country wishing to impose economic priorities on other EU member states. For example Germany, instead of bowing to a supposed inevitable increase in inflation - which could endanger the global advantage of its goods - seeks to control prices in the euro zone, despite the fact this policy undermined the economic clout of less powerful EU countries and endangers European solidarity (ibid:41). Clearly, Germany as the European economic superpower imposes trade rules governing the EU, relying upon a geopolitical logic that is tantamount to the same zero-sum game.

In countries with geo-economic power, the relationship between government and civil society is different. Sometimes, government guides trade and the industrial community in the direction of its foreign policy goals (like the Russian model in which the Kremlin's leaders use oil and gas companies as instruments of foreign policy) and sometimes the owners of big industries and business manipulate decisions made by politicians and bureaucrats and play a determining role in formulating foreign policy. German companies put the government under pressure to formulate policies as they wish, in return, companies help German statesmen through contributing to economic growth by enhancing the level of employment (ibid). The fact is that because German companies provide for half of Germany's GDP and Germany's politics relies upon the prolific exports of these companies, Germany's economic circle has a decisive role in its foreign policy and thereby its influence on EU foreign policy. The power exerted by Germany's economic elite on its foreign policy dictates that EU foreign policy is closely aligned to what is desired by Germany.

In addition, given the interests of German companies in Russia and China, Berlin obstructs the EU from adopting a coordinated position towards these countries. One clear example is the role of the Near and Middle East German Association (NVMDV) on its Middle

Eastern policies. This association which is composed of trade organizations, interest groups and German companies active in the economy and trade of the Middle East, and given its effective contacts with Germany's federal ministers, influences the direction of Germany's Middle Eastern policy, especially towards Iran. The German Orient Institute financed by this association functions as a think tank for it and gives useful international analyses to companies participating in the association (Genkowska, 2009:3).

The concept of geo-economic power well explains Germany's policy in the EU. As in the past, Germany seeks to increase its power and influence in Europe and lead the continent. But, these efforts at leadership are based on trade and financial bases rather than political and military might. This approach provides Germany greater influence over the process of policy-making in foreign affairs inside the EU. Also, at the international level, it has taken on a pro-active role in international politics and ceased to be a purely economic power. In fact, Germany sees active participation in international politics as complementary for the expansion of its economic weight. Despite the fact that the theory of geo-economics better clarifies the understanding of the complexities of German foreign policy, this concept like the previous ones, is not able to deal fully with all the aspects of foreign policy. However, since this theory enjoys more credence in simultaneously explaining the political economic aspects of Germany's foreign policy, it has a comparative advantage over the previous theories and for this reason; this article places greater emphasis on it.

II- Unified Germany and the International System

The end of the Cold War in the early 1990s held two geopolitical messages for Germany: i) the collapse of the Soviet Union and the opening of the geopolitical space of Central and Eastern Europe for Germany; and ii) the return of the eastern half of the country and the formation of a unified Germany with 80 million people. Germany as a

mature power in terms of geopolitical considerations in the new international environment decided to define itself as a great power with different characteristics, that is its increasing strength should not trigger the growth of revisionism and militarism. As a result, the new generation of German leaders decided to present a different image of Germany.

First, Germany is no longer dependent on the U.S in terms of security and emphasizes an independent agenda in the sphere of foreign policy. Devising critical dialogues with Iran on the behalf of the EU in the 1990s and mediation in nuclear talks with Iran within the framework of 5+1, participation in the Middle East peace process as a EU member in the framework of the Quartet (composed of the U.S, Russia the EU and the UN); and vigorously disagreeing with the U.S proposal to attack Iraq in 2003, suggest that Germany has moved, not in line with militarism, but in the framework of concepts like multilateralism and international responsibility .

Second, since Germany's increased post-unification power intensified European traditional fear of it. The country thus decided to replace that stereotype with a new image. As Joschka Ficher, former German foreign minister under then Chancellor Gerhard Schroeder's between1996-2004, said Germany's neighbors see it as a gorilla that even while sitting calmly in a corner, inspires fear (Rudolf, 2004: 6). Germany worked to remove this stereotype by getting integrating more deeply into the European project to avert its export-driven economy from any pitfalls. Along this line, German leaders even avoid using the term" national interests" in their discourse and whenever they do, they are quick to find a justification for it. In a telling example, when the former German president, Horst Kohler, during his visit to Afghanistan in May 2010, aimed at meeting with German military personnel said in an interview with a journalist from Deutche Welle that Germany's military mission abroad is in line with ensuring its economic interests, he was forced to resign due to extensive domestic criticism (Turner, 2010).

It seems that Germany's new international policy is staring at two contradictory expectations. On the one hand, there are the U.S. and its western allies expecting that Germany undertake more international responsibility in the framework of multilateral operations within NATO. Although, Germany is the biggest financial contributor to NATO, the U.S. maintains that financial aid is not enough and Germany should participate in NATO military operations. On the other hand, many other non-Western countries expect that Germany takes serious steps to soften western and U.S. policies. For example, Arab Persian Gulf countries expect that she plays a more active role in the Middle East peace process and pressures Israel; Russia urges German resistance to U.S policies in Eastern Europe including NATO's expansion and the deployment of the defense missile shield; and Iran pushes for Germany disregarding confrontational western and U.S. policies towards Tehran based on its historical bilateral ties with Germany. This wide array of expectations opens avenues for a more expansive Germany presence in the international system. At the same time it also exposes its diplomatic apparatus to increasingly difficult decisions with inevitable controversial consequences.

The geopolitical transformation of Germany's national power motivated its political elite to redefine her foreign and economic policy in the post-Cold War era. This redefinition crystallized in all three major orientations of Germany's foreign policy: a) achieving European leadership through deeper continental integration; b) political confrontation with U.S. unilateralism; and c) expanding the 'Look East' policy.

Achieving European Leadership through Deeper Integration: The collapse of the Soviet Union and Germany's reunification persuaded European leaders of the necessity of redefining European integration. These efforts aimed at the continuation of the peace-building project in Europe and giving a conditional nod to Germany taking Europe's leadership. It was the

only country which benefitted from the three major policies pursued by the treaty of Maastricht; a treaty which would be conducive to greater Germany's influence: expansion of the EU to new independent republics of the former Soviet Union; formulating a common foreign and security policy; and launching a single European currency. Now, with the passage of two decades since the adoption of the Maastricht Treaty and while Germany's foreign and economic policy has steadily matured, it is evident for European analysts that the common foreign and security policy has led to the expansion of Germany's influence at the international level; expansion of the EU to the east has opened markets in central and Eastern Europe to Germany's export-driven economy; and launching a single European currency has led to the elimination of trade barriers and consequently to an increase in German exports to the EU amounting to 62.9% of its total foreign trade. The current economic power of Germany at the global level which has elevated it to second place among exporters, in part stems from the single European currency. According to existing statistics between 1997 and 2007, Germany's trade surplus with other members of the euro zone grew from Euros 28b to Euros 119b which constitutes a four-fold growth. After a decade since the creation of a single European currency, the growth of the German economy has been reliant upon foreign demand for its commercial goods (Tilford, 2010: 3). One of the factors contributing to this prosperity in trade is that the European monetary union has substantially helped the economic growth of the EU's powerful members through the elimination of different national currencies and the expansion of financial exchanges among the members. European analysts' believe that the combination of these three policies has led to German hegemony in the EU. For example, Germany has imposed its "Look to the East" policy in terms of trade rules by extending EU borders eastward, powerfully entering the markets of this region and consolidating its influence there.

Political Opposition to U.S Unilateralism: Since the 1970s, a

generation of German politicians gradually rose, who began to criticize U.S. foreign policy. They held that Germany's security and welfare is an evident fact and ensuring this doesn't need help from a foreign power. Accordingly, they see the U.S. as the primary source of "international insecurity". They consider the end of the Cold War a product of their policy of détente vis-à-vis the Soviet Union (Szabo, 2009: 24). From this point of view, Germany's good neighbor policy towards Russia not only created security for Germany, it led to the fall of the Berlin Wall and the embrace of German reunification by then Soviet leader, Mikhail Gorbachev. This line of thought which was located at the margins during the Cold War period, moved to center-stage in the post-Cold War era.

Events of the past decade indicate that the more distance time from the point of German reunification, equates with Germany's tendency towards increased freedom of political action and pursuit of a policy towards the U.S. which is a balanced mix of cooperation and also opposition on some issues. Germany's relative freedom of action in international decision-making results from its increasing political and economic power. This strengthens a realist assumption that the behavior of every state in the international arena is a function of their actual national power. The period of Germany's reunification constitutes a new paradigm in its foreign policy which was termed the "special way" or "German way" by former German chancellor Gerhard Schroeder (Gujner, 2009:6). In this period, instead of mere German reliance on the U.S. as was the case during the Cold War era, we witnessed a cycle of cooperation and opposition between them most notably in Germany's attempted accession to membership in the United Nations Security Council (UNSC). Ironically, when for the first time Germany submitted its official request for the membership to the UNSC the UN secretary general in 1994, Russia and not the U.S. welcomed it. Russia which enjoys special relations with Germany agreed to Germany's membership in the UNSC to challenge more easily the U.S. veto power in the Security Council. The U.S. which

remains suspicious of Germany, fears its entry into the UNSC could reduce its own influence in that body.

The second point of contention is the question of Russia and Eastern Europe. Germany believes that with the end of the Cold War ideological conflicts resulting from the defeat of communism and the collapse of the Soviet Union, there is no longer justification for the securitization of East European. This while relations between Russia and Germany are underpinned by both the strategic oil and gas reserves of Russia destined for Germany and Germany's domestic market needs for exporting its capital and goods to Russia. Thus, the securitization of relations between Russia and the West is incompatible with Germany's national interests (Szabo, 2009: 23-28). As a result, Germany opposes the anti-Russian policies of some countries such as Poland and the Czech Republic which intend to place Eastern Europe under a U.S. security umbrella and create political tension with Russia within the EU.

Germany holds that U.S. policies towards Eastern Europe could revive the arms race in Europe and instigate Russian anger; all other Western Europe countries, except for Britain, share these concerns with Germany. Berlin's officials believe that even if Moscow can promote dissent in the West, using old medicines cannot cure new diseases. Despite the aforementioned areas and other potential flashpoints that likely could be intensified in the future, we should not forget that the U.S. is still a strategic partner of Germany. First, Germany considers that its sustainable security depends on U.S. leadership in the international system (Rudolf, 2004: 4-19). Second, in the economic domain, Germany and the U.S. are each others' largest economic partner. In 2008, the volume of their trade relations amounted to USD 152b. While U.S. exports to Germany were estimated at USD 54.15 b, Germany's exports to the U.S. exceeded USD 97 b. In addition, the U.S is the number one capital investor in Germany. However, only 11.5% of the total U.S. foreign investment goes to Germany (Belkin, 2010:18).

Despite the above statistics most economic analysts predict that the volume of trade between the U.S and Europe, especially Germany, will gradually decrease due to the continuation and intensification of the financial crisis In the West. Under these circumstances, both sides will try to reduce their imports through deflationary policies and to increase their exports to obtain higher incomes. Naturally in such cases, markets in the Asia-Pacific region will become more important in economic terms for the U.S. and Germany; an issue which could intensify their economic rivalry and exacerbate their political disputes. A crucial and direct result of this real possibility would be that in case of a dispute between the U.S. and China, Germany would not be able to support the U.S. (Korber Foundation, 2011:1).

Developing the "Look to the East" Policy: Compared to other western countries Germany has a more profound relation with the two great eastern powers, Russia and China. This dictates that Germany's compliance with U.S foreign policy towards these two countries is more limited than other European countries. Yet Germany does not want that disputes over human rights issue between the West, Moscow and Beijing overshadow its relations with them. In analyzing Germany's foreign policy, we can mention the two categories of geopolitical and economic factors which are amicable with Germany's geo-economic power. In fact, they overlap and strengthen each other.

From a geopolitical point of view, Germany needs the support of Russia and China, two permanent members of the Security Council, to pursue its international policies and actively participate in decision-making related to international politics. The formation of 5+1 group for concluding nuclear talks with Iran aiming at deterring that country from its nuclear activities is an important example in this regard. Given Germany's request for permanent membership in the Security Council and Russia's support of the same, it could be said that Germany's presence in this group gives it a greater chance to

obtain a permanent seat in the Security Council. In fact, positions taken by Germany and France as far as they concern multilateralism and not multi-polarity are close to the ones adopted by Russia and China. This has on occasion led to the expansion of cooperation among them. The culmination of this collaboration was seen in the 2003 Iraqi crisis, revolving around opposition to the U.S. military attack on Iraq. This potential for significant cooperation remains in force, if the U.S. resorts once again to unilateralism. Germany's alignment with Russia and China regarding the position that solving Iran's nuclear issue would only be possible through diplomatic means, underscores Germany's indirect opposition to the views expressed by some U.S. authorities on threatening Iran with use of force. Then again Germany's silent opposition to the draft of NATO's resolution aimed at attacking Libya to overthrow the Gaddafi's regime manifested in its abstaining from voting on the issue. This separated Germany from its western allies and saw her joining Russia and China, both of which expressed opposition to attacking Libya. This action was greeted with reproach by some observers who considered this tact as Berlin distancing itself from its western allies and aligning with the BRICS group of nations. Harsh criticism against Germany in this regard prompted it to go along with its other western allies in imposing far-reaching sanctions on Syria following the gradual outbreak of civil war in that country. The German response was seen as a step to repair the damage produced by its previous action regarding Libya.

III- Iran in German Thinking

A historical study of German-Iran relations since German unity and formulation of the constitution of the Second Reich in 1871indicates that no other Middle Eastern state could garner a similar degree of German attention. Many analysts describe the relations between these two countries as historic special relations. Germany is the only western country that following the 1979 revolution continued to have

friendly relations with Iran. Even though these ties witnessed short periods of tension post-revolution, both countries consistently tried to strengthen their political and economic ties. But what are the roots of this special treatment that Germany has always adopted in its relations with Iran? And why, at least, during the last three decades, despite the pressures exerted by the U.S and the Zionist lobby, has Berlin tried to keep and even expand its relations with Iran?

In studying Germany's foreign policy behavior since its unification and independence in 1871, it is clear that whenever Germany decided to pursue an international policy, Iran has been front and center in its Middle Eastern strategy. The principal reason for this is Iran's regional position. Its unique geographical situation coalesces with both the geopolitical and economic needs of Germany. Iran's traditional guiding principle of a "third force" to reduce the influence of Russia and British influence has been embodied by Germany since the reign of Nassereddin Shah throughout the second half of the 19th century. This not only helped German industry to prosper in the large Iranian market, but also enhanced Germany's influence in Iranian domestic politics. A reading of the book "The History of Iran-Germany Relations" written by Bradford G. Martin clearly shows that the Germans have been aware of Iran's desire to involve Germany in its domestic politics and economy in order to act as a counterweight against Russian and British colonialist policies (Bradford, 1989). Now, despite the fact that nearly a century and half has passed since the 1871 ratification of the Constitution of the German Empire, Iran's special geopolitical situation and its immediate proximity with the Persian Gulf, Asia Minor and the extended region of Eurasia, is still a fascinating option for Germany's global aspirations.

In a speech made by Klaus Kinkel, then German minister of foreign affairs, on May 8, 1996, at an annual Jewish conference in Washington and in the presence of American political and security officials: Kinkle noted, " The Federal Republic of Germany has

determined its foreign policy towards Iran and along these lines, it must maintain its friendly and traditional relations with the Islamic Republic of Iran to realize its policies and to play a role in the Persian Gulf, the Middle East, Central Asia and the Caucasus, the Mediterranean region and North Africa." (Rahmani, 2005: 101).Volker Perthes, a prominent German analyst of Middle East issues observes that: "Contrary to general perception, the factor of economy and the economic aspect of Germany's national interest is not a prevailing force in conducting its Middle Eastern policy. Although, Germany like China has an export-oriented economy, its trade with the Middle East and North Africa only constitutes 3% of its foreign trade" (Perthes, 2005). This cannot be considered the denial of Germany's vested economic interests in the Middle East; rather it denotes Germany's geopolitical and security attitude towards this region.

If in the past, during the reign of Wilhelm II, Germany tried to realize a strategic geopolitical aim through building the Berlin-Baghdad-Tehran railroad and launching a new line of navigation between Hamburg and Bandar Lengeh in the Persian Gulf, now, this country is attempting to use Iranian leverage to play a more important role in the Iraq and Afghanistan crisis, as well as in the Middle East dispute. For this reason, Germany, contrary to other western countries, has slowed its willingness for the creation of a collective security system in the Persian Gulf region with the participation of regional countries including the Islamic Republic of Iran.

Germany's supportive behavior towards Iran could be observed during all the three most crucial phases of Germany's international policy: the Wilhelm II period, from 1891 to 1916, the Third Reich (Nazi) government period from 1933 to 1945; and the reunified Germany period from 1991 till now. Interestingly, Germany's geopolitical take on Iran during these periods has always been concurrent with its economic policy. Germany's economic posture towards Iran was so well-rooted that it rose from fourth place as

Iran's trading partner in 1933 to first in 1957. In fact since then (expect for the last decade), Germany had remained Iran's number one trading partner.

Studying relations between Iran and Germany reveals three important roles which Germany has played: 1- Germany has been the most important country in terms of technology transfer to Iran; 2- Germany has been the strongest proponent and most important country supporting Iran's territorial integrity and 3- Germany has been the most important country mediating relations between Iran and the West (during the years of the Islamic Republic of Iran).

Along with Iran's geopolitical advantage for Germany and the Iranian's historical amicable attitude towards the presence of Germany in the political scene of the Middle East, another factor contributing to this special relation is connected to economic considerations. However, due to sanctions imposed by the UN Security Council and the EU on Iran in response to the continuation of Iran's nuclear program, bilateral economic relations between Iran and Germany have reached their lowest level and statistics given below date back to the period before the implementation of the new EU sanctions against Iran. Before the imposition of these sanctions, Germany had the highest level of economic exchange with Iran among EU member countries. By 2009, Iran was the third trade partner of Germany in the Middle East after Saudi Arabia and the United Arab Emirates. Germany supplied 35% of Iran's import from Europe. After Germany, Italy with 19% and France with 16% had the second and third rank. Germany also has the highest rate of investment in Iran among EU countries. Berlin's share is about a half of the total investments made by European countries in Iran. The major sectors which Germany has invested in are machines and spare parts, petrochemicals, chemical industry, electric products and construction materials (Rahimzadeh, 2008: 92). Germany had previously been the main supplier of machines, equipments and technology transfers to Iran. According to Thomas Tokos, the former

head of the Iran-Germany Chamber of Commerce in Tehran, about the two-thirds of Iranian industries are dependent on German engineered products; a calculation showing how dependent Iran has been on spare parts produced in Germany (Landler, 2007). Until the imposition of EU sanctions, more than 1,700 German companies including its two economic giants, Siemens and BASF were active in Iran. In fact Germany's efforts for diversifying its energy resources have contributed to shaping a special attitude towards Iran. For this reason, Iran had become the focus of German energy companies who were confident that investment in the Nabucco project (a pipeline for exporting the gas of Central Asia to European markets via Turkey) would be lucrative only if only Iran added its gas suppliers.

Regardless of the geopolitical and geo-economic advantages that Iran can provide for Germany, apparently cultural roots have also helped the establishment of special relations between the two. Some experts of Germany-Iran relations hold that among Asian nations, Iranians are the closest to the Germans, because both countries have the same roots in terms of race and language (Rahmani, 2005:14). The idea of the existence of common racial and linguistic roots between Germans and Aryans (i.e. Iranians) dates back to the late 19th and early 20th century.

In fact, these connective cultural explorations were undertaken by German nationalists to give historical legitimacy to their claims. Contrary to what has been evident in the same type of efforts made by the old colonialist powers, Britain and France, in Germany attention was paid to Iranian linguistics and philology and did not stem from economic potentials and a desire to have direct domination, rather it resulted from certain subjective and ideological considerations. Research on Iranian philology was considered a quest for discovering the Aryan roots of Germans (cultural attaché of the Islamic Republic of Iran in Germany, 2008:8).

All the above factors have constituted special historical relations between the two countries. Even the structural constraints of the

international system or the pressure exerted by the U.S. and Britain or Germany's historical and psychological sensitivities towards Israel and the Zionist lobby have not been enough to lead to the long term suspension of these relations. The above mentioned obstacles, however, have limited these relations consequent to the intensification of UN and EU sanctions during the last two years.

IV- Germany's Role in the EU Policy towards Iran

The Common Foreign and Security Policy (CFSP) is a concept that has no particular real meaning. In other words, the first perception derived from this concept is that EU countries should work to adopt a common position but this is not the case. Perhaps, member countries, especially the powerful ones accept decisions made in Brussels regarding less important issues, but on the more pressing questions that impact their security and economic development, they try to impose their priorities on EU foreign policy. For this reason, it should be said that the EU troika (Germany, France and Britain) are not ready to transfer their rights on decision-making from their respective foreign ministries to a supra-national agency. Yet, each strives to transform Brussels into a launching pad for their own foreign policy.

These efforts have led to a latent balance of power in Europe. This translates as each European power reserving for itself a sphere of influence in certain areas as well as on certain international issues. For example, EU policies towards the subjects related to Eastern Europe and Russia are influenced by Germany's interests and attitudes, while North Africa and the Mediterranean zone is considered the back yard of France, or EU policies on the U.S. are in the main pursued by Britain. This division of zones of influence is also manifested in the Middle East: France focuses on Syria, Lebanon, Algeria, Morocco and Egypt; Britain concentrates on Jordan, Palestine and Iraq; and Germany pays special attention to Iran (Perthes, 2005). It should be noted that the above division of

influence means that EU foreign policy towards the Middle East is generally but not completely influenced by the special considerations of these three powers. However, we should be cautious that this broad categorization does not mislead us on the understanding of European foreign policy. For example, as for Iran, in addition to Germany, the British and French attitudes are also, in a lesser degree, of importance.

Since 1982 (that is three years after the advent of the Islamic Revolution), Germany has tried to define European discourse towards the Islamic Republic of Iran. It intensified these efforts after its reunification and pursued them more consistently. In fact by adopting the policy of "change through engagement", Germany was able for a time to keep Europe from following U.S. policies regarding containing and isolating Iran. Also, it made Europe Iran's most important trade partner before the imposition of severe sanctions by the Security Council, (China gradually replaced Europe).

Iran's geopolitical attractiveness along with Iran's willingness to welcome Germany as an active player in the Middle East and Persian Gulf, and pressures exerted by the nation's economic groups to develop trade relations with Iran all encourages Germany to take the leadership role in European foreign policy towards Iran. This function can be studied in two distinct periods of the Islamic Republic's existence. The first stage began with the emergence of the revolution until the end of 1980-1988 war between Iran and Iraq. The second stage dates from the first presidency of Ayatollah Hashemi Rafsanjani until now. During the first period, Germany's influence on European policy towards Iran was for various reasons very limited. Among the reasons for this can be cited as a common European foreign policy had not yet been formulated and essentially the European Community (EC) had little leeway for action in foreign policy due to the ideological rivalry between the U.S. and the Soviet Union. The core obstacle for the ability to act was the threat posed by Communism and Europe's security dependence on the U.S. The most

important role of Germany in this period was that of mediation. In this regard, we should note that Hans Dietrich Genscher, then West Germany's foreign minister made known he was prepared for negotiating with Iran in an effort aimed at preventing its complete isolation by the West (Moussavian, 2001: 210). Germany's again played a pivotal role in declaring Iraq as the aggressor party in its eight year war with Iran and this led many other European governments to follow suit. Even, Gencsher while supporting the report issued by the then UN Secretary General Javier Perez de Ceullar, affirmed that Saddam should pay war reparations to Iran because of Iraq's aggression (Moussavian, 2001: 99.

Germany had made other attempts to mediate between the two warring parties at an earlier stage. According to German analysts, Germany's diplomatic efforts had a decisive role in the acceptance of a UN ceasefire declaration by Iran (Steinbot, 1992:218). Germany's unique approach to Iran during the eight year war was manifested in the fact that unlike other EC countries, Germany kept its ambassador in Tehran. Germany's singular fault at that time was its inaction and passivity regarding the activities of German chemical companies that were equipping Iraq with chemical materials used for producing chemical weapons, as well as training Iraqi officers to use them (Kiani, 2009: 170-171).

However, supporting Iraq against Iran during the war was not the general trend among European governments. Germany's support of Iraq was far less than the support afforded by other European countries, especially Britain and France. That resulted from Germany's policy of neutrality which welcomed Iranian officials and contributed to the building of trust. The existence of relative trust for Germany among Iranian authorities led other European governments to urge Germany to make efforts to persuade Iran's religious leaders to cancel the fatwa issued by Imam Khomeini in February 1989, regarding Salman Rushdie. Rushdie, himself, in a visit to Germany in December 1993 said that the key to the cancelation of his death

sentence was in the hands of Germany (Moussavian, 2006: 259).But Germany's real influence on European foreign policy dated back to the period following the breakup of the Soviet Union. This event which distanced Russia geographically from Iran also made Central Asia and the Caucasus readily accessible to Iran, and physically reunited west and East Germany into a single sovereign state. This opened the political and economic space of Eastern and Central Europe for Germany to maneuver in. The end of the Cold War provided both parties with an implicit geopolitical understanding resulting in the expansion of relations between the two sides.

At that time, Iran became an important political space for affirming German and EU foreign policy and its independence from the U.S. The first indication of this was Germany's divergent stance regarding the U.S. approach to Iran's containment. While the U.S. pressed for Iran's international isolation through imposing international sanctions, Germany put "change through engagement" and "non-exclusion" as policies on its agenda towards Iran (Gotkwska, 209: 2), and tried to transform it into a general European discourse in the framework of a common European foreign policy. For this reason, a majority of analysts recognized Germany as the architect of the EU's diplomatic and cooperative contacts with Iran within the framework of "Critical Dialogue" (1992-1997), "Comprehensive Dialogue" (1998-2003) and "Conditional Engagement" (2003). The first round of negotiations between Iran and the EU under the auspices of the Critical Dialogue were launched through the initiative of Klaus Kinkel, the then German foreign minister. From the outset, the U.S. and Israel intensified their diplomatic pressure on Germany to persuade it that these negotiations were useless. In this regard, there is an interesting story highlighting the differences between Germany and Israel over Iran.

According to former Iranian ambassador to Germany, Seyed Hossein Moussavian, in March 1995, in the course of a telephone conversation between German chancellor, Helmut Kohl, and Israeli

prime minister, Yitzhak Rabin regarding relations between Iran and Germany things went terribly wrong. The conversation became a heated argument, and the Israeli prime minister hung up the phone without saying goodbye. After that, Kohl immediately informed Israeli officials that his upcoming visit to Israel would be cancelled (Moussavian, 2006: 153). It is clear that Rabin's anger was not merely about closer relations between Iran and Germany, rather the Israelis were fearful of the impact that Germany might have on the general orientation of European policy towards Iran. Germany's initiative in pursuing a policy of rapprochement with Iran was not limited to launching diplomatic negotiations based on agendas of critical and comprehensive dialogues. Indeed, Germany played a crucial role in selecting the topics of these talks such as Middle East peace, terrorism, and human rights. Even during the in Mykonos affair that began in September of 1992 and resulted in criminal charges being leveled against Iranian officials in a Berlin court, the German government contrary to its intention and only under the diplomatic pressure exerted by Israel and the US, was forced to recall its ambassador. Other EU members in explaining the recall of their respective ambassadors mentioned exactly the same reasons put forward by Germany's foreign ministry; it should be noted that in less than a year of the conclusion of the trial and with the coming to power of Seyyed Muhammad Khatami as Iran's new president, the European ambassadors returned to Iran.

Since the early 1990s, it was clear that Germany while rejoicing in its reunification, intended to treat Iran as an important Middle Eastern partner. But as Volker Pethes has noted, Iran turned out to be a problematic partner for Germany (Perthes, 2004: 12). For example, Germany responded positively to a request made by President Hashemi Rafsanjani's government for a respite period on the repayment of Tehran's loans amounting to USD 4.2b. This loan rescheduling had a positive impact on the German private sector and figured in the private sectors of other European countries offering a

postponement of debt payment. Another instance of Germany's protective policy was its introduction of the name of the MEK group into the list of international terrorist groups which was subsequently followed by other EU members.

Not only did Germany encourage the EU to develop its institutional relations with Iran, but Berlin also paved the way for non-compliance with sanctions by other European countries, despite the existence of prohibitive measures illustrated by US legislation like the D'Amato Act and the Iran Libya Sanctions Act. The willingness of French, Italian and Austrian companies to invest in Iran's oil and gas industries is testament to the trend initiated by Germany. In this regard, it should be added that Germany's investments in Iran encouraged other European countries to take similar steps. EU members referenced the fact that Germany took the first step and they followed because they were confident in Germany's understanding of the status of the Islamic Republic of Iran (Rahmani, 2005: 144). In addition, Germany's support for Iran's membership in the World Trade Organization persuaded the EU to adopt a similar position. Hans Eichel, the then German finance minister in his visit to Tehran in January 2002 outlined Germany's efforts to facilitate Iran's membership in this organization (Rahmani, 2005: 149). Yet, it should be noted that the official position of the EU Commission in this regard was only to offer Iran observer status in the WTO.

Of course, Germany is not in total opposition to the international sanctions imposed by the U.S. on Iran. Germany's behavior in this regard ranges across a spectrum from capitulation to resistance. As an example, Hermes Insurance Company, one of the biggest European insurers, reduced its banking guarantees for exporting goods from USD 3.3b in 2004 to USD 1.3b in 2005. An interesting point was that this 10% reduction in insurance cover not only led to a lower level of exports to Iran, but also amounted to a higher level of exports, before harsher UN resolutions regarding Iran's nuclear activities came into force. For instance Germany's

exports to Iran reached USD 5.7b in 2006, while before the decision made by Hermes, this figure was USD 5b in 2004 (Domiguez, 2007: 5). Trade volumes between Iran and Germany reached their peak in 2006, despite the fact that Berlin had reduced its official support of German businessmen; in the first quarter of 2008, Germany's exports to Iran registered a 63% increase compared to the same period in 2007. The reason for this seeming anomaly is the historical confidence extant among Germany's commercial circles towards their economic partners in Iran which remained intact despite the refusal of Hermes to issue banking guarantees (Horstel, 2010).

Although lucrative commercial and economic relations with Iran for a mercantilist government like Germany are considered a strategic advantage which contributed significantly to Germany's political support of Iran within the Transatlantic community, security factors have played a decisive role in lowering the level of economic relations between the two countries. Unstinting U.S pressures on the EU and the Merkel government to impose economic sanctions on Iran, concerns about the occurrence of a war between Iran and Israel and finally fear of an arms race in the Middle East (Bassiri and Santini, 2012:2), are all key factors forcing Germany to disregard its economic benefits in favor of security considerations. A combination of these pressures and concerns eventually led the EU to impose its most severe economic sanctions on Iran since the advent of the Islamic Revolution in Iran on 23 January 2012. Prohibiting imports, transport and purchasing Iran's crude oil and petrochemical products, blocking the Central Bank of Iran's assets; prohibiting diamond, gold and other precious metals trade with Iran; preventing the export of equipment and technologies for Iranian oil and petrochemical industries, are the leading strategic actions for the new round of sanctions. These strictures in addition to some other items agreed to in the meeting of EU foreign ministers on 15 October 2012 led to a very sharp reduction in the level of economic relations between Iran and the EU.

Conclusion

If the end of the Cold War brought about the geopolitical collapse of the Soviet Union, this event was for Germany a geopolitical breakthrough. Germany's reunification and its geopolitical and geo-economic access to Eastern and Central Europe transformed this country into the strongest European power over the course of the past two decades. On the other hand, Iran obtained a new strategic depth in Central Asia and the Caucasus, a region which was previously part of its sovereign territory until the first and second quarter of the 19th century. Following this geopolitical event, Russia is no longer Iran's land border neighbor, whilst Iran has found the opportunity to exert its influence on new regions in addition to the Middle East. The geographical distancing of Iran and Germany from Russia was a common boon granted Tehran and Berlin following the end of the Cold War. These simultaneous geopolitical events in addition to historical bilateral relations between the two, led them to reconceptualize and reconstitute their ties which nonetheless were constrained by international realities.

Launching critical and comprehensive dialogues between Iran and the EU and expanding economic and commercial relations between Iran and Germany are viewed as the most important results of rapprochement between the two countries in the post-Cold War era. However, the relentless U.S. pressure along with frequent threats made by Israel to attack Iran, as well as Germany's concerns about Iran's shifting priorities in trade that are moving away from Europe and in favor of closer commercial ties with Asian economies, particularly China. Given the intensification of the U.S and EU sanctions, this has created a situation in which Germany like other European great powers insists on imposing ever more severe economic and trade sanctions on Iran to force it to suspend its nuclear program. If Iran were to capitulate (which is higly doubtful) Germany would be able to revive its economic influence in Iran and also resume its role as a broker between Iran and the West.

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