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Russia and China in Germany

John Kampfner



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Contents

Executive Summary	v
Introduction	1
I. Political Influence and Elite Capture	3
Influencers, Lobbyists and Go-Betweens	6
China: The Ties That Bind	9
II. Media Influence	11
III. Cyber Attacks	15
IV. Economy and Critical National Infrastructure	19
V. Culture	25
VI. Organised Crime	29
Conclusion	31
About the Author	33

Executive Summary

GERMANY IS ON the frontline of Russian and Chinese hybrid actions of interference and influence in Europe. The tactics used by China and Russia vary. Russia's activities are largely political, attempting to undermine public confidence in democratic institutions. China's have been focused mainly on economic assets. There are a number of synergies, however. This includes their tendency to go over the head of the federal government to talk directly to the *Länder*.

Policymakers agree that one of the most urgent tasks facing the soon-to-be-chosen chancellor candidate to replace Angela Merkel will be a reassessment of Germany's vulnerability towards Russia and China. Merkel has taken a consistently strong position towards Russia since the annexation of Crimea and intervention in Ukraine, pushing sanctions through the EU. This is in spite of the fact that Germany has an emotional, cultural and historical proximity to Russia that other countries struggle to appreciate.

Germany's export-based economy has become heavily dependent on China. This is now being reappraised by many in business and politics, although some leaders of multinationals continue to be extremely wary of criticising China's actions.

A number of Chinese takeovers, successful or resisted, of medium-sized *Mittelstand* companies, the engine room of the German economy, has led to a shift in position and in perceiving China as a strategic competitor.

The poor relations between Donald Trump and Merkel have exacerbated Germany's sense of vulnerability to potential dangers from China and Russia. Those relations have led to an increased sense of moral equivalence among Germans towards Russia and the US, according to polls. This is particularly apparent in the *Länder* of the former GDR, where regional leaders of all parties have been pushing for a relaxation or ending of EU sanctions against Russia.

Russia's alleged cyber attack on the Bundestag in 2015 and subsequent attempts to infiltrate the political system, technologically and through disinformation, have led to a hardening of the German government's position.

Russia has given strong support to the far-right Alternative für Deutschland and left-wing Die Linke parties. The Green party is one of the strongest voices advocating a hard line against Russia. Its role will be important if it is part of the next ruling coalition.

Introduction

GERMANY IS ON the frontline of a new Cold War. This 21st-century equivalent is a new variant, reflecting changes in technology and other practices, in geostrategic configuration and also in Germany's role. The tension and threats facing Germany are increasing. They are a microcosm of global challenges. The country faces a series of political and economic-based hazards emanating from China. It faces different dangers from Russia, revolving mainly around cyber security, but by no means confined to that. And with President Donald Trump well into his fourth year as president, it no longer feels it can rely on the US to underpin its security.

China and Russia are deploying different approaches to achieve similar ends – an economic foothold, political influence and ideological infiltration. Russia's ultimate goal, as argued in this paper, is to undermine the faith of Western populations in liberal democracy and its institutions. China is not averse to such methods but sees those as a means to an end – to ensure its economic and political strength and long-term security.

At first glance, Germany looks particularly susceptible to Russian and Chinese strategies. Geographically and psychologically, it has a proximity to Russia that other countries struggle to appreciate. Its export-based economy has become heavily dependent on China. Having been seen as the gift that keeps on giving, China is now regarded as a systemic threat to Germany's dominance of a number of markets.

The challenges to Germany posed by China and Russia were already apparent before the coronavirus pandemic. In the intervening months, it has become all the more obvious. The further deterioration of US–China relations has been especially destabilising for Germany. The postponement of an EU–China summit, planned for Leipzig in September 2020, was a blow to Chancellor Angela Merkel, who had hoped it would provide the centre point for Germany's six-month presidency of the Council of the EU.¹ The summit was being prepared as an attempt to 'reset' relations, while also asserting a distinctive and coordinated European vision for relations with China. This was predicated on the requirement of a 'level playing field' for business and trade, while also increasing the bloc's and member countries' resilience against takeovers of strategic assets.² At the same time, the US's mishandling of the pandemic, with the highest number of deaths in the world, alongside other sources of internal discord such as race relations following the death of George Floyd, further alienated much of the German public from its post-war protector.

1. Richard Walker, 'EU-China Summit: What Really Happened?', *DW*, 4 June 2020.

2. Erik Brattberg and Philippe Le Corre, 'The EU and China in 2020: More Competition Ahead', Carnegie Endowment for International Peace, 19 February 2020.

Trump's adversarial approach towards Germany and his personal hostility to Merkel was further demonstrated with the surprise announcement of his intention to withdraw 9,500 of the approximately 34,000 US forces stationed there. The decision, made without apparent consultation with Germany, or even within the Pentagon, caused consternation among the defence and security establishments in both countries.³ It came days after Merkel had said that she would not attend an in-person meeting of the G7 in Washington, citing the pandemic.⁴ Trump's follow-up decision to invite Russia alongside South Korea, Australia and India to a rearranged summit in September disconcerted a number of participants, including Germany.⁵

Only days before, the German government had called in the Russian ambassador to warn of possible further sanctions over a 2015 hack on the Bundestag.⁶ Merkel denounced that attack as 'outrageous'.⁷ Earlier in May 2020, the federal prosecutor's office had issued an arrest warrant on Dmitry Badin, who was believed to be working on behalf of the GRU, Russia's military intelligence unit. Badin is also wanted by the FBI for a series of cyber attacks, including on the US Democratic Party.⁸ As a senior German security official put it: 'We are becoming a strategic target for interference'.⁹

These various incidents, and their concomitant contradictions, have made it harder for Merkel's government to keep within Germany's traditional foreign policy parameters of a US-led Western alliance. They have increased pressure on Berlin and the EU to adopt a tripolar position – with Europe acting as a counterweight to China and Russia on the one side, and the US on the other.

One of the many destabilising factors is the forthcoming departure of Merkel herself. Even though her poll ratings have risen sharply in appreciation of her strong handling of the pandemic, she has not given any indication that she will revisit her decision not to stand at the next general election, due by autumn 2021. The Christian Democratic Union party (CDU) postponed its leadership contest due to the coronavirus pandemic, and considerable attention around the world will be focused on the foreign policy direction of its next chancellor candidate.

This paper provides an overview of the challenges that the present chancellor has faced, and those the future chancellor will likely encounter from Russia and China. It encompasses key areas of public life, from politics and economics, to cyber and culture. The paper uses a mix of sources, including journalist and analyst sources and interviews with German policymakers both in Germany and the UK.

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3. Hal Brands, 'U.S.-Germany Crisis Goes Deeper Than Trump's Planned Troop Cuts', *Bloomberg*, 10 June 2020.
 4. Matthew Karnitschnig et al., 'Merkel Rebuffs Trump's Invitation to G-7 Summit', *Politico*, 29 May 2020.
 5. Ian Bremmer, 'Why President Trump's Effort to Expand the G-7 Is Doomed to Fail', *Time*, 4 June 2020.
 6. Madeline Chambers and Michelle Martin, 'Germany Calls in Russian Envoy Over Hack Attack', *Reuters*, 28 May 2020.
 7. Catherine Stupp, 'Germany Seeks EU Sanctions for 2015 Cyberattack on Its Parliament', *Wall Street Journal*, 11 June 2020.
 8. Thomas Escritt and Scot W Stevenson, 'Germany Issues Arrest Warrant for Russian Suspect in Parliament Hack – Newspaper', *Reuters*, 5 May 2020.
 9. Author interview with German security official, Berlin, 7 November 2019.

I. Political Influence and Elite Capture

THE OPENING OF China as a global market three decades ago boosted Germany's export-oriented economy. For much of that time, politics broadly reflected that positive relationship. While there may not have been strong historical or cultural bonds, both countries benefited from an increasingly warm but essentially pragmatic relationship. In the past five years or so, that has frayed as a number of businesses, particularly Germany's *Mittelstand* (small and medium-sized businesses), became targets of Chinese takeovers. While the export market remained strong, China increasingly began to be seen as a rival rather than an endless opportunity. These issues are discussed in more depth in Chapter IV, while this chapter focuses predominantly on Russia and the more direct political challenges that it poses.

Germany and Russia have a shared history. The horrors of the Second World War led to a striving for atonement, offset only in part by the Cold War and division. Russia's influence has largely taken three forms: emotional, political and historical. Many voters in former East Germany (GDR), particularly the older generation and the *Spätaussiedler* (those of German ethnicity who have immigrated in recent years from Russia and nearby states), continue to have an affinity towards the Soviet Union in spite of its role in their country's dictatorship.¹⁰ This link, which weakened amid the first few years of the euphoria of reunification, did not take long to revive as disappointment at politicians in Berlin increased. Frank Richter describes it as the 'embitterment disorder'.¹¹ The issue is much less related to material standards of living (GDP per capita in the former GDR has grown to more than 80% of that in former West Germany),¹² and more a product of identity and representation. Thirty years on, just 1.7% of East Germans hold top posts in politics, the courts, military and business, even though the East accounts for 17% of the population.¹³ Not a single university in the whole of Germany is run by an East German. Just 7% of Germany's top 500 companies are headquartered in the East, and not one in the DAX 30 index.¹⁴ Faith in West German values and institutions has been consistently lower in the East.¹⁵

10. Austin Davis, 'Russia Sanctions Debate Deepens Germany's East-West Divide', *DW*, 11 June 2019.

11. Tobias Buck, 'Lingering Divide: Why East and West Germany are Drifting Apart', *Financial Times*, 29 August 2019.

12. Michael C Burda, 'Convergence of the German Bundesländer: Lessons for the EU', *Intereconomics* (Vol. 54, No. 1, 2019), pp. 34–39.

13. Rayna Breuer, 'In Germany, a Post-Communist Generation Searches for Identity', *DW*, 10 October 2019.

14. Tobias Buck, 'East Germany's Economy Struggles to Catch Up with the West', *Financial Times*, 28 August 2019.

15. John Gramlich, 'How the Attitudes of West and East Germans Compare, 30 Years After Fall of Berlin Wall', Pew Research Center, 18 October 2019.

The Kremlin has skilfully played on these various resentments, as it has done in other countries in Europe. Affinity towards Russia might seem incongruous given how desperate so many East Germans were to flee the GDR for the West before the fall of the Berlin Wall. Yet, what Putin and his sophisticated propaganda machine have managed to do is decouple Russia from the record of Soviet Communism in East Germany.

Russia has used German political parties to further its strategic goals. Support for the two extremes – Alternative für Deutschland (AfD) on the right and Die Linke on the left (created out of the former East German Communist Party, SED, and its successor, the PDS) – has steadily grown throughout Germany, but their rise is markedly more pronounced in the states of the former GDR. Since the 2017 general election and the formation of Merkel's fourth government (and her third Grand Coalition with the Social Democrats, SPD), the AfD has been the largest opposition group in the Bundestag.

Meanwhile, traditional voting patterns and allegiances to the mainstream CDU and SPD waned. In the 1970s, the two main parties commanded 90% of the vote. By the start of 2020, they had collectively sunk below 50%, although some of that drop was the result of the increasing popularity of the Greens. Merkel's competent handling of the coronavirus pandemic, alongside the inability of far-right and far-left parties to exercise influence during the crisis, began to reverse that trend. Whether that continues, or whether the AfD and Die Linke benefit from the economic downturn and unemployment that are consequences of the pandemic, is uncertain, but a resurgence should not be ruled out.¹⁶

Russia supports the AfD and Die Linke, and receives their support in return. The Kremlin has developed relationships with key individuals in the parties of the far left and right, just as it has done across Europe. For example, Wolfgang Gehrke, foreign affairs spokesman for Die Linke, made a number of trips to Donetsk to supply 'humanitarian' relief aid to the Russian-backed rebels in Donbas.¹⁷ These expeditions were widely covered by the Kremlin-controlled *Sputnik* news agency, whose German-language service is increasingly popular. Meanwhile, two senior AfD figures, Alexander Gauland and Markus Frohnmaier, were reported by *Der Spiegel* as discussing an alliance with *Nashi*, the youth movement of Putin's United Russia party.¹⁸

History plays an important part. Some of the motivation behind Willy Brandt's Ostpolitik was atonement for war crimes committed by Germany in the USSR.¹⁹ Ostpolitik has often been misrepresented as advocating friendship with Russia at all costs. Brandt's desire was for a

16. Pascale Davies, 'Coronavirus Economic Crisis is a Gift to Europe's Far-Right', *Forbes*, 7 May 2020.

17. *Sputnik*, 'German Lawmakers "Gladly Deliver" Humanitarian Aid to Donetsk via Russia', 20 November 2015.

18. Melanie Amann and Pavel Lokshin, 'German Populists Forge Ties with Russia', *Der Spiegel*, 27 April 2016.

19. Willy Brandt Online Biography, 'Securing Peace and Overcoming Walls – Ostpolitik and Policy on Germany 1955–1989', <<https://www.willy-brandt-biography.com/politics/ostpolitik/>>, accessed 6 July 2020.

broader reconciliation across Central and Eastern Europe.²⁰ From the 1970s onwards (potentially even earlier thanks to the Vietnam War), growing numbers of voters in West Germany began to display a certain moral equivalence between the Soviet Union and the US, alongside a pacifism or anti-militarism which continues to influence foreign and security policy, especially in the SPD.

A recent Pew Research survey sets out the ambivalence many Germans feel towards the Atlantic alliance and a desire for rapprochement with Russia. The number of Germans who have a positive opinion about NATO has fallen from 73% to 57% in the past five years.²¹ The fall is even greater in France, from 71% to 49%. The only countries where NATO's popularity has increased are those that feel directly threatened by Russia, such as Lithuania and Poland.

According to Pew, when asked whether their country should honour Article 5 – NATO's mutual defence obligation – only 34% of Germans said it should, well below the European median. When asked whether it is more important to have a strong relationship with the US or Russia, 39% of Germans said the former, against 25% for the latter. Only Bulgarians were better disposed towards Russia, and even then, only marginally.

From the moment she took office in 2005, Merkel drew different conclusions from her upbringing in the GDR. She has been one of the most hawkish German chancellors and European leaders towards the Kremlin. Within days of the illegal annexation of Crimea in 2014, the EU imposed the most wide-ranging sanctions since the fall of the Soviet Union. Merkel pushed the sanctions through in the face of resistance from the business community, the Bundestag, and even from within her coalition.²² One of the curiosities of contemporary German politics is the role of the increasingly powerful Greens towards Russia, where in recent years they have become conspicuously critical of Russia, condemning it for its incursions into Ukraine.

In the run-up to important regional elections in autumn 2019, all the leaders of Germany's eastern states, irrespective of party affiliation, urged Merkel to improve relations with Russia.²³ CDU and SPD politicians were prepared to deviate from their nationally agreed party policies because they were aware that pro-Moscow sentiments are broadly well received in the former GDR. Ahead of his state's elections, Brandenburg's premier, the SPD's Dietmar Woidke, said: 'Many people in eastern Germany have a personal relationship to Russia, cultivate friendships and speak the language. The result is that there is an emotional connection for many people'.²⁴ Michael Kretschmer, minister-president of Saxony and a member of the CDU, said at

20. Wolfgang Eichwede, 'Dangerous Advisors', Zentrum Liberale Moderne, 18 January 2019, <<https://libmod.de/en/wolfgang-eichwede-on-dangerous-russia-advisers-in-germany/>>, accessed 6 July 2020.

21. Moira Fagan and Jacob Poushter, 'NATO Seen Favorably Across Member States', Pew Research Center, 9 February 2020.

22. Stefan Wagstyl, 'Pressure Mounts on Angela Merkel Over Sanctions in Ukraine Crisis', *Financial Times*, 24 March 2014.

23. Davis, 'Russia Sanctions Debate Deepens Germany's East-West Divide'.

24. Christiane Hoffmann et al., 'Relations with Moscow Emerge as German Election Issue', *Der Spiegel*, 29 July 2019.

one campaign rally: 'As a German politician, I think of the many businesses, especially in the former East German states that have been especially affected by the consequences of sanctions policy'.²⁵ He pointed out that according to the Dresden Chamber of Commerce, companies in Saxony, which had enjoyed longstanding ties to Russia, exported around 73% less to that country in 2018 than 2013.²⁶ The overall drop in exports to Russia from the regions of the former GDR was 29% for that period. In the western states of Germany, it was only 17%.²⁷

While sanctions have had a negative effect, they are not the only cause for the fall in trade with Russia. Much of it is due to redirecting exports to Asia.²⁸ While the AfD and Die Linke have been most vocal in calling for sanctions to be lifted, in June 2019, Kretschmer sparked controversy when he added his voice after meeting Putin at the St Petersburg Economic Forum.²⁹ He was strongly criticised by his party for his approach, suggesting that Merkel's tough line is continuing to hold. But the pressures for her to relax the policy are relentless.³⁰

Influencers, Lobbyists and Go-Betweens

The Kremlin has been adept at wooing senior German politicians from a range of political parties, especially in retirement. These senior politicians have been beneficial to Russia in two ways: seeking to set a tone in politics, business and public opinion that is less hostile to Moscow, and influencing specific decisions.³¹

A few weeks after stepping down as chancellor after losing the 2005 election, Gerhard Schröder was appointed to run the shareholders' committee of Nordstream AG.³² He has maintained an unswerving pro-Moscow line since. For example, he defended the Kremlin during its dispute with Estonia in April 2007, which erupted after the Estonian government relocated a Soviet-era war memorial from the centre of Tallinn to a Soviet cemetery nearby. Estonia, said Schröder, had contradicted 'every form of civilised behaviour'.³³ During the height of tensions over Crimea and eastern Ukraine in 2014, Schröder claimed that Putin had 'justifiable fears about being

25. *Ibid.*

26. *Ibid.*

27. *Ibid.*

28. Bettina Vestring, 'East Germany Goes East', *Berlin Policy Journal*, 31 July 2019.

29. Michael Kretschmer, 'Im Gespräch mit Präsident Wladimir Putin ging es vor allem um wirtschaftliche #Zusammenarbeit. #Russland ist ein strategisch wichtiger Partner, für eine bessere Beziehung brauchen wir ein Ende der Sanktionen. #Sachsen (SK)', Twitter post, 8.51pm, 7 June 2019, <<https://twitter.com/MPKretschmer/status/1137084781039144960>>, accessed 6 July 2020.

30. *RFE/RL*, 'Leader of Merkel's CDU Rejects Call to Ease Sanctions on Russia', 9 June 2019.

31. Richard Herzinger, 'Germany's Russia Lobby', *American Interest*, 14 May 2019.

32. Luke Harding, 'Schröder Faces Growing Scandal Over Job with Russian Gas Giant', *The Guardian*, 13 December 2005.

33. H Gamillscheg, 'Denkmalstreit in Tallinn eskaliert', *Frankfurter Rundschau*, 28 April 2007.

encircled'.³⁴ He described Crimea, which was part of Soviet Russia until 1954 when it was handed over to Ukraine by Nikita Khrushchev, as 'old Russian territory', and said that the Russian military occupation was legal because it was supported by locals – all standard Russian justifications. He and Putin became good friends.³⁵ In 2014, as the West was considering sanctions against Russia, Schröder was toasted by Putin as he celebrated his 70th birthday at a party in St Petersburg's Yusupov Palace.³⁶

Ukraine's then Foreign Minister Pavlo Klimkin described Schröder as 'the most important lobbyist for Putin worldwide'.³⁷ In 2016, Schröder became the head of Nordstream 2 and a year later he was nominated to become a non-executive of Russia's biggest oil producer, Rosneft.³⁸

In spite of being heavily criticised for his proximity to Putin, Schröder has not lost his influence. He is regarded in some political circles as a go-between for the country he led and the country he seems to have adopted. In addition, support for Nordstream cuts across much of the political establishment in Germany, much to the increasing fury of the US government, which regards the project as embedding Russian influence in Western Europe.

Germany has long imported oil and gas from Russia, even during the height of the Cold War. Nordstream is strategically more important than anything that has come before. As Nordstream's first project was nearing completion, the German parliament approved a second pipeline. The official German position was that the enlarged project posed no threat. Instead, it would create a mutual interdependence, pushing Russia further into the West's orbit. When Trump announced that he would impose sanctions on any company working on the project, business leaders urged Merkel to press on regardless with the final stage, which she did.³⁹

In a rare display of bipartisanship, Republican and Democrat senators tabled a bill imposing sanctions on German and other companies completing the construction of the pipeline. German Economics Minister Peter Altmaier criticised the US for 'escalating this sanctions threat, which is extraterritorial and thus in conflict with international law'.⁴⁰

34. Tony Paterson, 'Merkel Fury After Gerhard Schroeder Backs Putin on Ukraine', *The Telegraph*, 14 March 2014.

35. Erik Kirschbaum, 'Putin's Apologist? Germany's Schroeder Says They're Just Friends', *Reuters*, 27 March 2014.

36. Heather Saul, 'Putin Hugging Gerhard Schroeder: Birthday Pictures Anger Germany Amid Ukraine Crisis', *The Independent*, 29 April 2014.

37. *Bild*, 'Warum gibt es keine Sanktionen gegen Schröder?', 18 March 2018, <<https://www.bild.de/politik/inland/gerhard-schroeder/warum-gibt-es-keine-sanktionen-gegen-schroeder-55137570.jsPageReloaded=true.bild.html#remId=1594452450574826656>>, accessed 2 July 2020.

38. *BBC News*, 'Anger as German Ex-Chancellor Schroeder Heads Up Rosneft Board', 29 September 2017.

39. Dave Keating, 'Trump Imposes Sanctions to Stop Nord Stream 2 – But It's Too Late', *Forbes*, 21 December 2019.

40. *DW*, 'Nord Stream 2: Germany Unhappy with New US Sanctions', 14 June 2020.

Merkel's endorsement of Nordstream could be viewed as at odds with her more uncompromising approach towards Russia. Merkel has managed to hold the line more broadly, but pressure to ease sanctions on Russia and to adopt a more benign foreign policy comes from both the German left and right. For many SPD members, this just means a closer adherence to Brandt's Ostpolitik thinking. But on the far left and far right, pro-Moscow positioning is more overt. Across the spectrum, however, including at the centre, a number of prominent and retired politicians are keen to advocate for Russia.

After retiring due to ill health in 2013, former minister-president of Brandenburg, Matthias Platzeck, became chair of the board of the German–Russian Forum.⁴¹ Its purpose is to curate dialogue in order to improve bilateral relations. Platzeck has also criticised sanctions against Russia, and suggested that Russia's annexation of Crimea should be 'regulated ex post facto by international law'.⁴² In September 2019, Platzeck was awarded the Order of Friendship by the Russian government.⁴³ One of the first speeches that former Foreign Minister Sigmar Gabriel gave upon leaving office in March 2018 was at the German–Russian Forum, which clearly demonstrates its importance and influence. In 2016, one of Putin's closest allies, former president of Russian Railways, Vladimir Yakunin, founded – together with the former secretary general of the Council of Europe, Walter Schwimmer, and Professor Peter W Schulze of the Georg-August University of Göttingen – the Dialogue of Civilizations (DOC) Research Institute, a think tank based in Berlin.⁴⁴ Funded by a foundation registered in Switzerland, it also has offices in Moscow and Vienna. The DOC Research Institute holds events with a network of experts who take a largely pro-Russia line.⁴⁵

One of the most noteworthy recent interventions, displaying the breadth of what can be referred to as 'Russophilia' across German politics, was the publication of a book in 2019 entitled *Why We Need Peace and Freedom with Russia*. The book, edited by Adelheid Bahr, wife of Egon Bahr, one of the creators of Ostpolitik, includes contributions from prominent politicians such as Sigmar Gabriel, Oskar Lafontaine of the SPD and Wolfgang Kubicki from the Free Democratic Party (FDP), as well as public figures, including writers Daniela Dahn and Wolfgang Bittner, and veteran TV presenter Gabriele Krone-Schmalz.⁴⁶

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41. Deutsch-Russisches Forum, 'Vorstand', <<https://www.deutsch-russisches-forum.de/ueber-uns/vorstand/>>, accessed 2 July 2020.
 42. Kerstin Knitt, 'Germany's Social Democrats and Their "Putin Sympathizers"', *DW*, 25 November 2014.
 43. Ministry of Foreign Affairs of the Russian Federation, 'Foreign Minister Sergey Lavrov's Opening Remarks at the Ceremony to Award the Order of Friendship to German-Russian Forum Chairman Matthias Platzeck, Berlin, September 14, 2018', 14 September 2018, <https://www.mid.ru/en/press_service/minister_speeches/-/asset_publisher/7OvQR5KJWVmR/content/id/3344276>, accessed 2 July 2020.
 44. Dialogue of Civilizations (DOC) Research Institute, 'Vladimir Yakunin', <<https://doc-research.org/speaker/vladimir-yakunin/>>, accessed 2 July 2020.
 45. DOC Research Institute, 'Events', <<https://doc-research.org/all-events/>>, accessed 2 July 2020.
 46. Christian Wipperfürth, 'Warum wir Frieden und Freundschaft mit Russland brauchen', *Neue Gesellschaft Frankfurter Hefte*, <<https://www.frankfurter-hefte.de/artikel/warum-wir-frieden-und->

China: The Ties That Bind

A relationship with China, on the other hand, brings with it a set of challenges and opportunities of a different order. Between 2005 and July 2020, Merkel has visited Beijing 12 times, almost once a year while in office.⁴⁷ As the chancellor herself put it in September 2019 while on her most recent trip, China is ‘a strategic partner but also a competitor’.⁴⁸ Both countries had their eyes on the EU–China summit planned for September 2020 in Leipzig during Germany’s presidency of the Council of the EU – an event that should have been one of Merkel’s last major foreign policy initiatives before stepping down. She had hoped to conclude an investment agreement that would provide a level playing field for the terms of investment across the EU and an end to divide and rule between European countries. However, as China’s public justifications of its handling of the pandemic became more strident, and as the prospect of meaningful progress at the summit waned, German officials began to brief that such an agreement was unlikely to take place. While the summit was officially postponed because of the pandemic rather than cancelled, it appears unlikely that it will be rescheduled any time soon.⁴⁹

The combination of deteriorating relations between Washington and Beijing, and the frosty personal atmospherics between Trump and Merkel, have complicated policy-setting by Germany and the EU towards China. Merkel has shown herself generally alert to the threats posed by authoritarian states. While she can clearly see what is happening in China in terms of violations to human rights – from the rollout of the social credit system grounded in big-data surveillance, to the erosion of Hong Kong’s limited freedoms and the crackdown on the Uyghur community in Xinjiang – she consistently seeks to balance expressions of concern with business interests.⁵⁰

During her most recent trip to China, in which she brought a sizeable delegation of CEOs in tow, she chose not to bring up either Hong Kong or Xinjiang in public, although it was asserted that she did discuss them in private meetings.⁵¹ A few days later in Berlin, however, Foreign Minister Heiko Maas made himself available to meet Joshua Wong, one of the leaders of the Hong Kong protests, at a human rights event hosted by Germany’s largest circulation tabloid newspaper, *Bild*.⁵² Relations with the Chinese Foreign Ministry briefly went into deep freeze. Germany’s

freundschaft-mit-russland-brauchen-2789/>, accessed 2 July 2020.

47. Guy Chazan, ‘Angela Merkel Visits China as Hong Kong Unrest Grows’, *Financial Times*, 5 September 2019.

48. Maximiliane Koschyk, ‘Angela Merkel in China: A Trip Fraught with Difficulties’, *DW*, 6 September 2019.

49. Richard Walker, ‘EU-China Summit: What Really Happened?’, *DW*, 4 June 2020.

50. Andreas Landwehr and Ruppert Mayr, ‘Merkel Seeks Peaceful Solution in Hong Kong, More China Engagement’, *DPA International*, 7 September 2019, <<https://www.dpa-international.com/topic/merkel-seeks-peaceful-solution-hong-kong-china-engagement-urn%3Anewsml%3Adpa.com%3A20090101%3A190907-99-781057>>, accessed 2 July 2020.

51. Wesley Rahn, ‘Why is Germany Silent on China’s Human Rights Abuses?’, *DW*, 5 December 2019.

52. Ben Blanchard, Catherine Evans and Kim Coghill, ‘China Angered After German Foreign Minister Meets HK Activist’, *Reuters*, 10 September 2019.

ambassador to Beijing was summoned in protest.⁵³ However, Maas insisted such meetings would continue. 'That won't change', he said.⁵⁴

The differences in approach in Germany are part deliberate, but they also reflect different outlooks of the various government departments in the ruling coalition. Merkel's Chancellery and the economics ministry are regarded as more eager to put business interests first, whereas the foreign and interior ministries are seen as more hawkish with regard to relations with China.⁵⁵ This has also been reflected in the Huawei issue, as discussed below.

53. DW, 'China Summons German Ambassador to Beijing', 11 September 2019.

54. Thomas Escritt, Joseph Nasr and Paul Carrel, 'I Won't Stop Meeting Chinese Activists, Says German Foreign Minister', *Reuters*, 12 September 2019.

55. Noah Barkin, 'Is Germany Going Soft on China?', Atlantic Council, 31 August 2019.

II. Media Influence

HYBRID THREATS HAVE a long history. Propaganda battles and psychological operations formed an integral part of the Cold War. Technology has triggered a proliferation of hybrid threats. This chapter aims to shed light on the various strategies that China and Russia employ to win over public opinion, and thereby impact policy.

China is playing a long game of influence in Germany, a strategy that is arguably more subtle than Russia's more openly disruptive actions. China has extended the reach of its propaganda to manage its reputation and influence debates in Germany and elsewhere. Its public diplomacy has increased and become more strategic – the Chinese Embassy in Berlin, the Communist Party's International Liaison Department and social media have all become messaging channels.

China's approach was previously confined largely to the business and student communities. Its most direct route into mainstream media was via sponsored content. In 2018, Xinhua, the state news agency, signed an agreement with Germany's largest agency, Deutsche Presse-Agentur (DPA), to produce a newsletter called the Xinhua Silk Road Information Service. The stated aim was to keep DPA's customers informed about the Belt and Road Initiative (BRI). Formally, this agreement was not to affect DPA's mainstream news and media reporting on China. That has not been the case.⁵⁶

Media content that is controlled by the Chinese state has been published in outlets ranging from *Süddeutsche Zeitung* to *Handelsblatt*. The logic is that paid-for editorial content appearing in prestigious international publications gives it a credibility that would otherwise not be afforded if disseminated directly from Chinese media.⁵⁷

Several incidents in recent years suggest a more pugnacious strategy aimed at infiltrating the heart of German public life.⁵⁸ Social media influencing by all governments, via Twitter, Facebook and Instagram, is seen as standard fare. Germany appears no more or less susceptible than other Western countries. Twitter said recently that it had deleted 170,000 accounts around the world that were spreading disinformation.⁵⁹

56. Shen Zhonghao, 'Xinhua CEIS, DPA Ink Agreement to Promote Information Exchanges', Xinhua Silk Road Information Service, 15 May 2018, <<https://en.imsilkroad.com/p/96223.html>>, accessed 10 July 2020.

57. Mu Cui, 'Is Chinese Propaganda Infiltrating the German Media?', *DW*, 27 September 2018.

58. Mareike Ohlberg et al., 'Authoritarian Advance: Responding to China's Growing Political Influence in Europe', Mercator Institute for China Studies (MERICS) and Global Public Policy Institute, 2 February 2018.

59. Donie Sullivan, 'Twitter Deletes China-Linked Accounts That Spread False Information About Hong Kong and Covid-19', *CNN*, 12 June 2020.

However, in December 2017, the German domestic security agency, the Federal Office for the Protection of the Constitution (BfV), published details of social network profiles it said were fronts created by Chinese intelligence agencies to gather personal information about German officials and politicians. Hans-Georg Maassen, president of the BfV at the time, described it as ‘a broad-based attempt to infiltrate, in particular, parliaments, ministries and government agencies’.⁶⁰ The BfV said it had found that more than 10,000 German citizens had been contacted on the professional networking site, LinkedIn, by fake profiles disguised as headhunters, consultants, think tanks or scholars.⁶¹

The propaganda battle over the origins of coronavirus and the competence or otherwise of governments (and political systems) to combat it have led to an intensification of the debate in Germany. A number of media outlets have sharply criticised China’s attempts to influence public opinion directly, including pressurising German officials to praise China’s handling of the crisis.⁶² Matters came to a head with an extraordinary public confrontation involving the editor-in-chief of *Bild*. When the newspaper published an article demanding that China pays for the economic damage caused by the pandemic, its editor, Julian Reichelt, was criticised in an open letter by the Chinese authorities. His response was to publish an open letter back to President Xi Jinping, entitled ‘You are endangering the world’. Reichelt wrote: ‘I suppose you consider it a great “friendship” when you now generously send masks around the world. This isn’t friendship, I would call it imperialism hidden behind a smile – a Trojan Horse. You plan to strengthen China through a plague that you exported. You will not succeed’.⁶³ The German government chose not to comment on the dispute.⁶⁴

Unlike China, however, the Russian approach is more blunt. RT, Russia’s global television network, is increasingly influential. Its German-language service has strong penetration in eastern states, capitalising on the hostility felt by some towards mainstream *Wessi* media.⁶⁵ A term heard in the East towards West German television or newspapers is ‘*Lügenpresse*’ – literally ‘lying press’, or better translated as ‘fake news’.⁶⁶ RT generally adopts the AfD’s line and has transmitted the marches of the far-right Pegida splinter group live from Dresden and Leipzig.⁶⁷ One of its

60. *BBC News*, ‘German Spy Agency Warns of Chinese LinkedIn Espionage’, 10 December 2017.

61. *Ibid.*

62. Annelie Naumann and Christian Schweppe, ‘China will deutsche Beamte zu Propagandisten machen’, *Welt*, 12 April 2020, <<https://www.welt.de/politik/ausland/article207210613/Corona-China-versucht-deutsche-Beamte-zu-Lob-zu-draengen.html>>, accessed 10 July 2020.

63. *The Spectator*, ‘“You Are Endangering the World”: German Tabloid Goes to War with China’, 20 April 2020.

64. Barbara Pongratz, ‘Sino-German Relations in the Corona Crisis: It’s Time to Make Decisions’, *MERICs*, 15 May 2020.

65. Jeffrey Mankoff, ‘Russian Influence Operations in Germany and Their Effect’, Center for Strategic and International Studies, 3 February 2020.

66. Eric Kirschbaum, ‘Revived Nazi-Era Term “Luegenpresse” is German Non-Word of Year’, *Reuters*, 13 January 2015.

67. RT Deutsch, ‘Live: Pegida-Demonstration in Dresden’, 4 May 2015, <<https://www.youtube.com/watch?v=kParQITep9o>>, accessed 10 July 2020.

most viewed programmes and website is *Der Fehlende Part* (The Missing Part), which provides a regular diet of hostile coverage about immigration and job security.⁶⁸ The network's Russian-language service is easily accessed by the three million or so ethnic German 'late resettlers' from Russia, many of whom have either retained or acquired pro-Kremlin sympathies as a result of disappointment with their new host country, Germany, on immigration and other issues of identity.⁶⁹ Given their automatic right to vote (unlike other immigrants), they are an important constituency, targeted openly by both the AfD and the Kremlin.

In an attempt to undermine Merkel and possibly to punish her for adopting a hard line on Ukraine and Crimea, Merkel has been the target of more public vitriol than any other European politician.⁷⁰ The criticism coincided with an attack by an Islamist asylum seeker on a Christmas market in Berlin in December 2016. Merkel was accused, variously, of knowing about the attack in advance or of overseeing a migrant policy that had undermined the integrity of the German nation. It is often not clear whether these online attacks on the chancellor are from alt-right supporters of Trump, the Kremlin or working on their own.⁷¹

Germany has been the target of disinformation in recent years, all with an anti-immigration focus. The 'Lisa case' was the most notorious.⁷² A story went viral that a 13 year old girl of ethnic Russian origin from the east Berlin district of Marzahn was abducted and raped by a gang of men of 'Southern' or 'Arab' appearance.⁷³ So angry were the locals that they mounted a demonstration against immigrants. They were joined by concerned citizens from further afield.⁷⁴ The story was picked up by a German-language Russian website, then disseminated further by the Trump-friendly US website *Breitbart*.⁷⁵ It soon turned into an international sensation. Russian TV channels covered the story live. Senior Russian politicians, including Foreign Minister Sergei Lavrov, accused the German government of a cover-up. 'I hope that these problems are not swept under the carpet and that there'll be no repeat cases like that of our Lisa', he said.⁷⁶

68. RT Deutsch, 'Der Fehlende Part', <<https://deutsch.rt.com/programme/der-fehlende-part/>>, accessed 10 February 2020.

69. Tatiana Golova, 'Russian-Germans and the Surprising Rise of the AfD', OpenDemocracy, 4 October 2017.

70. Author interview with EU and German security officials.

71. Craig Silverman, 'Pro-Trump Twitter Trolls Are Turning Their Attention to Angela Merkel', *Buzzfeed News*, 22 December 2016.

72. Stefan Meister, 'The "Lisa Case": Germany as a Target of Russian Disinformation', *NATO Review*, 25 July 2016.

73. Benedikt Peters, 'Vergewaltigungsvorwürfe: Berlin weist Moskaus Kritik zurück', *Süddeutsche Zeitung*, 27 January 2016, <<https://www.sueddeutsche.de/politik/fall-lisa-vergewaltigungsvorwuerfe-berlin-weist-moskaus-kritik-zurueck-1.2837286>>, accessed 10 July 2020.

74. NTV, 'Fall Lisa: Das sind die Fakten', 27 January 2016, <<https://www.n-tv.de/panorama/Fall-Lisa-Das-sind-die-Fakten-article16865016.html>>, accessed 10 July 2020.

75. *The Guardian*, 'German Police Quash Breitbart Story of Mob Setting Fire to Dortmund Church', 7 January 2017.

76. Damien McGuinness, 'Russia Steps into Berlin "Rape" Storm Claiming German Cover-Up', *BBC News*, 27 January 2016.

Yet, as it turned out, the entire story was made up. Lisa finally admitted to her parents and school that she had actually been with a friend and had played truant.⁷⁷

On a number of occasions, US alt-right organisations and Russian bots and disseminators of fake news have worked together, creating a feedback loop. One story which spread rapidly was that Germany's oldest church was burnt down by a man shouting '*Allahu Akbar*'. That was also untrue. There was indeed a small fire at a church in Dortmund, by no means the oldest, caused by an electrical short circuit. It burned some netting covering the scaffolding and was put out after about 12 minutes.⁷⁸ Even after the story was comprehensively debunked, *Breitbart* was unrepentant, accusing the mainstream media of spreading fake news.⁷⁹

Some politicians and media responded by saying these were standalone cases. They were not. They fell into an established pattern, demonstrated across Europe and beyond, of Russia seeking to destabilise democratic systems by undermining specific politicians who take an anti-Russia line, while reinforcing the messages of the alt-right and far left.

In the run up to the 2017 election, German politicians and security officials were on the alert for the dissemination of disinformation. In the final days of the campaign, a blizzard of support for the AfD emerged from online bots.⁸⁰

It is extremely difficult, when assessing electoral performance, to break down the extent to which specific media stories – true, half true or false – influence election campaigns. The AfD certainly benefited from an online environment that sought to discredit established media information. It secured the best result by a far-right party for 60 years, shaking policymakers and security agencies out of any residual complacency.

Having discussed content, the next chapter looks at the technology behind attempts to infiltrate Germany's institutions.

77. *Welt*, '13-Jährige versteckte sich wegen Schulproblemen', 29 January 2016, <<https://www.welt.de/vermischtes/article151646440/13-Jaehrige-versteckte-sich-wegen-Schulproblemen.html>>, accessed 10 July 2020.

78. *The Guardian*, 'German Police Quash Breitbart Story of Mob Setting Fire to Dortmund Church'.

79. Raheem Kassam, 'Fake "Fake News": Media Sow Division with Dishonest Attack on Breitbart's "Allahu Akbar" Church Fire Story', *Breitbart*, 8 January 2017, <<https://www.breitbart.com/europe/2017/01/08/fake-news-fake-news-media-sow-division-with-dishonest-attack-on-breitbart-s-allahu-akbar-church-fire-story/>>, accessed 10 July 2020.

80. DFR Lab, '#ElectionWatch: Final Hours Fake News Hype in Germany', *Medium*, 24 September 2017, <<https://medium.com/dfrlab/electionwatch-final-hours-fake-news-hype-in-germany-cc9b8157cfb8>>, accessed 10 July 2020.

III. Cyber Attacks

EVEN THOUGH RUSSIAN cyber attacks have been taking place for several years now (the attack on Estonia in 2007 being one of the earliest and most flagrant⁸¹), it took some years for many European states to increase their awareness and resilience. A number of German ministries are responsible for managing and controlling cyber-related attacks, among them the interior, foreign and defence ministries. The annual Defence White Paper is regarded as a useful barometer of national security concerns. The 2016 Paper is viewed as the first to focus prominently on hybrid threats.⁸² It noted that Russia was using ‘hybrid instruments for a targeted blurring of boundaries’.⁸³

The first high-level and largely successful cyber attack on Germany took place in May 2015. It formed part of a coordinated attempt to break into German political institutions. Others included an attempt to infiltrate the systems of Merkel’s ruling CDU party⁸⁴ and the Federal Administration Information Network, a network used by legislative and government bodies that was supposed to be highly secure.⁸⁵

Die Zeit revealed the extent of Russian hacking but also the woeful lack of preparedness by the parliament’s cyber security team.⁸⁶ The newspaper revealed that a parliamentary official opened an email from a fake UN account that introduced malware across the system. It took the Federal Office for Information Security (BSI) up to a week to send an emergency team. The BSI employs 660 people, but at the time only 15 of them had the specialised knowledge necessary to thwart such an attack. A significant amount of data was stolen, ready to be used or selectively leaked to undermine particular politicians and institutions. The head of cyber policy at the Foreign Ministry called for countermeasures or a ‘hack-back’. Merkel’s Security Council pondered this, but decided against launching a retaliatory strike, instead drafting a law providing a framework for digital counterattacks in the event of future incidents.

81. Damien McGuinness, ‘How a Cyber Attack Transformed Estonia’, *BBC News*, 27 April 2017.

82. Federal Government of Germany, ‘White Paper 2016: On German Security Policy and the Future of the Bundeswehr’, 2016, <<https://issat.dcaf.ch/download/111704/2027268/2016%20White%20Paper.pdf>>, accessed 10 July 2020.

83. *Ibid.*

84. Feike Hacquebord, ‘Pawn Storm Targets German Christian Democratic Union’, *Trend Micro*, 11 May 2016, <<https://blog.trendmicro.com/trendlabs-security-intelligence/pawn-storm-targets-german-christian-democratic-union/>>, accessed 10 July 2020.

85. *Der Spiegel*, ‘The Breach from the East’, 5 March 2018.

86. Patrick Beuth et al., ‘Merkel and the Fancy Bear’, *Zeit*, 12 May 2017, <<https://www.zeit.de/digital/2017-05/cyberattack-bundestag-angela-merkel-fancy-bear-hacker-russia>>, accessed 10 July 2020.

That attack did lead to an overhaul of cyber defence. Experts were on the lookout not just for disinformation during the 2017 German election campaign, as noted in the previous chapter, but also for a cyber ‘spectacular’ that would spread anxiety and undermine mainstream political parties. It did not happen, which was a surprise given the events that had preceded it.⁸⁷ Russia’s non-denial denials to allegations of cyber attacks were invariably defiant and often colourful. ‘We broke into the Bundestag only once, in 1945, while liberating Berlin from the Nazi scourge. At that time, it was called the Reichstag’, Foreign Ministry spokeswoman Maria Zakharova said in 2018.⁸⁸

It took until May 2020 for the German authorities to make an explicit identification. The Federal Prosecutor’s Office (GBA) said it had identified a Russian, Dmitry Badin, as the perpetrator of the hack. He was working under the aegis of the GRU, a Russian military intelligence unit, which coordinated a series of carefully targeted cyber attacks through one of its units, APT28 or Fancy Bear.⁸⁹ The GBA said the unit was also behind the hacking of the US Democrats’ systems, resulting in damaging leaks against their 2016 presidential candidate, Hillary Clinton, alongside attacks in France and elsewhere. The US Department of Justice indicted Badin in 2018, alongside another 11 Russian military intelligence officers ‘for their alleged roles in interfering with the 2016 United States elections’.⁹⁰

Merkel told lawmakers that Russia was waging ‘warfare in connection with cyber, disorientation and factual distortion’. She added: ‘It is not a coincidence. It is absolutely a strategy they are pursuing. I can say honestly that this pains me’. Demonstrating the extent of the dilemma she and other German politicians face in convincing much of the public of the dangers posed by Russia, Merkel added:

On the one hand, I work every day for a better relationship with Russia, and when you see on the other hand that there is such hard evidence that Russian forces are involved in acting this way, this is an area of tension which is something that – despite the desire for good relations with Russia – I cannot completely erase from my heart.⁹¹

The Russian hacking of parliament has seemed to continue unabated. In December 2018, a Twitter account uploaded the personal documents and data of a number of politicians including senior MPs of most political parties in Germany, with the notable exception of the AfD. The

87. Fabian Reinbold, ‘Germany Prepares for Possible Russian Election Meddling’, *Der Spiegel*, 7 September 2017.

88. *BBC News*, ‘Angela Merkel Says She is “Pained” by Russian Hacking’, 13 May 2020.

89. Zdravko Ljubas, ‘German Chancellor Confirms Russian Cyberattack from 2015’, *Organized Crime and Corruption Reporting Project*, 18 May 2020, <<https://www.occrp.org/en/daily/12359-german-chancellor-confirms-russian-cyberattack-from-2015>>, accessed 10 July 2020.

90. Stefan Soesanto, ‘Bundestag Hack Redux: More Smoke Than Mirrors’, *Council on Foreign Relations*, 8 June 2020.

91. Kenneth Schwartz, ‘Merkel: “Hard Evidence” of Russian Cyber Attack on German Parliament’, *VOA*, 13 May 2020.

Greens were particularly targeted – seemingly an attempt to punish them for their scepticism towards the Kremlin.⁹²

While German authorities see Russia as the main cyber threat, they have identified a recent increase in the number of incidents they believe emanated from China. These have so far been largely confined to businesses. According to German media reports, the BSI was tipped off in November 2018 by US intelligence agencies about a cyber espionage operation called ‘Cloudhopper’ that targeted technology service providers and their customers. It focused on infiltrating large third-party data storage companies and cloud software services that stored data for corporations and government agencies. ‘Construction and materials research, engineering firms and some major commercial enterprises are the focus for hackers’.⁹³

92. *BBC News*, ‘German Politicians Targeted in Mass Data Attack’, 4 January 2019.

93. *Reuters*, ‘German Security Office Warned German Firms About Chinese Hacking – Report’, 19 December 2018.

IV. Economy and Critical National Infrastructure

GERMANY IS RUSSIA'S top supplier of manufactured goods and industrial machinery, as well as the biggest consumer of Russian oil and gas.⁹⁴ The strategic implications of its dependence on Russia for energy, and on Nordstream, have already been discussed. While economic links with Russia are important for a specific number of companies, particularly in the eastern regions, and while they help to reinforce a broader sense of sociopolitical and cultural proximity, they do not of themselves represent a significant part of the German economy.

In financial terms, the overall trade figures are small – under \$30 billion was recorded with Russia in 2019, comprising 2% of overall German trade worldwide. While Germany is Russia's second largest trading partner (after China), Russia is only 14th on Germany's list, behind countries such as Belgium and the Czech Republic.⁹⁵

Hence, this chapter focuses mainly on China. This relationship is vital to the German economy. From the moment Deng Xiaoping opened up the country, German companies flooded in. Indeed, one might argue that the German economy became skewed and over-reliant on doing business with this one country. China wanted cars, high-end engineering and know-how, and laid out the red carpet for German industrialists. Germany saw a reliable partner and an inexhaustible market, as hundreds of millions of new consumers emerged. They left the politics to the politicians, although they were guided by the motto '*Wandel durch Handel*' (change through trade). They assumed that the more China traded, the more it would open up.⁹⁶

In 2016, one of the darlings of Germany's high-end industry was the object of a hostile takeover. Kuka started out in Augsburg in 1898 and a century later it had become one of the world's leading developers of industrial robots. The Chinese were on the lookout for acquisitions that would meet the requirements of its two long-term plans, 'Made in China 2025'⁹⁷ and its own version of Industry 4.0 (culled in large measure from Germany's). These were designed to transform China's economy from low-cost, labour-intensive imitations into a global leader in innovation.

94. Dave Keating, 'How Dependent Is Germany On Russian Gas?', *Forbes*, 19 July 2018.

95. Statistisches Bundesamt, 'Außenhandel: Ranking of Germany's Trading Partners in Foreign Trade', 18 June 2020, <https://www.destatis.de/EN/Themes/Economy/Foreign-Trade/Tables/order-rank-germany-trading-partners.pdf;jsessionid=F577241A5AC9E05B61993F493F83F24B.internet8712?__blob=publicationFile>, accessed 10 July 2020.

96. Richard Herzinger, 'Kein Wandel durch Handel', *Welt*, 30 November 2019, <<https://www.welt.de/debatte/kommentare/article203949574/Totalitaere-Systeme-Kein-Wandel-durch-Handel.html>>, accessed 10 July 2020.

97. Elsa B Kania, 'Made in China 2025, Explained', *The Diplomat*, 1 February 2019.

Beijing pushed Chinese companies to invest in foreign targets to increase their technological capabilities and seek new markets as its own economy slowed. Over the course of 2016, Chinese companies announced or completed purchases of German firms, worth €11 billion.⁹⁸

The *Mittelstand*, the medium-sized highly specialised engineering and industrial companies often based in medium-sized towns, were particularly threatened. These often family-owned companies have an iconic status in Germany, responsible in large part for the post-war economic miracle. Many of them are undervalued and potentially lucrative prizes for foreign investors. They were perfect for China, whose ‘Made in China 2025’ development plan prioritises 10 key industries, including robotics, electric cars, aeronautics and biomedicine.⁹⁹

Suddenly, the Chinese company Midea, which produces fridges and air conditioners, offered €115 per share for Kuka, valuing the firm at €4.6 billion – a premium of nearly 60%.¹⁰⁰ Despite protests by shareholders, some of the management and the trade union, which tried unsuccessfully to find another buyer, Midea ended up securing more than 90% of the shares of the company. The private buy-out was regarded at the time by many market participants as the blueprint for a successful Chinese outbound acquisition.¹⁰¹ Despite calls to intervene, Merkel did not initially respond. The Federal Ministry for Economic Affairs and Energy (BMWi) announced it had no grounds to stop the purchase. One of the jewels in Germany’s crown became a Chinese company overnight. Within a year, its senior management team was replaced. This hostile takeover essentially demonstrated that no German company was safe.

The Federation of German Industries (BDI) noted that the Chinese were paying higher than the market price for acquisitions, using state subsidies. These were market distortions. At one BDI seminar, three broad options were considered. First, business could say it had no choice but to accept the reality. It could use the next five to seven years to make profits in the market before being muscled out. Second, it could bail from China immediately. Third, it could come up with a new *modus operandi*. Business could define where it could work with China and where it could not, protecting the system from as much damage as possible. They opted for number three, the compromise.¹⁰² But that was still a big shift. When a BDI paper on China was published in January, it caused controversy.¹⁰³

98. Angela Stanzel, ‘Germany’s Turnabout on Chinese Takeovers’, European Council on Foreign Relations, 21 March 2017.

99. Agatha Kratz et al., ‘Chinese FDI in Europe: 2019 Update’, MERICS, 8 April 2020.

100. Amie Tsang, ‘Midea of China Moves a Step Closer to Takeover of Kuka of Germany’, *New York Times*, 4 July 2016.

101. Freshfield Bruckhaus Deringer, ‘A Blueprint for Chinese Outbound Investment’.

102. Private briefing.

103. Federation of German Industries (BDI), ‘China – Partner and Systemic Competitor’, 1 October 2019, <<https://english.bdi.eu/publication/news/china-partner-and-systemic-competitor/>>, accessed 10 July 2020.

At the same time, the German parliament passed a law that would give the government the right to scrutinise and potentially block all investments in sensitive industries in which a non-EU company acquires more than 10% of a German business.¹⁰⁴ The previous threshold was 25%. The law applies to defence and security companies and businesses that operate ‘critical infrastructure’ such as energy, power and telecommunications, as well as the media. Altmaier introduced a ‘National Industry Strategy 2030’, creating national champions in strategic industries from defence and aerospace to mechanical engineering, green technologies, 3D printing, optics and cars.¹⁰⁵

The first Chinese takeover to be blocked was that of Aixtron, which produces components for the semiconductor industry. The BMWi initially gave a clearance certificate for Fujian Grand Chip to purchase Aixtron, only to rescind it on the basis of ‘previously unknown security-related information’.¹⁰⁶ A year later, the government produced a new tactic. A state-owned bank was instructed to buy a 20% share of the power distributing company 50Hertz, thwarting a bid from the State Grid Corporation of China. 50Hertz supplies electricity to 18 million people in northeast Germany. The economics and finance ministries said they had a ‘strong interest to protect critical energy infrastructure’.¹⁰⁷

The strongest pressure on taking a soft line towards China comes less from politicians than from businesses. When the BDI issued its paper, it received a strong rebuke from the Chinese ambassador. Since then, it has come under pressure internally to tone down its approach.¹⁰⁸ No sooner had they agreed to take a tougher line, a number of corporate bosses started to have second thoughts and some called the BDI paper excessively strident.¹⁰⁹ Any loss of trade with China would hit German business hard. For example, Volkswagen makes more than half its global profits from exports to China alone. In April 2019, its chairman, Herbert Diess, claimed he did not know anything about the mass detentions in Xinjiang, where the company has a plant.¹¹⁰ Similar fears forced Daimler Benz to apologise profusely and repeatedly for an Instagram advert

104. Birgit Jennen, ‘Germany Moves to Shield Key Companies from Foreign Takeovers’, *Bloomberg*, 18 June 2020.

105. Jens Kastner, ‘Germany Bolsters Corporate Defenses Against Chinese “Predators”’, *Nikkei Asian Review*, 3 April 2020, <<https://asia.nikkei.com/Business/Business-deals/Germany-bolsters-corporate-defenses-against-Chinese-predators>>, accessed 10 July 2020.

106. Gernot Heller, Michelle Martin and Maria Sheahan, ‘Germany Says Takes Note of Withdrawal of Takeover Offer for Aixtron’, *Reuters*, 8 December 2016.

107. Zak Bentley, ‘Germany Blocks China State Grid Bid for 50Hertz, Citing “National Security” Fears’, *Infrastructure Investor*, 27 July 2018, <<https://www.infrastructureinvestor.com/germany-blocks-china-state-grid-investment-50hertz-citing-national-security-fears/>>, accessed 10 July 2020.

108. Private briefing.

109. *Ibid.*

110. *BBC News*, ‘VW Boss “Not Aware” of China’s Detention Camps’, 16 April 2019.

that quoted the Dalai Lama, as Chinese citizens were told that any purchase of a Mercedes car would be deemed an unpatriotic act.¹¹¹

The social credit system has, according to one German CEO, had a chilling effect on Western companies. Both locally hired and expatriate employees have become reluctant to write internal reports that contain criticisms. As a result, companies found that the intelligence they were receiving from the ground was less reliable.¹¹²

German politicians and business have a long track record of working closely on relationships with other countries. On the way to Beijing during her last trip, the CEOs accompanying Merkel gave her a list of issues to bring up with the Chinese government. Their main concerns were: a lack of reciprocity in opening the Chinese market to European investors; the risk of technological knowledge transfer; and the risk of espionage and subversion through backdoor access.¹¹³ However, when she did raise the issues with Prime Minister Li Keqiang, the business leaders on her delegation refused to back her up. According to a senior German security official, she was seething.¹¹⁴ The CEO of Siemens, and one of Germany's most outspoken corporate leaders, Joe Kaeser, said after accompanying Merkel on her visit that public criticism of the Chinese government was unhelpful. 'If jobs in Germany depend on how we deal with controversial topics, then one should not increase general outrage, but consider the situation in the round'.¹¹⁵ That particular trip, and the mixed messages coming from Merkel, Maas and others in the coalition on human rights and the relationship between diplomacy and business, revealed the 'China dependency' of Germany and Europe.¹¹⁶

One of Merkel's longstanding policy goals has been to improve Germany's performance as a digital economy. The country's broadband speeds are among the slowest in the developed world, and the proportion of black spots among the highest. The OECD puts Germany at 24th out of 29 member countries in terms of 4G speeds. One survey reported that Deutsche Telekom customers in Poland and Albania were better served than those at home.¹¹⁷ The only rivals to Huawei were the US firm Cisco and Ericsson and Nokia from Europe. The technical expertise offered by Huawei was deemed the most advanced and cost-effective. But the security implications were considerable. For months, the government was split. Merkel's Chancellery and the business-oriented BMWi were in favour of entrusting Huawei with the development

111. Benjamin Haas, 'European Companies Get Rich in China's "Open Air Prison"', *New York Times*, 21 August 2019.

112. Private briefing.

113. *Ibid.*

114. *Ibid.*

115. Gerhard Hegmann, 'Siemens-Chef warnt davor, Chinas Führung zu kritisieren', *Welt*, 8 September 2019, <<https://www.welt.de/wirtschaft/article199908358/Joe-Kaeser-Siemens-Chef-warnt-davor-Chinas-Fuehrung-zu-kritisieren.html>>, accessed 10 July 2020.

116. Lucrezia Poggetti and Max J Zenglein, 'Exposure to China: A Reality Check', *Berlin Policy Journal*, 26 February 2020.

117. Timothy Jones, 'Germany's 4G Mobile Network One of Worst in Europe', *DW*, 27 December 2018.

of a 5G network for Germany. The interior and foreign ministries were hostile. Merkel, without giving her cabinet prior warning, announced in October 2019 that the government would not prevent any company from entering the bidding process and the final decision, both commercial and security, would be taken on technical grounds. A number of her parliamentarians were furious.¹¹⁸ One senior German MP suggested that she had been influenced by the business lobby, particularly car makers. ‘She was scared of economic retaliation’.¹¹⁹

Parliament’s response was surprisingly hostile. Merkel’s position was not helped when Altmaier compared Chinese surveillance with that of the US. Germany had ‘not imposed a boycott’ on US tech companies in the wake of the NSA bugging affair, in which German commentators implicated Cisco. ‘The US demands from its companies that it passes on certain information needed for fighting terrorism’, he said.¹²⁰

Advocates for giving Huawei a limited role cite two factors. First, the Chinese company already plays a major role in European telecommunications. Deutsche Telekom has been using Huawei technology for years, as do other firms across Europe. Some 75% of German network components are made in China. As for handsets, the most popular is Samsung. That is followed by Apple’s iPhone, but with Huawei catching up steadily.¹²¹ Second, they point to the predicaments facing other European leaders.

These issues – Huawei, security and intelligence, human rights concerns, intellectual property and trade deals – are interlinked in Germany. The concern among those cautious about China is that some CEOs are being encouraged to become cheerleaders for China, and especially for the BRI, if they want to secure future contracts.

The most controversial development is taking place in Duisburg. The town has had an unemployment rate more than twice the national average.¹²² Location is its strongest asset. Duisburg stands on the confluence of the Rhine and Ruhr rivers. It has Europe’s largest inland port and is located approximately 20 minutes from Düsseldorf Airport. It is at the centre of the continent’s train and motorway network. Duisburg was identified as the end point for the BRI. It was desperate for investment and welcomed the arrival of Chinese money. ‘We are Germany’s China city’, its mayor tells visitors.¹²³ During a state visit to Germany in 2014, Xi made a special

118. Ben Knight, ‘Angela Merkel Faces Party Revolt Over Huawei In German 5G Rollout’, *DW*, 22 November 2019.

119. Private briefing.

120. Guy Chazan, ‘Trump’s Ambassador to Germany Hits Out at Berlin Over Huawei’, *Financial Times*, 25 November 2019.

121. Statista, ‘What Brand Is Your (Primarily Used) Smartphone?’, <<https://www.statista.com/forecasts/998835/smartphone-by-brand-in-germany>>, accessed 10 July 2020.

122. Rebecca Staudenmaier, ‘“Forgotten” Duisburg Voters Turn to Germany’s Far-Right AfD’, *DW*, 25 September 2019.

123. Philip Oltermann, ‘Germany’s “China City”: How Duisburg Became Xi Jinping’s Gateway to Europe’, *The Guardian*, 1 August 2018.

stop in Duisburg, now branded a ‘Smart City’.¹²⁴ Timed to coincide with an incoming freight train festooned with red ribbons, his arrival was greeted by an orchestra playing traditional mining songs and local children holding banners in Chinese. Thirty trains a week now travel between China and Germany, ending in Duisburg.

Two sites were identified as container points for the BRI. One of them is the site of the former Rheinhausen steel plant, once one of the region’s biggest employers. When Krupp announced it would close it as part of a wider restructuring, workers barricaded a bridge over the Rhine in protest.¹²⁵ Now the site employs as many people as it did on the day the plant shut its doors. The symbolism of the location was not lost on the Chinese, and the choice has endeared them to the locals. Duisport, the company that was created, is expanding to such a degree that it is challenging Hamburg as Germany’s premier port.¹²⁶ A business centre is being built nearby, called Chinese Trade Centre Europe, creating a foothold for firms to embed their links in European markets.¹²⁷

Johannes Pflug, a former MP and chair of the German–Chinese Parliamentary Group, is now spokesman for the Duisport project. He points out that Duisburg has had links with China since before the war and has had an academic and cultural partnership with the city of Wuhan for nearly 40 years. He talks about the catalytic effect the investment has had. ‘Others look at us with envy and respect’.¹²⁸ He concedes that the town’s digital infrastructure is now hosted on a cloud provided by Huawei but insists it should be no cause for concern.

124. Huawei, ‘Huawei Deepens Cooperation with Duisburg to Transform Germany’s Industrial Heartland into a Smart City’, 3 September 2018, <<https://www.huawei.com/en/news/2018/9/huawei-duisburg-germany-smartcity>>, accessed 10 July 2020.

125. Thomas Rommelspacher, ‘Krupp-Rheinhausen: A Conflict Over the Consequences of Decline in the West German Steel Industry’, *International Journal of Urban and Regional Research* (Vol. 12, No. 4, December 1988), pp. 627–35.

126. Jeremy Gray and Christoph Schlautmann, ‘How China Put Duisburg Back on the Trade Map’, *Handelsblatt Today*, 15 August 2018, <<https://www.handelsblatt.com/today/companies/the-freight-game-how-china-put-duisburg-back-on-the-trade-map/23583018.html?ticket=ST-1535856-13nmpxaXlrXpwnXBJB0-ap2>>, accessed 10 July 2020.

127. PR Newswire, ‘The China Cooperation Center of the CTCE Global Offshore Science and Technology Center in Duisburg, Germany Settled in Zhongnan Hightech’, 4 November 2019, <<https://www.prnewswire.co.uk/news-releases/the-china-cooperation-center-of-the-ctce-global-offshore-science-and-technology-center-in-duisburg-germany-settled-in-zhongnan-hightech-846040614.html>>, accessed 10 July 2020.

128. Author interview with Johannes Pflug.

V. Culture

CULTURAL AND ACADEMIC exchanges are at the heart of many countries' projections of soft power and influence. The issues in determining infiltration and influence lie not in the presence of such government-sponsored organisations in third countries, but in their management and acceptance of operational and academic independence.

There are 500 Confucius Institutes worldwide and 19 of them are in Germany.¹²⁹ In May 2017, a new model was inaugurated – the first Confucius Institute to be co-sponsored by a foreign multinational, Germany's Audi. The institute is also unique in sharing expertise in specialist engineering. The problem, as the BDI pointed out in its original report, is that such expertise is Germany's strongest asset and is increasingly under threat from China.¹³⁰ The Audi Konfuzius-Institut Ingolstadt describes itself as a non-profit organisation for the teaching of Chinese language and culture, similar to the Goethe Institute, the British Council or Institut Français. It offers a broad variety of Chinese courses and cultural events. 'Beside this classic mission of a Confucius Institute, which is to enhance inter-cultural understanding, the Audi Konfuzius Institut Ingolstadt also promotes China-German collaboration with regard to technology, innovation, sustainability and management'.¹³¹

The Audi Confucius Institute is based at the Technical University of Ingolstadt, the town that is headquarters for the global car maker. Chinese media reported that on the day of the opening ceremony, the institute 'organised a tea art performance, a content-rich demonstration teaching of Chinese calligraphy and painting, as well as a fascinating lecture on traditional Chinese medicine'. Amid growing disquiet in parliament, the liberal FDP's education spokesman Jens Brandenburg said in November 2019: 'The seemingly harmless tea ceremonies and language courses hide the ice-cold propaganda of an authoritarian regime. That is taking place unabated at our universities'. He added: 'German universities, states and municipalities should finally turn off the tap for the Confucius Institutes and end existing cooperation'.¹³²

A report in *The Atlantic* in 2019 identified approximately 230 groups in Germany linked to the United Front Work Department – a global network designed to promote the goals of the

129. Confucius Institute Munich, 'About Us', <<https://www.konfuzius-muenchen.de/en/the-institute/about/>>, accessed 10 July 2020.

130. BDI, 'China – Partner and Systemic Competitor'.

131. Audi Konfuzius-Institut Ingolstadt, <<https://audi-konfuzius-institut-ingolstadt.de/en>>, accessed 10 July 2020.

132. *Zeit Online*, 'FDP warnt vor chinesischem Einfluss an deutschen Unis', 29 November 2019, <<https://www.zeit.de/politik/deutschland/2019-11/konfuzius-institute-china-hochschulen-fdp-kritik>>, accessed 10 July 2020.

Communist Party.¹³³ These include friendship, culture and economic societies, chambers of commerce, groups for science and technology experts working in Germany, and a number of public diplomacy organisations. They have a dual aim – to keep an eye out for Chinese ‘troublemakers’ abroad and to limit criticism of China in official German circles. China observers cite considerable anecdotal evidence of a chilling effect on free speech at universities, where academics choose non-contested research areas. Funding large academic institutions, by their nature highly risk averse, is set to reinforce that trend. This is a common trend across Europe and further afield. The first major controversy occurred in February 2020 when the Berlin Senate instructed the Free University of Berlin to renegotiate a contract it had signed with China after its highly restrictive terms were revealed in the media. Academics had already expressed their concern about it. The Hanban organisation, which *inter alia* runs the Confucius Institutes, donated €500,000 to the university to fund 20 undergraduates in a new Chinese language and society course. The agreement stipulated that the funding would be removed if any activities or writings contravened Chinese law.¹³⁴

Russia’s ‘soft power’ institutions, on the other hand, tend to be less formal. Berlin has a Russian House of Science and Culture. Four cities (Berlin, Leipzig, Dortmund and Nuremberg) have Pushkin Institute language centres. Other cities have similar meeting places. But these are far less important for spreading the word. Russian cultural and social influence is much more porous and longstanding in Germany than China’s.

Most Germans know little about China, but there is nothing ‘alien’ about their interactions with Russia. Official estimates put the number of native Russian-speaking citizens across Germany at 3.5 million (more than 4% of the total population). They vary from the well-heeled (both pre-revolutionary ‘old money’ to modern oligarchs) to Jews from the former Soviet Union and ethnic Russian immigrants from the 1990s onwards, many of whom are unskilled or only slightly skilled and are particularly susceptible to messaging on ethnicity.¹³⁵ As already noted, Russian influence in the five states of the former GDR penetrates particularly deeply. Russia has many institutional leftovers from the pre-1990 era, from university partnerships such as the joint German–Russian Institute of Advanced Technologies in Kazan, the capital of Tatarstan,¹³⁶ to school exchanges, as well as many personal connections.

133. Didi Kirsten Tatlow, ‘The Chinese Influence Effort Hiding in Plain Sight’, *The Atlantic*, 12 July 2019.

134. Tilmann Warnecke, ‘FU muss umstrittene China-Professur nachverhandeln’, *Der Tagesspiegel*, 25 February 2020, <<https://www.tagesspiegel.de/wissen/senatskanzlei-haelt-vertrag-fuer-nicht-akzeptabel-fu-muss-umstrittene-china-professur-nachverhandeln/25579972.html>>, accessed 10 July 2020.

135. Philip Decker, ‘Immigrants Are Big Fans of Germany’s Anti-Immigrant Party’, *Foreign Policy*, 15 January 2020.

136. TU Ilmenau, ‘German-Russian Cooperation in Higher Education in a New Dimension’, <<https://www.tu-ilmenau.de/en/tu-ilmenau-international-school-de/german-russian-institute-of-advanced-technologies-griat/>>, accessed 10 July 2020.

In the case of Russia, the pressure to give the country (and therefore usually the government) the benefit of the doubt stems far less from any fear of lost business contracts – which is the key driver of self-censorship in Germany’s relationship with China – than from a more fundamental sense of affinity and affection. This played a role across politics and society in the immediate post-war years, from the heightened tensions of the Cold War and Gorbachev’s perestroika period to the fall of the Berlin Wall and Russia’s agreement to German unification.

The various soft power tools used by China and Russia are clearly having some effect on German public opinion. That effect is hard to enumerate, however, or to differentiate from harder-edged political and business negotiations.

A further factor should be considered when referring to culture and education. Since 1945, the US has been a cultural lodestar for many Germans, at least those in the west of the country. That has ebbed and flowed depending on controversies and the popularity of some US presidents. The decline in the past few years has been marked. A 2019 survey found that 42% of Germans saw China as a more reliable partner than the US, compared with 23% who favoured the US over China.¹³⁷

137. Atlantik-Brücke, ‘Vertrauen in der Krise’, <<https://www.atlantik-bruecke.org/vertrauen-in-der-krise/>>, accessed 10 July 2020.

VI. Organised Crime

RUSSIAN POLITICAL CRIMINALITY is arguably the most serious external law and order threat facing Germany today. Organised crime from Russia and the countries of the former Soviet Union account for a disproportionate amount of organised crime in the country, according to a Federal Criminal Police Office report.¹³⁸ That report suggests that there is little criminal activity involving Chinese citizens or triad gangs, although they are active in other European countries.¹³⁹

Of greater concern to the German authorities has been a series of cases of industrial espionage, monitored by the BfV.¹⁴⁰ *Mittelstand* companies are regarded as particularly vulnerable to hacking and copyright theft from China.

Most important of all are alleged Russian state-sponsored assassinations. There is no evidence so far of such incidents linked to China. Russia's activities seem to fall into a broad pattern of seeking to eliminate individuals who have antagonised the Kremlin or other political or state-security leaders. The most spectacular cases – such as the poisoning of Alexander Litvinenko and attempted murder of Sergei Skripal – took place in the UK.

Germany has recently had its first high-profile case of alleged state-sponsored assassination in the Putin era. In August 2019, Zelimkhan Khangoshvili – a Chechen exile who had commanded separatist forces in the war against Russia in the 1990s and was then said to have turned into an informant for the Georgian government – was murdered in a Berlin park while on his way to the mosque. The assassin, disguised in a wig, approached him on a bicycle from behind before shooting him with a pistol fitted with a silencer.¹⁴¹ A man was arrested shortly after. According to security sources, however, after months of interrogations, the Berlin city police extracted no information out of him.¹⁴²

138. Bundeskriminalamt, 'Organised Crime Situation Reports', <https://www.bka.de/EN/CurrentInformation/AnnualReports/OrganisedCrime/organisedcrime_node.html>, accessed 10 July 2020.

139. *South China Morning Post*, 'Italian Police Smash "Chinese Mafia" Gang They Say Spread Across Europe and Dominated Transport Industry', 18 January 2018, <<https://www.scmp.com/news/world/europe/article/2129575/italian-police-smash-chinese-transport-mafia-had-expanded-its>>, accessed 1 July 2020.

140. Patricia Weiss and Ludwig Burger, 'Exclusive: German Prosecutors Charge Chinese-Born Engineer in Industrial Espionage Case', *Reuters*, 15 November 2018.

141. *DW*, 'Berlin Police Probe "Execution-Style" Killing in Park', 25 August 2019.

142. Private briefing.

For months, the suspicion at foreign embassies was that the German government was trying to sweep the case under the carpet to minimise diplomatic damage.¹⁴³ Under the German criminal justice system, law enforcement and investigation are left to regional authorities until or unless sent to the federal authorities. Given the importance of the 'bicycle assassin' case, it was surprising that the Berlin regional authorities continued to pursue this for months. At the time, some media reports questioned whether Merkel's government wanted to keep the case stuck under regional jurisdiction. Suddenly, in December 2019, the decision was taken to bring in the federal prosecutor. Within 24 hours, it was announced that two Russian diplomats would be expelled.¹⁴⁴ This might not sound like a major retaliation, but it was the most serious step taken against Russia by a European power since more than 100 Russian diplomats were expelled by 20 Western countries in 2018 in protest at the nerve agent attacks against Skripal and his daughter. Merkel was crucial in helping to coordinate that action across the EU.

As in some other cases around the world, the Kremlin did not deny its involvement, seeing the incident as an opportunity to hit back. Putin responded to Germany's actions by claiming that Khangoshvili was a 'cruel and bloodthirsty' terrorist, whom Moscow had sought to be extradited.¹⁴⁵ In February 2020, *Bellingcat* named the Russian it claimed had killed Khangoshvili, and said that they were a contract killer and former organised criminal contracted by the FSB.¹⁴⁶

143. *Ibid.*

144. *BBC News*, 'Berlin Murder: Russia Expels German Diplomats Amid Dispute', 12 December 2019.

145. Philip Oltermann and Shaun Walker, 'Chechen Killed in Berlin was Cruel and Bloodthirsty, Claims Putin', *The Guardian*, 10 December 2019.

146. *Bellingcat*, "'V' For 'Vympel': FSB's Secretive Department 'V' Behind Assassination of Georgian Asylum Seeker in Germany', 17 February 2020.

Conclusion

RUSSIAN AND CHINESE involvement in, and potential infiltration of, Germany's society, politics and its economy is a threat not just to Europe's largest economy, but also to the continent itself and for wider Western democratic institutions. Tensions at the highest level of German politics are exacerbated by the very difficult relationship between Merkel and Trump. 'The Trump challenge goes much deeper than just policy disagreements', says Thomas Bagger, foreign policy adviser to President Frank-Walter Steinmeier. 'His approach pulls the rug from under the feet of German foreign policy thinking. Germany has lost its moorings'.¹⁴⁷

Through its economic strength, centrality in the EU and geographical location, Germany has long been seen as Europe's most pivotal country. The deteriorating relations between Trump and Merkel have given both Russia and China an opportunity on many fronts. Differences between Merkel and France's Emmanuel Macron, and the UK's departure from the EU, are also playing a part. Macron's attempted rapprochement with Putin and his declaration of NATO as 'brain dead' infuriated the Germans.¹⁴⁸ Merkel has sought to hold the line in spite of the many tensions with the US and across Europe. German officials describe her as frustrated with Macron's increasingly unilateral approach to foreign policy.¹⁴⁹ Particularly worrying in German foreign policy circles was Macron's argument that Europe needed Russia on its side, providing 'Eurasian firepower' as a counterweight to China and also as insurance in the face of difficulties with Trump.¹⁵⁰ These Franco-German tensions are not lost on Russia and China.

There appears to be little, if any, evidence among German or other Western security services that Russia and China are coordinating their actions in Germany. However, both appear to benefit from the other's work, and have a common understanding of the vulnerabilities of Germany's systems, especially its devolved political structures.

Both Beijing and Moscow have proved adept, as this paper has shown, at pushing messages out directly to and through regional leaders, circumventing the centre when they need to. They can also play one coalition party and one ministry against another. At the same time, Germany's intelligence services complain that they sometimes struggle to get politicians and civil servants to take the various threats seriously. They acknowledge that it is hard to prove impact and outcomes. As one official says: 'We are in a competition of narratives of self-doubt'.¹⁵¹

147. Author interview with Thomas Bagger, 2019.

148. *The Economist*, 'Emmanuel Macron Warns Europe: NATO is Becoming Brain-Dead', 7 November 2019.

149. Victor Mallet and Michael Peel, "'Imperious" Macron Tests Patience of EU Partners', *Financial Times*, 30 October 2019.

150. Rym Momtaz, 'Emmanuel Macron's Russian Roulette', *Politico*, 14 February 2020, last updated 16 February 2020.

151. Private briefing.

The end of Merkel's tenure in 2021 will pose an extremely important test for Germany's determination to withstand the threats. The chancellor has shown herself to be robust, particularly towards Russia. The fact that she not only agreed to sanctions against Moscow for its role in eastern Ukraine and annexation of Crimea, but pushed them through, was remarkable given the countervailing forces across German public life. The fact that the sanctions have held is testament to her determination. China's increasing belligerence, as evidenced during the coronavirus crisis, has by contrast focused German minds more determinedly on the disadvantages alongside the advantages of its business relationship with China. The pandemic is leading many countries, including Germany, to reassess their resilience in healthcare and equipment provision and across national infrastructure more broadly.

There appears to be little reason to expect any change in the approaches of Russia and China. Three forthcoming events will strongly influence the future direction of German policy towards them: the US presidential election; the election by the CDU of its new leader and likely chancellor candidate; and the next German federal election. It may not be too much of an exaggeration to say that the future of European and Western stability depends on all three.

About the Author

John Kampfner is an author and journalist in international affairs. He is also a Senior Associate Fellow at RUSI. John has a long career in journalism, working for several newspapers and news agencies such as the *Daily Telegraph*, the *Financial Times* and the BBC. John was also Editor of the *New Statesman* from 2005 to 2008. He writes weekly for *The Times* and appears regularly in other newspapers, such as *The Guardian* and *New European*. His recent book, *Why the Germans Do It Better*, will be published in the UK by Atlantic in August this year. His previous books include the best-selling *Blair's Wars* (2003), now a standard text in schools.