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DGAP POLICY BRIEF

Britain, Germany, and the Rise of Competitive Virtue Signaling

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In 2016, British and German officials were clear: they wanted quickly to put Brexit behind them and cooperate on big ticket items like the international rule of law. Now, in 2022, the pair in fact seem to be competing more than they cooperate. Germany wants to shine in comparison with Britain, and the UK sees advantages for its own standing if Germany falls short. This "competitive virtue signaling" defines Germany and the UK's post-Brexit rivalry, and – oddly – might lead to tighter relations.

– **Back in June, the two countries signed a cooperation deal aimed at promoting liberalism. But the new German government seems to view cooperation with Britain as bad for its reputation, and worries it could rob it of a chance to impress France and the US.**

– **Germany has thus raised expectations in Paris and Washington, which in turn gives the UK a chance to exploit any perceived failure to rehabilitate itself at Berlin's expense. There are at least three scenarios in which this plays out in Britain's favor.**

– **In Ukraine, liberal principles genuinely are at stake, showing that competition must have limits. Yet the odd dynamic between Germany and the UK may in fact tighten cooperation. In a series of DGAP workshops, academics and officials explained how.**

For five years now, Germany and the UK have been saying that it is time to put Brexit behind them and focus on everything from the free global flow of data to containing the regional effects of China's rise. They want to work together – and they are doing so. Germany's economic ministry and the UK's department for business routinely compare notes on China, and British intelligence feeds Germany information on Russia. True, the pair will never have the same appetite for military deployment, but the UK has signaled that it will shoulder high-intensity operations if Germany takes on time-intensive duties like conflict prevention and post-conflict reform. On geo-economics, there is even greater potential to tag-team, using the UK's forays into the Pacific to boost mutual trade interests.[1]

But Brexit is not easy to consign to the past. When the UK chose to leave the EU, this reaffirmed both countries' commitment to liberalism, but in very different ways. Germany saw the 2016 Brexit referendum (and the election of Donald Trump) as confirmation of the need for unyielding international rules and institutions. By contrast, the UK saw them as grounds to re-politicize and reform the rules-based order, which it blamed for rising populism and illiberalism. These two very different assessments of "the meaning of 2016" continue to disrupt the relationship. When, for instance, the UK refused to support a German-led EU initiative to unblock tensions around the WTO's Appellate Body, London felt it was acting on principle; Berlin saw only Trumpian populism.[2]

This mismatch has cost both countries opportunities to use their continued global influence for liberal ends. Twenty twenty-one seemed to offer a golden opportunity to work together: In November, the UK hosted global climate talks, and in December, it handed the G7 presidency over to Germany. But the Germans complained that the climate talks were badly organized, blaming a "populist culture war" in London that had hollowed out the Foreign, Commonwealth and Development Office. Meanwhile, the British complained that their pragmatic efforts at global coalition-building were complicated by Germany's self-perception, claiming that Germany imagines itself the upholder of multilateral order, the good ecologist, and the perpetually injured party in global power politics.

Even when Germany and the UK do agree, a fear that the other might take advantage of the situation often gets in the way of action. In the G7, for instance, the Germans, British and indeed the French have all agreed on the need to increase their economic security. Berlin, moreover, finds itself much closer to London than Paris on how to achieve this, favoring the classic liberal approach of diversifying supply chains, rather than re-shoring production and creating European industrial champions. Yet Germany fears the UK will politicize any bilateral cooperation. And its fears are justified: London would love to demonstrate that the Franco-German compromise position is protectionist and illiberal, and what better way than by bringing the Germans over to its side and driving a wedge between Paris and Berlin?

Germany and Britain are still a formidable duo, but evidently some odd dynamics have crept into their relationship. In March 2021, DGAP began a small project on the future of British-German foreign policy cooperation, and quickly identified "competitive virtue-signaling" as a dominant theme. The term describes the way both are trying to rehabilitate their international reputation by positioning themselves as staunch liberals, often at the expense of the other. This competition to emerge as the European champion of liberal order is certainly preferable to a race to the bottom. However, it also carries significant costs, standing in the way of joint initiatives in the G7, WTO, and COP. This paper looks at how to harness this dynamic for positive change.

COMPETITIVE VIRTUE SIGNALING: A BRIEF HISTORY

In June 2021, British and German foreign ministers signed a formal agreement to cooperate on foreign and security affairs.[3] It was the culmination of five years of efforts by officials in Berlin and London to put Brexit behind them and focus on the "bigger picture" – international security, climate mitigation, the global financial order, and the rule of law. The agreement, signed by Britain's Dominic Raab and his Ger-

1 One idea circulating in Berlin would see the UK join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, then set up the CPTPP to associate itself with the EU. This draws on ideas in Hans-Günther Hilpert, "New trade agreement in Asia: liberalisation in times of geopolitical rivalry," *SWP Comment 25/2021*, <https://www.swp-berlin.org/en/publication/new-trade-agreements-in-asia> [accessed January 24, 2022].

2 On this: Emma Farge, "UK will back WTO reform after Brexit, trade minister says," *Reuters*, October 9, 2019, <https://www.reuters.com/article/us-wto-britain-idUKKBN1WO1RB> [accessed January 24, 2022].

3 "UK-Germany joint declaration," *Policy Paper*, June 2021, <https://www.gov.uk/government/publications/uk-germany-joint-declaration-june-2021> [accessed January 24, 2022].

man Social Democratic counterpart, Heiko Maas, was framed in precisely those liberal terms. Moreover, the pair came up with a neat formula to excuse the UK for dropping its promise to establish "consultation and thematic dialogues" with the EU on these matters:[4] Germany committed, when cooperating bilaterally with London, to "ensure the highest possible level of transparency towards the [EU] institutions and Member States."

At the time, one UK official optimistically predicted Berlin would soon fall back into the habit of cooperating with London, describing Britain as "Europe's phantom limb." Yet before the agreement could bear fruit, both foreign ministers had left their posts (Raab in a reshuffle, Maas after an election) and bilateral cooperation between their replacements looks to be trickier. Maas's successor, Annalena Baerbock, has signaled a shift away from what she views as the muddy pragmatism of the Merkel years, and towards a value-based approach.[5] According to interviews, her Green Party classes Britain alongside Turkey and Poland as a "backslider" on liberal values – perhaps the most egregious of the three, having once been a beacon on everything from media freedom to public tenders to international law.

German experts, moreover, actively invite the comparison with the UK. In interviews, they suggested the time is right for Germany to prove its foreign policy maturity and readiness to stick up for its values, and Brexit Britain's apparent disgrace offers a flattering comparison. For Germany's foreign policy establishment, moreover, London's fall from grace is an abject lesson in what happens to a state that trusts too much in the power of markets, economic globalization and the "end of history." They say liberal order requires an active defense of global rules and institutions, and Germany is prepared to do this. This thinking is being actively encouraged in Washington (where Democrats bracket Boris Johnson with Trump) and in Paris (where officials see Brexit and the change of government in Berlin as a chance to push "European autonomy").[6]

Interestingly, the British do not seem to mind as they believe Baerbock is exposing the Germans in ways which the UK can exploit. Discussions in London reveal a widespread belief that the new foreign minister will fall short, and the UK can use this to "bounce" Berlin into cooperation on British terms. Baerbock, they expect, will raise expectations on both sides of the Atlantic about Berlin's readiness to stand firm against illiberal powers; but already she and her fellow Green ministers[7] are being undercut by their coalition partners, the dovish Social Democrats.[8] The UK sees this as an opportunity: Since completing an integrated foreign policy review[9] last March, Britain has shown a genuine readiness not only to talk the talk but do the dirty business of promoting liberalism. Raab's successor, Liz Truss, doesn't just talk a good game;[10] she also seems prepared to follow through.[11]

Some British interviewees point to the June 2021 agreement itself as evidence the UK can use this dynamic to its advantage. They suggest that the deal was sealed because Britain embarrassed Germany, acting more quickly to sanction the Belarussian regime, and taking principled action over Hong Kong.[12] This was hardly what the Germans expected from Brexit Britain, and it shook a Berlin still knee-deep in divisive discussions within the EU about how to respond to Belarus. After the poisoning of Russian opposition politician Alexei Navalny, the UK shared with Germany its own experience in identifying toxins, attributing blame, and marshalling an international coalition against Russia. In this way, London

4 Amelia Hadfield and Nicholas Wright, "Fog in Channel? The impact of Brexit on EU and UK foreign affairs," *EUISS Brief*, June 11, 2021: <https://www.iss.europa.eu/content/fog-channel-impact-brexit-eu-and-uk-foreign-affairs> [accessed January 24, 2022].

5 Alexander Görlach, „Annalena Baerbocks absehbare Abkehr von Angela Merkels Schmusekurs mit China," *Deutsche Welle Kommentar*, December 12, 2021, <https://www.dw.com/de/g%C3%B6rlach-global-annalena-baerbocks-absehbare-abkehr-von-angela-merkels-schmusekurs-mit-china/a-60041005> [accessed January 24, 2022].

6 There is speculation about a joint Franco-German "Sorbonne II" speech in May, if President Macron is re-elected.

7 Jacob Ross et al, "Three ruling parties for Germany, one voice for Europe," *DGAP online commentary*, January 19, 2022, <https://dgap.org/en/research/publications/three-ruling-parties-germany-one-voice-europe> [accessed January 25, 2022].

8 Matthieu von Rohr, "Germany has a Russia problem," *Der Spiegel*, January 18, 2021, <https://www.spiegel.de/international/europe/faltering-foreign-policy-germany-has-a-russia-problem-a-613608d1-1222-48fa-91ca-25be2b2d664b> [accessed January 25, 2022].

9 *Cabinet Office*, „Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy," July 2021, <https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy> [accessed January 25, 2022].

10 Elizabeth Truss, "Building a global network of liberty," *Speech to the Lowy Institute*, January 21, 2022, <https://www.lowyinstitute.org/publications/building-global-network-liberty-address-rt-hon-elizabeth-truss-mp> [accessed January 25, 2022].

11 Steven Swinford, "Liz Truss takes after Margaret Thatcher in a tank as she criticises Russia," *The Times*, November 31, 2021, <https://www.thetimes.co.uk/article/liz-truss-takes-after-margaret-thatcher-in-a-tank-as-she-criticises-russia-mlbdbvhzt> [accessed January 25, 2022].

12 Patrick Wintour, "UK quietly shifts away from promise of ‚deep' foreign and security links with EU," *The Guardian*, December 28, 2020, <https://www.theguardian.com/world/2020/dec/28/uk-quietly-shifts-away-from-promise-of-deep-foreign-and-security-links-with-eu> [accessed January 25, 2022].

cajoled the German government into overcoming its misgivings and signing a deal. But this was before the September elections, and the incoming government seems rather more Angloskeptic.

THREE SCENARIOS IN WHICH THE UK OUTFLANKS GERMANY

It is in neither party's interests to be scoring points off each other, and the new German government must learn to take the UK seriously if it is to avoid being outflanked. Yet for most of the length of this project, it did not. German interviewees were confident that in its current shape, Britain would be unlikely to outshine them on the global stage. They were, of course, well aware of what British analysts had to say about Berlin: That its tendency for finger wagging about Britain blinds it to its own failings; that its foreign policy is driven by FOMO [fear of missing out] and a desire to keep up with more "mature" powers;[13] that its domineering behavior in the wake of the Eurozone crisis turned the EU into a declining power even as Germany grows; and that Berlin is disguising its own turn to Realpolitik behind the shrinking power of the EU. Yet despite this awareness, they did not see just how neatly they were confirming all these prejudices.

In all our discussions, there was not a single German analyst who really considered Brexit Britain a peer or serious competitor, let alone a partner. And more than one refused to take the UK's talk of global freedom seriously, saying it reflected a mix of imperial nostalgia and the fact that the FCDO has gone "rogue" since Brexit, promoting a liberal foreign policy disconnected from Britain's populist government and insular mentality. This week, however, the unravelling of the new German government's stance on Ukraine has served as a reality check.[14] The episode confirms that there are multiple scenarios where the UK – even a UK mired in domestic political turmoil[15] – might plausibly outflank the new German government, not just on an individual issue like the transport of arms to Ukraine, but in a structural way that would allow Britain to climb the international pecking order at Germany's expense.

Scenario 1. Germany looks to Britain to counterbalance the Franco-German motor

The first "credibility gap" that the UK might seek to exploit will emerge if Germany oversells its commitment to France when it comes to turning the EU into a responsible pillar of the global order. The new cohort of German ministers was quick to visit Paris and make all the right noises on issues that had been bothering the Élysée: Eurozone reform and the scope for new European taxes, lax export controls on arms and commitment to joint defense capabilities, classifying nuclear power as a climate-friendly energy source, and continued German commitment to stabilization of Mali and Chad. But each of the three German coalition partners finds at least one of these issues unappetizing, and resents France for it.[16] And the UK apparently calculates that Germany will turn to it as a covert counterweight to France.

The new German government is still talking up the "Franco-German motor," on the grounds that it was always the historic driver of EU integration.[17] But the UK remembers that Britain played an important role for Germany, not only in driving forward EU initiatives but also in counterbalancing France. More precisely: During the course of the UK's EU membership, the big three member states had a triangular relationship made up of three bilateral ones, each designed to drive forward European affairs in a chosen field and to counterbalance the third party. The Franco-German pairing built the EU's institutions and created a gravitational political pull from which the UK could not escape, the British-German pairing pushed for market-making projects and balanced France's protectionism, and the Anglo-French relationship sharpened European security responsibilities and counteracted German pacifism.

With the UK gone, France and Germany are obliged to agree on issues where they previously cooperated against one another. Germany now finds itself applying French language about "European autonomy" to the fields where it once worked more closely with the UK, such as market regulation, while France has adopted German language around

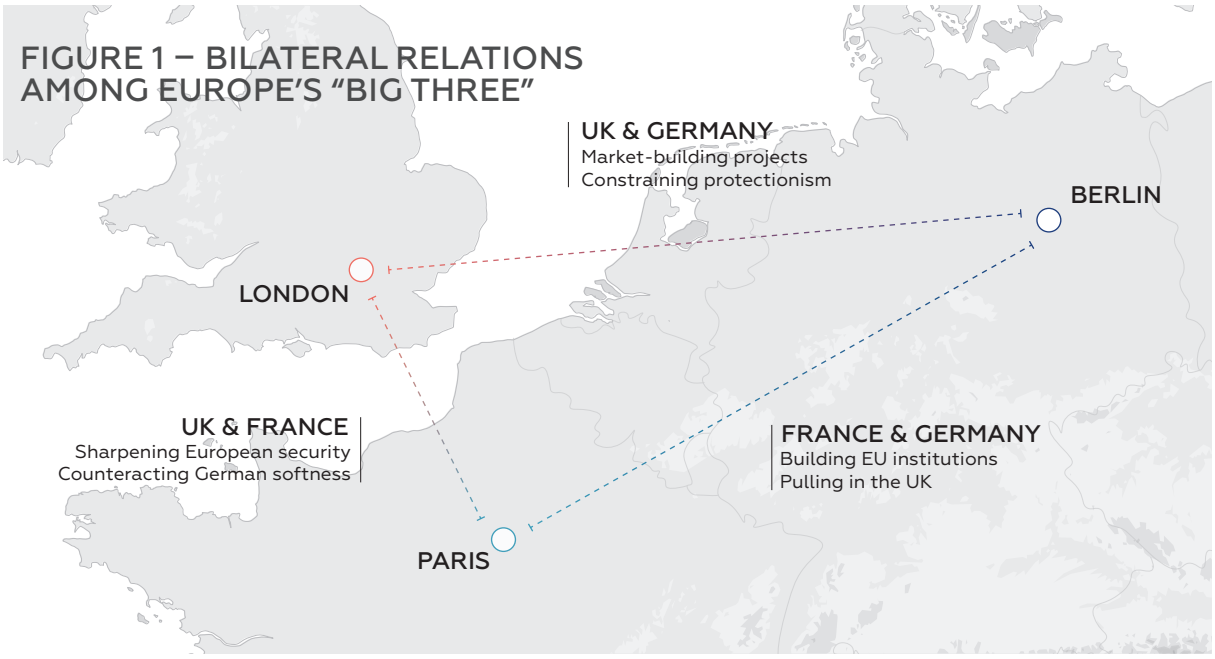
13 An example of this is Germany's feeling that it needs to keep up when, for example, France or the UK send frigates to the Indo-Pacific.

14 N.N., "German navy chief resigns over Putin comments," *Reuters*, January 23, 2021, <https://www.reuters.com/world/europe/german-navy-chief-resigns-over-putin-comments-2022-01-22/> [accessed January 25, 2022].

15 Ben Judah, "Are we on the brink in Ukraine? || A Debrief from Tom Tugendhat, MP," *Atlantic Council Briefing*, December 21, 2021, <https://www.youtube.com/watch?v=sclkos_OEQk> [accessed January 25, 2022].

16 Ross et al., "Voice for Europe," 2022.

17 For historical analysis: Ashoka Mody, "The myth of Franco-German friendship," *Vox.eu*, April 25, 2018, <https://voxeu.org/article/myth-franco-german-friendship> [accessed January 25, 2022].



"European sovereignty" to international security cooperation.[18] But this is a terminological band-aid, and disguises the heated debate about whether French-style EU autonomy is too protectionist and multipolar, and whether German-style EU sovereignty is too committed to free trade and the US. Diplomats from both countries put a brave face on it, saying that Franco-German disagreement is normal and "when France and Germany overcome their differences, Europe agrees." But press them, and it is clear they do not really believe it.

This is where the UK sees an opportunity, at least if recent interviews are anything to go by. The assessment among interview partners in London is that the more Germany binds itself to France rhetorically on issues of market building and security the more it will seek an offshore balance – and the UK can provide exactly that. Britain no-longer has any influence over EU affairs, but the focus of the Franco-German debate about EU sovereignty/autonomy is increasingly about Europe in the world, and there is scope to reconstitute the old triangular relationship on global lines. France is already looking to the UK for defense cooperation, disappointing Berlin in the Indo-Pacific by resorting to coalitions of willing Europeans rather than relying on EU defense structures. Germany may return the favor, cooperating with the UK on trade and development aid in Africa and Asia.

Scenario 2. Germany's eastern allies demand a true friend

A second scenario would see the UK step in to fulfil security commitments to EU members that Germany continues to fall short on, using this to gain a toehold in European foreign affairs and forcing Berlin to line up alongside it. The UK's way in would be the E3, a 2003 format between Britain, France and Germany, established to achieve joint international goals. The E3 came into its own in 2015 when it lent heft to the EU's European External Action Service (EEAS) in the Iran nuclear talks. It was never formalized, however, out of deference to the concerns of EU members that feared the three "big fish" would use international security to claim a special role in European affairs more generally. At first sight, therefore, it doesn't seem to offer much of a platform for UK-German relations.[19]

Although the previous German defense minister showed some interest in the E3,[20] the new German

18 N.N., "Germany backs France for ‚more sovereign' Europe as Paris set for turn at EU presidency," *France 24*, December 31, 2021, <https://www.france24.com/en/europe/20211231-germany-backs-france-for-more-sovereign-europe-as-paris-set-for-turn-at-eu-presidency> [accessed January 25, 2022].

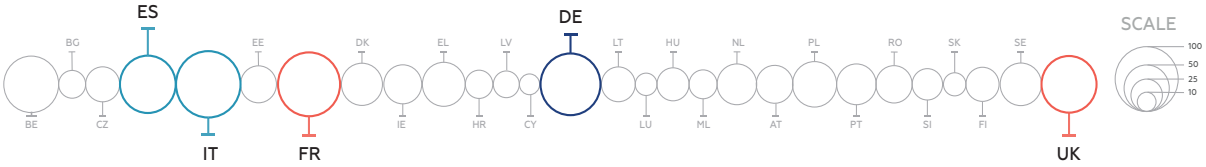
19 For a more thorough assessment of the E3's potential as a format: Alice Billon-Galland et al. "The future of the E3: Post-Brexit Cooperation between the UK, France and Germany," *Chatham House*, July 28, 2020, <https://www.chathamhouse.org/2020/07/future-e3/acknowledgments> [accessed January 25, 2022].

20 Alice Billon-Galland and Richard Whitman, "Towards a strategic agenda for the E3," *Chatham House*, April 2021, p.10: <https://www.chathamhouse.org/sites/default/files/2021-04/2021-04-28-towards-strategic-agenda-e3-billon-galland-whitman.pdf> [accessed January 25, 2022].

government seems unlikely to revive it. This government is committed to Europeanizing its foreign policy; the EEAS has a lot to be getting on with, whether it is Iran or Ukraine or Afghanistan; and the UK ruled itself out of this when it refused to cooperate with the EU's Common Foreign and Security Policy. But this is where the credibility gap appears: The EEAS – the central institution of EU foreign policy - is nowhere to be seen, and Germany is no longer lending it real support. For its first decade, the post of EEAS Secretary General rotated between Germany and France, the former because it was a true believer, and the latter because it wanted to ensure the EEAS did not get out of hand. Those days are long gone; Germany is no longer a believer, and France no longer considers the EEAS relevant.[21]

The EU's southern members have failed to spot the dangers of this approach, and both Italy and Spain seem to believe that their cozy position in the EEAS leaves them well set to become the plus-one in a new E3 with France and Germany. Thus, France's friends and neighbors are contented – but Germany's are not.[22] Poland finds itself with little purchase in the places where EU Foreign and Security Policy is being made; Sweden likewise. Worried for their own security interests, they are reconsidering their previous hostility towards the E3. In the past, the grouping meant domination by the three biggest European states; today, it means luring the UK back, and potentially drawing the Germans away from the French.

FIGURE 2 –WHO WORKS FOR THE EUROPEAN EXTERNAL ACTION SERVICE BY NATIONALITY?



Source: European Commission, 2018

Disappointed with the EEAS's performance, first France and then Germany gave up on it. They have left behind only as many of their diplomats as are needed to keep an eye on the Italian and Spanish careerists who have colonized it and to take care of their national interests in Africa and Asia. Rather than bolstering the EEAS, the French have diverted international talks to the European Council, galvanizing European leaders to form coalitions of the willing. Meanwhile, the Germans, worried that this could lead to member states being side-lined, have turned to the Commission, encouraging it to leverage access to the Single European Market for purposes of international diplomacy. Smaller members are told that this – the Commission working on the basis of a Franco-German stitch-up – is an inclusive option.

Scenario 3: Global bipolarity splits Paris from Berlin, and Berlin from Washington

A final indicative scenario would see Britain exploit German overreach if it attempts to replace the UK in the affections of the US. Democrats in the US perceive the UK as sliding away from liberal international rules towards a kind of mercantilism where it offers, say, the Gulf States military support in return for trade concessions. US analysts have a further list of complaints: that the UK's integrated review is openly ambivalent about the "rules¬-based international order;" that Britain is using humanitarian and development money to achieve its political and commercial interests; and that it has reduced its development aid from the statutory 0.7 percent of Gross National Income. As US-China rivalry sharpens along the lines of democracy vs autocracy, the UK seems unreliable.

21 For a nuanced assessment: Steven Blockmans and Christophe Hillion, "From self-doubt to self-assurance," *CEPS-FES-SIEPS joint report*, January 2021: <https://www.ceps.eu/wp-content/uploads/2021/01/TFR_EEAS-2_0-From-self-doubt-to-self-assurance.pdf> [accessed January 25, 2022].

22 James Rogers and Richard Whitman, "Britain: Eastern Europe's new guarantor?" *Council on Geostrategy*, July 8, 2021, <https://www.geostrategy.org.uk/britains-world/britain-eastern-europes-new-guarantor/> [accessed January 25, 2022].

Germany, by contrast, is seen to be stepping up (or it was prior to recent events in Ukraine). The Greens and Free Democrats are keen to show the US that they will put principles before commercial interests in Eurasia. And the government in Berlin is committed to boosting its spending on defense, development and foreign policy to 3 percent of GDP, going some way to meeting US demands. For its part, the Biden Administration has facilitated relations with Germany by replacing talk of status with values, replacing Trump's "America First" with a call for a coalition of democracies. France has also become more cooperative with the US and more hawkish on China since the AUKUS affair,[23] so there is no longer a serious trade-off for Germany between bolstering European cooperation with France and supporting the US.

But the UK can, in the words of one analyst, "perform a judo roll," using low expectations from Berlin and Washington to its advantage. After all, if the integrated review is ambivalent about the "the rules-based order," then it is not because Britain is weak on liberalism, but because it does not wholly view this order as a vector of liberalism. The rules-based order is too often a label for a set of unyielding trading norms which, far from being liberal, has enriched the illiberal East and borne populism in the West. This, at least, is the painful lesson the UK drew from Brexit, even if the US has shied away from the same lesson. According to British interviewees, defending the status quo is not the same as promoting liberalism, which requires re-politicizing global rules in a way that Germany and the US prefer to avoid.

If their thinking is correct, Baerbock's Germany and Blinken's US are status quo powers, each adopting value-based language to justify the existing pattern of globalization, from which they benefit. The UK is looking to demonstratively put values first, even in Hong Kong, for instance, where doing so hurt its material interests and global trading relations. London calculates that Germany's defense of the status quo will eventually bring it into tension with the US, not only if it is soft on China, but in any case because the status quo's benefits are getting ever smaller. By making a show of putting its values first, the UK will avoid the kind loyalty tests Germany will face from the US, and will be able to cooperate with China with impunity on global issues like climate change. A humbled Germany will be obliged to line up behind it.

SEVEN STEPS TOWARDS CLOSER BILATERAL RELATIONS

London and Berlin have studied each other's hypocrisies and vanities, and are tempted to exploit them. British officials enjoy saying "Germany really needs to take the lead here," safe in the knowledge that it will not. Germans, meanwhile, enjoy watching as the UK sets a red line on China or Russia, then undermines itself by giving kleptocrats the keys to the City of London. Pointing out the other's hypocrisies delivers a nice dopamine hit, but there is more to be gained for both by helping paper over their double standards. Germany would, for instance, be grateful if the UK helped keep up the façade of a happy marriage to France rather than pointing to the cracks in the relationship. And if Germany was less outspoken in return, Britain would also benefit.

Competitive virtue-signaling could be turned into a positive dynamic, one that binds the two countries more closely together. How to achieve this became a focus of the project, with interviews and discussions generating seven steps to improving the relationship:[24]

1. Accept that no relationship is ever functional.

Good cooperation requires acceptance of a certain degree of dysfunctionality. There is, in fact, a neat overlap of values and interests between Germany and Britain.[25] But if they do cooperate, then that is unlikely to be the reason. Cooperation will always be driven by a messy dynamic and, far from being a stumbling block, competitive virtue-signaling could be a force for good. Germans say they "don't mind occasionally losing an international beauty contest if this gives Johnson an incentive to stick to some principles." And the British say they "win either way: If Germany doesn't put its money where its mouth is,

23 Pierre Morcos, "After the AUKUS Crisis, Are France-U.S. Relations Back on Track?" *CSIS Commentary*, November 16, 2021, <https://www.csis.org/analysis/after-aukus-crisis-are-france-us-relations-back-track> [accessed January 25, 2022].

24 Analysts have already applied a couples therapy approach to the UK's other relations: Sean Monaghan and Pierre Morcos, "UK-France Defense and Security Relations Need a Reboot," *CSIS*, November 23, 2021, <https://www.csis.org/analysis/uk-france-defense-and-security-relations-need-reboot> [accessed January 25, 2022].

25 Benjamin Tallis, "Britain and Germany Should 'Dare More' Cooperation," Long Read, *Council on Geostrategy*, December 1, 2021, <https://www.geostrategy.org.uk/britains-world/britain-and-germany-should-dare-more-cooperation/> [accessed January 25, 2022].

we shine, but if it does genuinely start standing up for liberal principles, then we can cooperate." Importantly, though, both sides are starting to recognize that this dynamic can go too far; they know they cannot fall into Symbolpolitik or "peacocking" – sending frigates to the Indo-Pacific just to win points with the US at the other's expense.[26]

2. Learn when it's wrong to be right.

Both parties are increasingly aware that they take a little too much pleasure from being proven right about the other's weak principles, putting their battle for the moral high-ground ahead of actually achieving practical advances. During Brexit talks, the UK claimed that Germany could singlehandedly soften the EU position if it wished to, while Germany denied that it had the power to do so. Both sides were right in a way. Germany does dominate the EU – but only when it believes it is playing the "Good European" and that a big show of solidarity will drive forward integration. Both sides left the talks feeling vindicated, but the real-world outcome was bad. Likewise, when Germany signed the June deal with the UK, British analysts celebrated this as evidence not of rapprochement but of hypocrisy. Germany, they said, had signaled that it would not cooperate with the UK if London refused to tie itself to the EU structures, but now it had. This is an unhealthy mind set.[27]

3. Start to play good cop, bad cop.

Both sides are coming to see that they could use their awareness of the other's failings or "sharp edges" for mutual benefit. The Visegrad Four was (tentatively) cited as an example: Czechia, Slovakia, Poland and Hungary have, in effect, rotated the mantles of international darling and renegade between them for 30 years, allowing them at once to be good Europeans and bad, transatlanticist and anti-Western. Individually, neither Germany nor the UK can hope to keep the US and France happy, not to mention Poland and the Netherlands, India and Australia. These partners have contradictory goals and politics. India, for instance, is rather Angloskeptic; Australia, Euroskeptic. But the UK can use its reputation to open doors for Germany in Australia which, in the end, both countries would be grateful for. Likewise, Germany in India.

4. Who needs friends like these?

The UK and Germany need to be aware that by competing, they leave themselves open to exploitation – and not just from their enemies. Close partners like France and the US relish this competitive virtue-signaling. French interviewees argued that there was an essential incompatibility between the UK and continental Europe, citing de Gaulle, Bismarck and Palmerston to make their case. Yet all the while, France was itself cooperating with the UK, and even considered using its EU presidency to hold a summit to reframe EU-British relations on French terms.[28] As for the US, one Czech participant warned that Washington is liable to shift its stance on China without a second thought for Germany or the UK. The joint US-Chinese statement on climate action from November 2021 shows the two can cooperate, and Germany and Britain could soon find that point-scoring over who can be toughest on China won't have got them very far.

5. Beware the narcissism of small differences.

An unhealthy narrative is evidently emerging in Paris and Washington that Germany and Britain are essentially incompatible; they are *by nature* too different. [29] Both London and Berlin play into this narrative when they concentrate narrowly on their own attributes and capabilities, only emphasizing the differences between them. Interviewees recommended that they focus more on what, say, India or Singapore actually want from them, with their embassies sending more coordinated messages home. They could also learn new tricks from third parties; after all, both are struggling with geo-economics and could usefully learn, say, from the economic unit of Japan's National Security Council.[30] Another idea would be to study how the other cooperates with mutual partners, looking for example at the Franco-German Aachen Treaty (2019), or the Anglo-French Lancaster House Treaty (2010).

26 On the limitations of frigate diplomacy: Hans Kundnani and Michito Tsuruoka, "Germany's Indo-Pacific frigate may send unclear message," *Chatham House*, May 4, 2021, <https://www.chathamhouse.org/2021/05/germanys-indo-pacific-frigate-may-send-unclear-message> [accessed January 25, 2022].

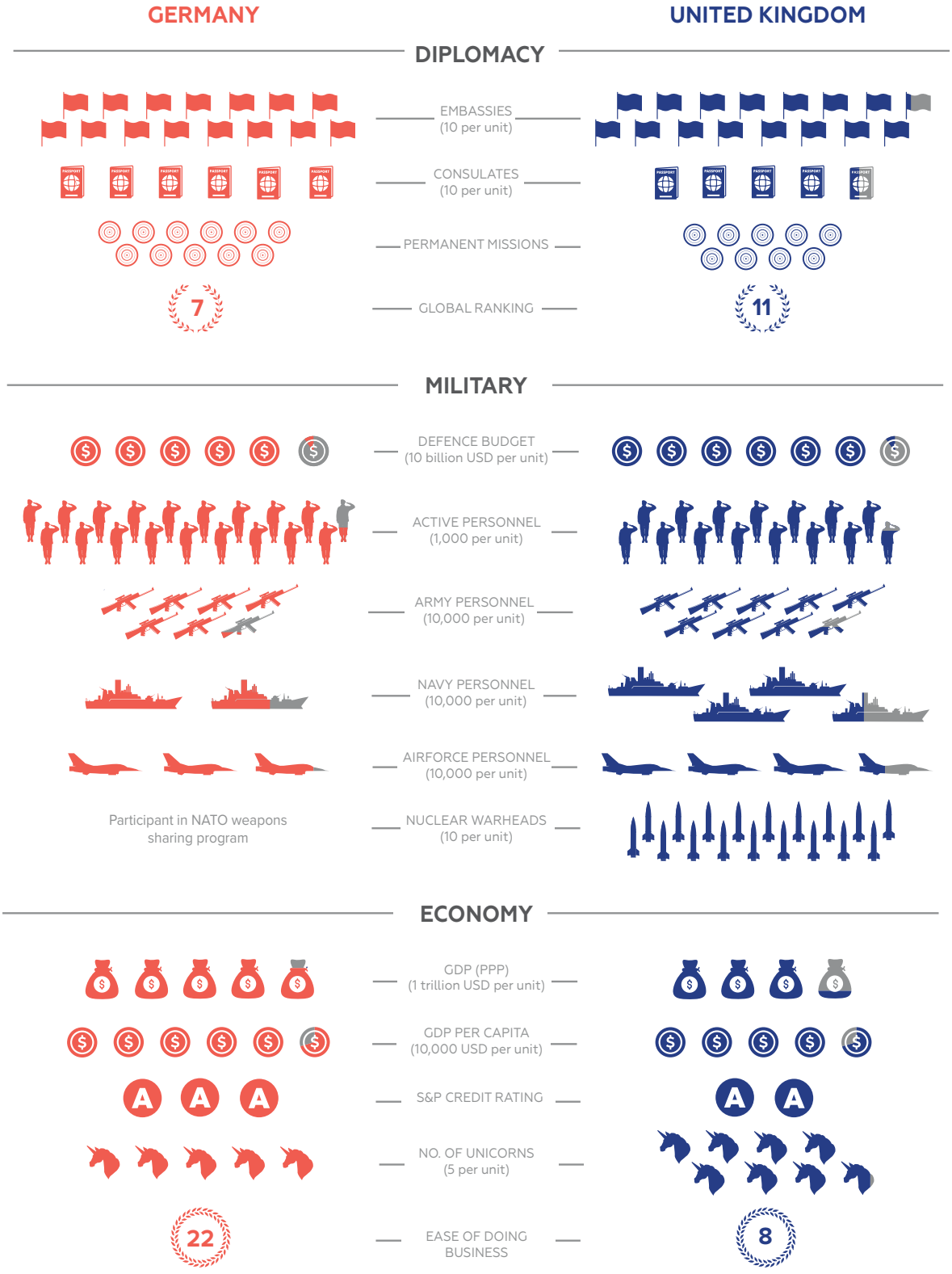
27 Claudia Major and Nicolai von Ondarza, "Germany, the EU and Global Britain: So Near, Yet So Far: How to Link "Global Britain" to European Foreign and Security Policy," *SWP Comment 2021/C 31*, April 27, 2021, <https://www.swp-berlin.org/publications/products/comments/2021C31_EU_and_GlobalBritain.pdf> [accessed January 25, 2022].

28 Rogelia Pastor Castro and Rachel Chin, "France and the UK: behind two men scoring political points are teams of diplomats behaving like grown-ups," *The Conversation*, December 3 2021, <https://theconversation.com/france-and-the-uk-behind-two-men-scoring-political-points-are-teams-of-diplomats-behaving-like-grown-ups-172355> [accessed January 25, 2022].

29 Terms that came up in interviews to describe how geography, history and politics render the UK and Germany fundamentally incompatible include: "Anglosphere" vs "Eurosphere"; "opportunistic sea power" vs "Mittel-European land power"; "commitment-phobe" vs "serial monogamist."

30 On UK-Japan cooperation, see: Yuka Koshino, "How Japan can help the UK meet its China challenge," *IISS Expert Commentary*, January 22, 2021: <https://www.iiss.org/blogs/analysis/2021/01/japan-uk-china-challenge> [accessed January 25, 2022].

FIGURE 3 – GERMANY AND THE UK SIDE-BY-SIDE



Sources: Lowy Global Diplomacy Index The Military Balance, 2021; IMF; S&P Global; CB Insights; World Bank

6. What happens abroad stays abroad.

The UK and Germany must, moreover, differentiate between what is acceptable at home and abroad. After all, both would like the other to show greater pragmatism or muscle in its relations with large powers like India or China, but they worry that this will set a precedent in their relations to each other in Europe. The UK would like Germany to develop a strong set of trade, defense and investment screening tools when dealing with China, but frets that it might find itself on the wrong side of these potentially protectionist EU policies.[31] Similarly, the UK would like Germany to take a pragmatic approach to trade relations with friendly Asian powers, asserting its usual conditions and principles only later, but Germany worries that the UK might cite this as a precedent for similar flexibility in its own trade relations with the EU. According to interviewees, such ambiguities can largely be resolved by building joint foreign policy working groups.

7. Get a grip.

What so much of this comes down to, then, is both sides getting their urge for one-upmanship under control. There are signs that this is happening. It was recently reported in the media, for example, that Germany had refused the UK access to its airspace to transport military equipment to Ukraine, although both are committed to deterring Russian aggression.[32] The British quickly corrected this impression, and briefed that they had not in fact requested permission. Later, there was speculation that the reason for the UK's decision was that Germany would anyway have refused permission, or that European rules on transporting military equipment across borders are so inflexible it was a non-starter. Once again, the British briefed that it was in fact their own policy to avoid flying heavy military equipment over highly populated areas. Whatever the truth, the signs are that both sides are working to minimize any embarrassment.

CONCLUSION

Britain and Germany can work together, and they have no excuse not to. When we began this project in Spring 2021, there were concerns on the German side that Britain would make cooperation impossible because it needed to vindicate Brexit and wanted desperately to show it was now free to take nimble global action. On the British side, there were fears that Germany would be desperate to demonstrate the opposite, and would withdraw support. There has indeed been an element of this, with Germans complaining, for example, that the UK made too many concessions in getting a trade deal with Australia just to prove the benefits of leaving the EU. Meanwhile, the British worry that the EU is too inflexible to make modern trade deals covering anti-corruption, e-commerce, or data flows.

But if the analysis in this paper is correct, the real problem is not a question of raw prestige or face-saving. Rather, it is about values, specifically the way that both Berlin and London seem to have emerged from 2016 not only more committed to liberal values, but also convinced that the other is a danger to them: Germany because of its dominance of Europe and its blunt assertion of unfair old rules; the UK because of its irresponsible politicization of these rules. This dynamic is complicated – but it is also easier to resolve than if it was a question of raw status. Nonetheless, the stakes are high. Although both Germany and the UK are genuinely trying to promote liberalism, the competitive nature of their relationship risks making their efforts look cosmetic, instrumental, and positional.

31 On EU geo-economics: Tobias Gehrke, "What could a geoeconomic EU look like in 2020?," *Egmont Security Policy Brief No. 123*, February 2020: <http://aei.pitt.edu/102487/> [accessed January 25, 2022].

32 George Allison, "We made a mistake, sorry," *UK Defence Journal*, January 18, 2022, <https://ukdefencejournal.org.uk/we-made-a-mistake-sorry/> [accessed January 25, 2022].

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