



All Eyes on Germany

A Powerful Comeback

The Bonn Power Shift Monitor (BPSM) analyzes shifts in global power among the G20 states. In its most recent update, the Monitor recorded a remarkable power rise of Germany. Taking a closer look at its power development will help to understand Germany's global competitiveness but also its struggle to retain its high power level as a traditional power in view of rising states. While the most recent developments are quite positive, Germany's power record remains unsteady and its place as the fourth most powerful country among the G20 is under attack of rising states such as the ever expanding India.

Highlights

- *Germany has managed to regain some power shares since 2015.*
- *Germany's growth, with gains in seven out of eight categories, is outstandingly comprehensive compared to other winners of the latest period.*
- *However, considering Germany's irregular power development in the past, it remains uncertain whether and how long this positive development will continue.*

Germany Rebounding Power

After a period of irregular development, Germany's relative power is on the rise again. Despite being one of Europe's powerhouses, Germany presented a broad, though irregular power loss between the years 2005 and 2015. After two years of recovery between 2012 and 2014, its power score saw a sharp drop in 2015, from which it lately has been steadily recovering. Taking a look at two-year periods, the 2015 to 2017 phase is the first since the period of 2005 to 2007 in which Germany had a positive power shift rate according to the Bonn Power Shift Monitor. In a G20 comparison, it is the first time since 2005 that Germany is among the top five relative power winners, ranking 4th. Alt-

hough Berlin is still among the net power losers among the G20 states since 2005, its latest upturn raises hopes against the often proclaimed Western decline in global power.

Winning in Almost Every Category

Even more remarkable than this renewed comeback, however, is how Germany's categories developed: While top-rated universities were the only positive category in the 2005/15 period in both relative and absolute terms, all categories except for scientific publications increased during the most recent phase of 2015/17. The combination of absolute and relative gains in six out of the eight categories (except for GDP and publications)

stresses Germany's global competitiveness as only few states present a similarly optimistic picture. Furthermore, the absolute gains are rather comprehensive: five out of seven categories with a positive Indicator Change Rate (ICR) increased by a figure between nine and almost twelve percent. However, the relative gains, meaning Germany's gains in the global share within a category, show a much bigger variation during the latest period.

Outpaced by India in Scientific Publications

The only category with a negative trend between 2015 and 2017 is scientific publications. Even though it is the first phase in which Germany presents both absolute and relative losses in this category, this development is no surprise: Germany's publication output has been relatively stable since 2012, whereas its global share has been on an overall decline since 2005. This raises the question whether Germany has reached its limits in scientific output. Interestingly, the UK and Japan, both traditional powers in the international system, present a similar picture so that the rising India managed to overtake all three of them by 2016 in this category.

Concerning top universities, however, Germany manages to place one more institution on the list and now presents twelve top rated universities among the world's leading 200. This plus comes after big losses in the phase of 2013/15 and must be regarded in the context of an unsteady development of Germany's top universities. Nevertheless, the fact indicates that even though Germany might be losing ground considering publications, it is still a globally leading location for science.

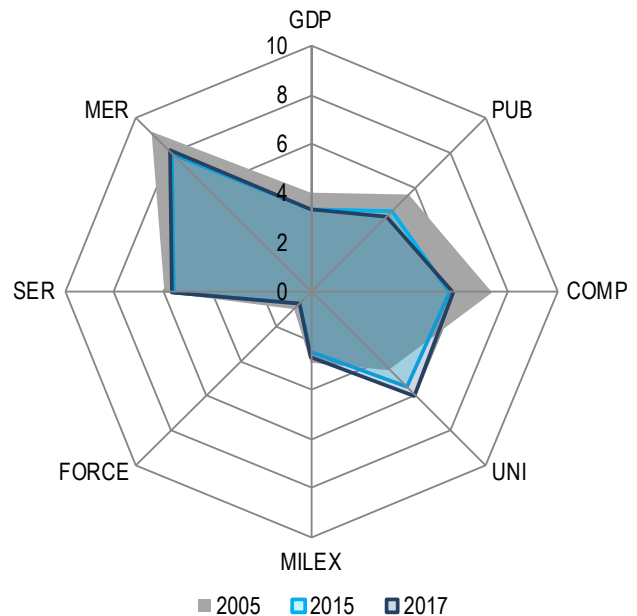
Hard Power Expansion

Looking at the military categories, we can see a twofold development: While the size of armed forces only increased moderately, military spending leaped up compared to earlier phases. However, it should be kept in mind that this is the first increase in armed forces, both relatively and absolutely, since 2010 and that they are still about a third smaller compared to 2005.

Economically, we can see a steady absolute growth of the GDP, a category in which Germany's figures grew in absolute terms since 2009. Even though the relative picture does not look as rosy because Germany suffered a relative decline since 2005, its global weight has remained quite stable since 2014. However, as current observers see an economic levelling off, we anticipate that Germany will struggle to keep the profile of hard power expansion in the future.

More remarkable, though, is the development of the categories service and merchandise exports. Merchandise exports present an overall irregular absolute development over the years. After they slumped from 2014 to 2015, they recorded a clear upswing

Germany's Global Shares



in 2017. The relative numbers remain positive, even though they are damped by the strong plus of other states. Similar to that, strong gains can also be observed concerning service exports, both absolutely and relatively. Additionally, Germany's number of the wealthiest global companies increased as well. All of this shows that Germany's role as a central player in international trade and production remains steadfast.

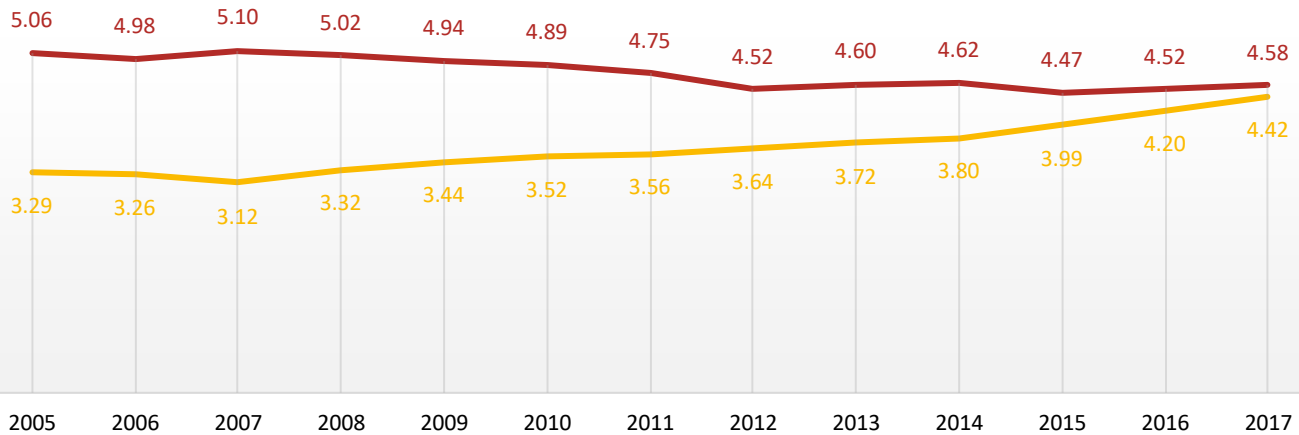
Unique Development Within the G20

Germany's growth stands out among the G20 in the 2015/17 period: Unlike Germany, other countries with a positive power shift rate (PSR) often made gains because of a strong growth in only one or two categories, or made losses in more than one category.

Take Italy as an example. Similar to Germany, Italy was among the declining countries throughout the 2005 to 2015 period. Just like Germany, Italy lost global power shares in all categories except for one. However, it achieved a considerable growth since 2015, now ranking 3rd among the power winners.

A closer look, though, reveals that Italy's rise is mainly due to an increase in top universities with four in 2017 compared to just one in 2014. Even though the GDP, merchandise and service exports, and military spending made positive developments as well, those figures are far smaller and show a bigger variation. Summarizing all power shifts, Italy achieved a power growth as surprising as Germany's. Having said that, Italy's gains are mainly based on one category, making its power boost much less comprehensive than Germany's.

Germany's vs. India's Power Scores



China, as the prime example of a rising state, shows a positive growth in diverse areas just like Germany, but it has considerably fewer positive indicators in total (China: four, Germany: seven). Hence, Germany's growth in the most recent phase appears to be even more comprehensive than China's. Among the G20 states, it is only Germany that presents such a comprehensive growth in the most recent period of observation.

Will This Rise Last?

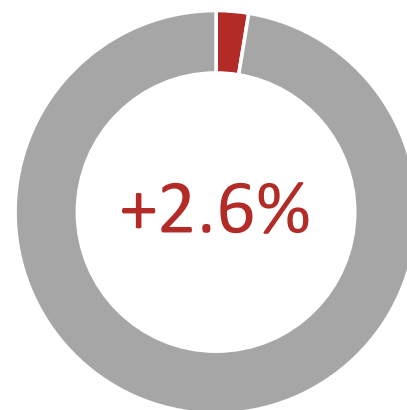
Even though Berlin did remarkably well recently, a look at its long-term power development demands for caution: Germany's global power scores are overall but unsteadily declining. Since 2005, the Bonn Power Shift Monitor recorded an overall unsteady development within Germany's power categories. Even though the European powerhouse managed to defend its place

as the fourth most powerful country in the G20 since 2014, other rising states such as India are ready to take over that position. Plus, the power gap between the two has been shrinking to almost zero.

Also in view of current voices that the German economic growth has flattened, its power recovery is unlikely to last. Nevertheless, Germany's strong and especially comprehensive performance during the latest period is a significant development that underlines that the often proclaimed Western decline does not affect all traditional powers equally. Germany is certainly one of the countries defending its power share most successfully.

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Germany's Power Shift 2015-2017



Center for Global Studies (CGS)

The Center for Global Studies (CGS) of the University of Bonn explores the phenomena of power and power shifts in International Relations. The Bonn Power Focus regularly investigates strategically relevant dimensions of power.

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The data of this analysis are largely based on the systematic evaluation of the Bonn Power Shift Monitor data:

Center for Global Studies (2019). Bonn Power Shift Monitor. <https://www.cgs-bonn.de/en/bonn-power-shift-monitor/monitor/>.