

CHAPTER 2

FROM OSTPOLITIK TO EU-RUSSIA INTERDEPENDENCE: GERMANY'S PERSPECTIVE

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With the Russian annexation of Crimea and the war in eastern Ukraine, followed by Western sanctions and Russian counter-sanctions, German decision-makers had to learn that economic and energy interdependence not only creates win-win situations but also means vulnerability. The reaction was a shift from the dominance of the economy in German policy on Russia to a securitisation and politicisation of relations with Moscow. The support for Nord Stream 2 proves that German elites have only partly learned their lessons, and still believe in positive economic interdependence and the mantra of Ostpolitik, that peace and stability in Europe is only possible with, but not against, Russia.

The roots of the German New Ostpolitik¹ at the end of the 1960s and 1970s were based on a realistic assessment of the contemporary situation in East Germany and Eastern Europe, which was regarded as the precondition for rapprochement with the Soviet Union. “Change through rapprochement” primarily meant the recognition of Germany’s eastern border combined with the acceptance of the Polish state in its post-1945 borders and East Germany as a matter of fact. This policy, aimed at achieving peaceful coexistence between the two blocs in Europe, was linked with the offer to develop economic relations with the Soviet Union. Growing energy and economic relations

¹ Görtemaker, 2004.

with Western Europe was in the USSR's interests and from a German perspective could create a situation in which Moscow had no interest in a military confrontation because of economic benefits. As a result, positive economic interdependence was defined by the West German government under Willy Brandt as an important element for peace in Europe.² Germany's current discussion about the benefits of Nord Stream 2 has its roots in the Ostpolitik of the 1970s, even if economic interests dominate the calculation.³

The German Ostpolitik of the 1990s and 2000s was based on the assessment that Russia would become a democracy and market economy like the West and that the support for economic modernisation would expedite "positive" social and political change in Russia. However, this assumption was not only a German misperception but also an overall Western mindset, most prominently argued by Francis Fukuyama with his "end of history" theory. Even if Germany had developed a special relationship with Russia, based on steady growth of trade up to 2012 as well as a social and political network, change through trade did not work out with the Putin regime. While German elites were thinking in terms of positive interdependence, win-win situations and steady change in Russia towards the Western democratic system, the Russian ruling elites gradually gave up the idea of integrating with the West and adopting the Western model. What prevailed in their thinking was a more neo-realistic understanding of interdependence perceived as vulnerability, win-lose as the key pattern in international relations, and the threat of losing control over its domestic situation as a result of the liberalisation and democratisation of Russian society.⁴

² Kling, 2016.

³ *Frankfurter Allgemeine Zeitung*, 2019.

⁴ Surkov argues that Russia is not Europe and that only President Putin knows, what the Russian people want, which underlines how far the Russian intellectual discourse has developed from liberal democracies (Surkov, 2019).

The Russia-Ukraine conflicts, culminating in 2014 in the annexation of Crimea and a war in parts of the Donbas region, mark the moment when both Germany and Russia learned that interdependence also means vulnerability: EU and US economic sanctions have hit the Russian economy. Russian counter-sanctions, dependence on the supply of Russian gas, and its military activities keeps Germany and other EU member states vulnerable to Russian action.

Germany's support for economic sanctions against Russia was a major shift in German-Russian relations. For the first time since the end of the Cold War, Berlin was willing to pay an economic cost to respond to Russian aggression. Compared to the Russo-Georgian war in 2008, Ukraine seemed much closer to the EU than the South Caucasus. With the return of Vladimir Putin as president in 2012, the partnership for modernisation ended and all hopes in president Medvedev became obsolete. Furthermore, the downing of Malaysian Airlines flight MH 17 played an important psychological role in shifting the German approach. Trade with Russia nearly halved between 2014 and 2016, in part because of these sanctions. Despite these developments, with the support of the Nord Stream 2 gas pipeline German decision-makers were unwilling to give up Germany's approach of positive interdependence. But the main lesson learned from the Russia-Ukraine conflict is that economic interdependence does not prevent the current Russian leadership from challenging the security situation in other European countries. President Vladimir Putin is willing to pay an economic price for Russia's geopolitical interests.

This chapter will discuss the different concepts of interdependence in Germany and Russia, the legacy of German Ostpolitik, energy and social interdependence as crucial elements of German-Russian relations, and key trends since 2014 with the Russia-Ukraine conflict as a key driver in the alienation between Berlin and Moscow.

DIFFERENT CONCEPTS OF DEPENDENCE

According to Keohane and Nye, “dependence means a state of being determined or significantly affected by external forces”. With this in mind, interdependence means “mutual dependence” or, in other words, “reciprocal effects among countries or among actors in different countries”.⁵ The German approach to interdependence means that mutual dependence can lead to growing cooperation and trust, and create a win-win situation for both sides. Contrary to this approach, Keohane and Nye do not limit the term “interdependence” to situations of mutual benefit. Interdependence can also be used as a “weapon” against the other side, with energy dependence as a bargaining tool or with the rise of sanctions as a key instrument of US foreign policy. Vulnerability means an “actors’ liability to costly effects imposed from outside before policies are altered to try to change the situation”.⁶ The lesson learned from the Ukraine conflict is that, in respect of EU sanctions and Russia’s counter-sanctions, interdependence in the current context of asymmetric relations and conflicting views on European security order primarily means vulnerability.

Furthermore, Keohane and Nye argue that asymmetries in dependence provide sources of influence for actors. Less dependent actors can use interdependence when bargaining over power or issues of interest.⁷ This means that interdependence provides power resources to actors. Germany is a very important market for Russian gas and oil exports, but this is no longer the case with Ukraine. Germany is by far the most important gas market for Gazprom worldwide (ahead of Turkey) with more than 53 billion cubic metres (bcm) in 2017 which gives the countries companies a strong bargaining position with

⁵ Keohane & Nye, 2001, p. 7.

⁶ *Ibid.*, p. 11

⁷ *Ibid.*, p. 9.

Gazprom.⁸ Direct exports to Ukraine were only 2.4 bcm in 2017.⁹ In terms of Ukrainian politics, therefore, the transit pipeline from Russia to Europe is not only an important source of revenue through transit fees (around \$3 billion in 2017), but also a bargaining tool with regard to Moscow's hegemonic policy. If Ukraine loses this leverage after Nord Stream 2 and Turk Stream have been built, the country will be much more vulnerable and might more easily become the victim of a new military attack by Russia. As a study by Oxford Energy shows, if Nord Stream 2 and Turk Stream are built there will be very limited need for gas flowing through Ukraine to the EU.¹⁰

Germany and other Western countries interpreted interdependence as a driving force for globalisation and multilateralism following the East-West conflict which contributed to the strengthening of rules-based order. By contrast, the Russian leadership has distanced itself from the rules- and norm-based order and favours an interest-oriented approach with concrete projects, especially since the beginning of the 2000s.¹¹ The regulation of transnational economic and social activity has been a driving pattern of Western policy until recently. As one of the economic winners from globalisation, Germany has an interest in multilateralism and the regulation of international political and trade relations. For Russian elites, ad hoc cooperation such as building pipelines (e.g. Nord Stream) or supporting the nuclear agreement with Iran would serve common interests because of concrete profits.¹² But they would still be based on cost-benefit calculations along national interests or the maintenance of power. While Moscow accepts economic interdependence as being beneficial, it has no interest in the regulation of relations or making them law-based. As the Russian elites instrumentalise the Russian legal system

⁸ Gazprom Export.

⁹ Gazprom, 2017. However, much more Russian gas was exported via reverse flow from the EU.

¹⁰ Sharples, 2018.

¹¹ Libman, Stewart & Westphal, 2016, pp. 18–19.

¹² Russian Embassy, London, n.d.

in their power interests at home, so they interpret the EU approach to regulation as an interest-oriented policy against Russia.¹³ From this perspective, the EU's regulatory policy has a negative impact on common projects, for instance in the energy field, and makes mutually beneficial bilateral deals much more difficult. The EU's Third Energy Package and unbundling policy is a good example. As a consequence, the Russian way of thinking stands in contrast to the German multilateral, rules-based order and it was only a matter of time until the two visions clashed.

THE LEGACY OF OSTPOLITIK

Germany is a key country in the EU's relationship with Russia, due to its size, its economic power and interests and the legacy of history. The "German question" – meaning a divided Germany – was key to Europe during the Cold War. As a result, West German elites had a special interest in relations with the Soviet Union and its socialist satellite states. The New Ostpolitik of Willy Brandt and Egon Bahr of the 1970s was a reaction to this situation. The vision of a peaceful European order was based on recognition of the Soviet Union as the key counterpart for a new policy on Germany and Eastern Europe. Accepting the outcome of World War II also in terms of borders was linked to the goal of an official agreement on the non-use of violence.¹⁴ On the basis of mutual interests, economic and social interdependence should help to create peace and stability in Europe. For Brandt, peaceful coexistence meant mutual acquiescence and respect for differences and different policy concepts.

At the same time, it was crucial for him to act from a position of strength, meaning the ability of the West to defend itself. Here the US and NATO were the guarantors for the security of West Germany;

¹³ Libman, Stewart & Westphal, p. 19.

¹⁴ Schöllgen, 1999, pp. 101–2.

only strong assertiveness can be the basis for peaceful coexistence.¹⁵ In parallel with the negotiations about a European peace treaty in the context of the New Ostpolitik and the Conference on Security and Cooperation in Europe (CSCE), in 1970 the West German leadership agreed with the Soviet Union on a gas-for-pipe deal, which was embedded in German Ostpolitik. Concrete economic cooperation was perceived as a major element of the policy of “détente”.¹⁶ Oil trade and the gas-pipe deal should help to balance economic interests with the Soviet Union and to create interdependence to prevent war. “Change through rapprochement”, the key phrase of the new Ostpolitik before 1989, was developed into “change through interweaving” (“Wandel durch Verflechtung”) and a “partnership for modernisation” in the 1990s and 2000s.

With unification, the “German question” ceased to exist, but Berlin remained key to the eastward enlargement of the EU and relations with Moscow. Germany’s Russia policy after 1991 reflected a reinterpretation of “change through rapprochement”, which was seen as an important contribution to ending the East-West divide, along with a sense of gratitude to the Soviet/Russian leadership for its acceptance of German unification. This first became visible with the German concept of a strategic partnership with Russia in the 1990s, which was upgraded to the partnership for modernisation in 2008. This concept was transferred to the EU level in 2010, aiming to support Russia in its economic and judicial reforms and the development of civil society.¹⁷ The eastward enlargement of the EU and NATO created a new reality in Europe. But the German goal was more far-reaching, tying Russia closely to the other countries and institutions in Europe

¹⁵ Merseburger, 2012, p. 440.

¹⁶ West Germany supplied the Soviet Union with pipes to build gas pipelines from Siberia to Central and Western Europe and would receive gas for 20 years as payment (Schöllgen, p. 104).

¹⁷ European External Action Service, 2010.

beside its membership of the OSCE and the Council of Europe.¹⁸ The German elites believed that peace and stability in Europe could only be achieved with Russia and not against it – meaning Russian integration into Europe, which has become a long-term goal.¹⁹

The interim presidency of Dmitry Medvedev (2008–12) brought high hopes in Germany that a substantial modernisation and reform process in Russia would take place. All the signals from Medvedev in criticising the shortcomings of the existing political and economic model seemed to prove the German assessment that Russia would slowly develop in the direction of democracy, market economy and the rule of law. The German partnership for modernisation was an upgrade of the Ostpolitik of the 1970s aimed at driving political and social change through economic modernisation. In a speech in Ekaterinburg in 2008, foreign minister Frank-Walter Steinmeier of the Social Democratic Party described Russia and Germany as natural partners for modernisation and argued that mutual economic and social interweavement would be beneficial for Russia, Germany and the EU.²⁰

With the return of Vladimir Putin to the presidency (his third) in 2012, it became clear that a real modernisation of the Russian economy and the opening-up of the political process was not in the interests of the ruling regime. The consequences of political competition and the rule of law could be to lose power and access to rent-seeking options based on corruption. The mass demonstrations in Moscow, St Petersburg and several other Russian cities in 2011–12 against Vladimir Putin's return as president were taken by the German elites as evidence that political change was taking place among the growing middle class. For the Russian elites, they were interpreted as a threat

¹⁸ Voigt, 2014, p. 3.

¹⁹ This mantra of German Ostpolitik is a consensus, especially in the SPD, and one of the last statements by former foreign minister Frank-Walter Steinmeier at a meeting of members of the German-Russian Forum in March 2014 in Berlin. Auswärtiges Amt, 2014.

²⁰ Auswärtiges Amt, 2008.

to their hold on power and a sign that they had to stop any trend towards a so-called “colour revolution” at home.

Economic, social and political interweavement therefore apparently did not prevent the Russian leadership from annexing Crimea and intervening in eastern Ukraine. The result was a fundamental loss of trust and alienation between the German and Russian elites.

ENERGY AND THE ECONOMY AS THE BACKBONE OF GERMAN-RUSSIAN RELATIONS

Russia has become an important market for German products, especially with the rise in energy prices and consumption in the 2000s. Germany is Russia's most important trading partner in the EU and ranks second in the world behind China. In 2012 German-Russian trade totalled around 80 billion euro but by 2016 it had nearly halved (to 48 billion euro) due to lower oil and gas prices as well as the sanctions in both directions. Russia's importance as a market for German exports fell from 11th position in 2012 to 14th in 2017.²¹ In terms of German trade to the east, in 2018 Russia was far behind Poland and the Czech Republic.²² However, Russian energy companies are Germany's most important suppliers, providing more than 50% of natural gas²³ and 37% of oil (both for 2017).²⁴

The German-Russian relationship over natural gas has been embedded in broader political concepts of détente, confidence- and trust-building measures during the East-West confrontation as part of a policy of economic interdependence, as already mentioned.²⁵ During

²¹ Ost-Ausschuss–Osteuropaverein, 2019, pp. 5–6.

²² Ost-Ausschuss–Osteuropaverein, 2018.

²³ Statista, 2017.

²⁴ Bundesministerium für Wirtschaft und Energie, n.d.

²⁵ Bros, Mitrova & Westphal, 2017, p. 7.

the Cold War this relationship was primarily focused on national regulations, but with the EU's regulation of the gas market in the context of the Third Energy Package the rules of the game changed substantially: the European Commission's main goal was lower prices through unbundling and increased competition. Through this policy, the EU has become a major factor in the German-Russian gas relationship. In addition, the global market in LNG became more flexible and the new German energy transition (*Energiewende*)²⁶ put the business model of the German energy companies under pressure. As a result, business relations became more complex, unstable and uncertain in a more competitive environment.²⁷

The whole discussion about Nord Stream 2 cannot be understood without this changing environment. The EU's regulatory role has shrunk the room for manoeuvre in the energy field for both Russia and Germany. At the same time, NATO and EU enlargement and new regulation of relations with the countries of the neighbourhood shared with the EU has alienated Russia. The EU policy of unbundling vertically integrated energy companies and the regulation of access to the pipeline network had a direct impact on Russian rents and the stability of the energy business. The perception by some EU member states of Russia as a threat and the existing dependence on Russian oil and gas of mostly eastern member states, as well as the gas supply crisis in 2009, led to stronger regulation of the gas relationship with Russia. The results included the Gazprom rule in the Third Energy Package with the regulation of the OPAL pipeline linking Nord Stream with the Central European distribution system and the abandonment of projects such as the South Stream pipeline.²⁸

²⁶ As a reaction to the nuclear disaster in Fukushima, the German government decided on a complete energy transition from coal, oil and nuclear power to renewable energy and greater energy efficiency. See Federal Ministry of Economic Affairs and Energy, n.d.

²⁷ Bros, Mitrova & Westphal, pp. 6–7.

²⁸ Libman, Stewart & Westphal, p. 20.

Before unbundling and the development of alternative infrastructure, Gazprom used its bargaining power with Eastern and Central European countries to negotiate higher prices for gas because of the lack of alternative sources of supply. Furthermore, since the 2000s the Russian leadership has increasingly used energy dependence as an instrument of power in its neighbourhood. For Belarus and Ukraine, in the 2000s negotiations over oil and gas prices have become a key instrument to impact policy in these countries and to keep them in Russia's sphere of influence.²⁹

Meanwhile, for Germany all this was not a problem because of the size of its market and alternative options for supply and therefore Germany companies had a much better bargaining position than Central Eastern European countries. As a result, until 2014 there was a different (threat) perception of Russia in Germany than in many eastern and south-eastern member states of the EU. Russia proved to be a reliable supplier of energy and only the conflict with Ukraine changed this dominant perception (even the gas dispute between Russia and Ukraine in 2009 was more interpreted as a conflict with Ukraine than with Russia). Until the Russian action in Ukraine, politicians such as former Chancellor Gerhard Schröder, who worked for Gazprom, played an important role in the German political and public discussion of Russia and bilateral energy relations.³⁰

SOCIAL INTERDEPENDENCE

Social relationships have a strong impact on German-Russian relations. A large number of institutions and programmes are the foundation of constant social exchange such as municipal partnerships and youth, university, school and cultural exchanges.³¹ The

²⁹ Kardaś & Kłysiński, 2017.

³⁰ Deutschlandfunk, 2012.

³¹ On the number of social exchanges, see Deutscher Bundestag, 2016.

Deutsch-Russisches Forum (German-Russian Forum, or GRF), founded in 1993, provides a broad foundation for social exchange among societies but also between businesspeople and politicians.³² It is active in sports, the arts and youth exchange, and organises informational events about Russia. The GRF provides the secretary of the Petersburg Dialogue, established by Gerhard Schröder and Vladimir Putin in 2001 as a bilateral platform aimed at improving regular civil society exchange linked with top-level government consultations. As in the economic sector, the key concept for the German side was to help Russia “modernise” or develop its civil society. One outcome of this policy was the establishment by the Russian government of the Civic Chamber, a civil society consultative institution.

Increasing social exchange and interdependence should help to improve cooperation with Russia, build trust and integrate Russian society and elites into Europe. As part of this policy, a bilateral youth office was developed with France after World War II, and with Poland after the end of the Cold War. Historical commissions have been built up, and commissions for common schoolbooks created.³³ In addition to many beneficial projects for social and youth exchanges organised by the GRF and the Petersburg Dialogue, both institutions also became platforms for high-level exchanges. It was a top-down approach rather than bottom-up, which was from the beginning funded by companies and the two states. This was especially in the interests of the Russian side, which wanted to control and decide which members of their civil society participated in the meetings.

These institutions became important instruments for influencing German leaders from the Russian side in a regular exchange. When, after growing public pressure also in the context of the Ukraine

³² Deutsch-Russisches Forum, n.d. (a)

³³ Gemeinsame Kommission für die Erforschung der jüngeren Geschichte der deutsch-russischen Beziehungen, n.d.

conflict, the German Chancellery decided to stop linking the Petersburg Dialogue to government consultations and changes in the composition of delegations to genuine civil society actors were forced by the German side, a parallel institution (the Potsdamer Begegnungen, or Potsdam Meetings) was upgraded in the context of the GRF.³⁴ Here again, a more exclusive elite exchange took place with very limited public attention, with foreign minister Steinmeier as a key speaker for instance in 2016.³⁵ At the regional and local levels too, platforms for exchange have been established such as the “Russia Day in Mecklenburg Vorpommern” organised by the government of Mecklenburg Vorpommern, the state chamber for industry and commerce, and the Ostinstitut Wismar.³⁶ In addition to their role as a platform for exchange, such events have become an influential instrument also for the Russian side. Mecklenburg-Vorpommern is the federal state in which the Nord Stream pipelines arrives, and is thus one of the key states which promotes the implementation of Nord Stream 2 and improving relations with Russia on the regional and federal level of Germany.³⁷

TRENDS SINCE 2014

The annexation of Crimea and the war in eastern Ukraine marked a watershed in German-Russian relations. Undermining the European security order and the Russian leadership's aim to renegotiate the relationship with the West has transformed German-Russian relations from strategic partnership to strategic competition. Germany's role in the Russia-Ukraine conflict, particularly negotiating the two Minsk agreements together with France in the Normandy

³⁴ Deutsch-Russisches Forum, n.d. (b)

³⁵ Auswärtiges Amt, 2016.

³⁶ Russland-Tag in Mecklenburg-Vorpommern, 2018.

³⁷ The minister-president of Mecklenburg-Vorpommern, Manuela Schwesig (SPD), argues for more cooperation with Russia and the lifting of sanctions. See Nordkurier, 2018.

Format, shifted a high-intensity war into a low-intensity one in eastern Ukraine and reflects the key role Germany still plays in respect of the EU's Russia policy. At the same time, the complete loss of trust between the German and Russian leaderships, and Chancellor Angela Merkel leading the EU sanctions against Russia, is a substantial shift in the German approach towards Russia. For the first time since the end of the Cold War, German elites were willing to pay a price to punish the Russian leadership's aggression against Ukraine. Undermining the European security order, multilateral institutions and international agreements such as the Treaty of Paris or the Budapest Memorandum is against the interests of German leaders because it weakens the multilateral order.

For the first time in 25 years, Russia has become a security risk in the German debate and economic interests have been replaced by politics and security as the dominant factor in relations with Moscow. The German economy had to accept sanctions because of political calculations, and Germany deployed soldiers as part of the NATO multinational battlegroup in Lithuania to contain a potential Russian aggression. The main lesson learned for German elites was that, despite substantial economic, energy, social and leadership relations, the Russian elite is willing to use military aggression against its neighbours if its interests are seriously challenged. As one of the key leaders in the EU, Angela Merkel can talk to president Putin about the situation in eastern Ukraine, Russian disinformation campaigns and economic relations at the same time, but this will not stop Russian actions against its neighbours and the EU. The anti-German and anti-Merkel campaign in the Russian media and the support of those parties in Germany and the EU that undermine the political institutions and trust in them have led to further alienation in German-Russian relations.³⁸ There seems to be no way back to a strategic partnership in current circumstances.

³⁸ Meister, 2016.

In Germany there is a consensus among the elite that relations with Russia have changed and that there is no longer any trust, but there is no elite and social consensus over how to respond to this new situation. It divides the German public and political debate on Russia and is challenged by the political culture and traditions of German foreign policy in general and its Eastern policy. Despite this shift, a majority of German society is still in favour of a more cooperative approach towards Russia.

According to a poll by the Körber Foundation in 2018, Russia comes after France and the US as the most important partner for Germany and 69% of Germans want to have more cooperation with it rather than less (compared to 78% in 2017).³⁹ 48% of Germans describe Russia as a dangerous country, compared to 79% of Poles, for instance.⁴⁰ In a different poll by the same organisation in 2017, 45% of Germans favoured weakening or abolishing the sanctions against Russia.⁴¹

There is a clear split in German society and parts of the elites on how to deal with a more aggressive Russia. A majority still supports a cooperative approach, more compromise and less provocation towards Russia. This is the context into which Nord Stream 2 would fit.

The relationship with Russia is a very emotional topic in Germany, and every politician who criticises the Russian leadership or recognises the limits and realities of cooperation is attacked in public, as happened to the current foreign minister, Heiko Maas. In his inaugural speech as foreign minister in March 2018, Maas criticised the Russian leadership, saying it “defined its politics in distinction if not antagonism to the West”. Unlike his two predecessors, Frank-Walter Steinmeier and Sigmar Gabriel, he did not speak about a gradual

³⁹ Körber-Stiftung, 2018, p. 34.

⁴⁰ Körber-Stiftung, 2017.

⁴¹ *Ibid.*, p. 9.

lifting of sanctions if there were some success over eastern Ukraine. In the context of the recent re-election of Vladimir Putin, Maas criticised the lack of political competition and argued that he expected more “constructive contributions” from Russia over Crimea and eastern Ukraine than in the past.⁴² He has been much criticised for these words in his party (the SPD), and as a result he later softened his rhetoric. More left-wing SPD politicians, like Ralf Stegner (a deputy head of SPD) and the deputy leader of the SPD contingent in the Bundestag, Rolf Mützenich, argued that no problem in Europe and the world could be resolved without Moscow’s involvement and advocated the intensification of contacts with Russia and not a worsening of relations. Germany should improve economic ties with Russia and sanctions were not the best policy for the EU. Many members of the SPD were irritated with Maas’s policy on Russia and his distancing from Willy Brandt’s Ostpolitik, while arguing that he became a politician “not because of Brandt but because of Auschwitz”.⁴³

But Brandt’s Ostpolitik has become an important part of the SPD’s identity, especially for the older generation, as one of the most successful policy concepts the German social democrats contributed to post-war West German foreign policy.

A position paper by the SPD faction in the Bundestag illustrates the dilemma the party is facing.⁴⁴ On the one hand, it recognises that European security has to be based on agreed norms and binding international law, not on the power of the strong. Furthermore, the document argues that the Russo-Georgian war of 2008, the annexation of Crimea by Russia and the military conflict in parts of Ukraine’s Donbas region have worsened the security situation in Europe. On the other hand, however, the resolution calls for more cooperation in the modernisation of Russia and for the stabilising impact of economic

⁴² *Die Zeit*, 2018.

⁴³ Monath, 2019.

⁴⁴ SPD Bundestagsfraktion, 2018.

contacts on political relations. The new catchword in the relationship with the east is “connectivity”, which should increase through economic relations and communication, and decrease tension. This fits into the tradition of positive interdependence with other countries, including Russia and China. Besides more civil society cooperation, the paper argues for the intensification of relations with Russia in the context of the Eurasian Economic Union and even the Collective Security Treaty Organization. This is exactly the transformation of the discussion on the German Ostpolitik of the 1970s into the current debate but without a military reassurance.

In his speech at a reception of the Ost-Ausschuss–Osteuropaverains der Deutschen Wirtschaft in January 2019, foreign minister Maas argued that Nord Stream 2 would not increase dependence on Russia, and “[did] not reflect a German-Russian Sonderweg” (separate path).⁴⁵ He argued strongly against the US policy under Donald Trump of undermining the rules-based international order and using trade and sanctions policy as a key instrument of foreign policy. This showed how pressure within the SPD has softened the foreign minister’s rhetoric.

Meanwhile, German political support for Nord Stream 2 has become a litmus test for some EU member states of whether there is really a fundamental change in German policy on Russia. While Chancellor Merkel argued for several years that it was a purely economic project, the political impact has become so evident that she could no longer ignore the role of “political factors”.⁴⁶ The German government, including the Chancellor, has underestimated the divisive implications of Nord Stream 2 in the EU and the political implications for Ukraine.⁴⁷

⁴⁵ Auswärtiges Amt, 2019.

⁴⁶ Die Bundesregierung, 2018.

⁴⁷ Meister, 2019.

The support for Nord Stream 2 was primarily due to the domestic logic of the project, which was the result of a bargaining process among the political parties and decision-makers as well as German business. With political pressure from the business community and from the federal states (Länder) that benefit from the project, like Mecklenburg-Vorpommern and Brandenburg, the SPD and the Christian Democratic Party (CDU, the governing party of Angela Merkel) seemed to agree that they would not interfere in the implementation of the project. Moreover, the former SPD Minister of Economic Affairs and Energy who later became foreign minister, Sigmar Gabriel, even supported the project directly when he argued at a meeting with president Putin in October 2015 in Moscow that he would try to ensure that it “remain[ed] under the competence of the German authorities” regarding legal issues, in order to limit “opportunities for external meddling”.⁴⁸ Gabriel did not clarify what exactly he meant by external meddling, but it is very likely that he was talking about the EU institutions. This policy reflects the mix of economic interest, domestic bargaining and the understanding that economic ties with Russia can still create a positive political environment despite growing controversy with EU partners. Furthermore, it stands in contrast to German support for Ukraine, because building Nord Stream 2 would undermine Kyiv’s bargaining position with Moscow and weaken its economy through the loss of transit fees.

OSTPOLITIK 2.0: INTERDEPENDENCE RELOADED

Against the background of these developments, foreign minister Heiko Maas’s argument for a new European Ostpolitik becomes implausible. As a reaction to pressure from his own party, Maas now argues that a new European Ostpolitik is not only a Russia policy but also a policy towards the other post-Soviet countries, with Russia at the core of this

⁴⁸ President of Russia, 2015.

new approach. It should not only include cooperation with Russia in the interest of all European countries, but also formulate offers to the members of the Eastern Partnership.⁴⁹ The key point about this new European Ostpolitik is not a new policy towards Russia and Eastern Europe, but the more systematic involvement of the EU's central and eastern members and the Baltic states in a new policy towards the east. It remains unclear what the new substance of this policy is. There is no new offer or change in the German approach, except more consultations with the EU's central and eastern members and no new instruments like sanctions to impact Russia. But Nord Stream 2 seems to prove the opposite, i.e. that Germany did not consult with central and eastern members over the policy, and thus it may undermine a united EU approach towards Russia and support for Ukraine.⁵⁰

From a German perspective, the Russian annexation of Crimea, the war in eastern Ukraine and Russian disinformation campaigns have changed the basis of bilateral relations. Trade and energy relations have not prevented Russian elites from waging a war in Europe. Even if Chancellor Merkel played a crucial role in stopping the high-intensity war in eastern Ukraine and maintaining contacts with the Russian leadership, the loss of trust between German and Russian elites is fundamental.

Hence, Germany's approach of positive interdependence with Russia was replaced by the recognition of vulnerability in terms of trade, energy supply and security. The post-2014 German approach to Russia is two-fold: cooperation where possible, and containment where necessary.⁵¹ In fact, it reflects a new policy on dealing with Russia, but lacks a concept and vision for medium- and long-term policy towards the country. It reflects the Cold War approach towards the

⁴⁹ Auswärtiges Amt, 2018.

⁵⁰ Meister, 2019.

⁵¹ Voigt, 2014. Karsten Voigt has been one of the leading SPD figures on foreign policy in recent decades. He still advises the SPD contingent in the German Bundestag.

Soviet Union, which was much more a status quo power, but will not work with Putin's Russia, which is a revisionist one.

The new European Ostpolitik of Heiko Maas does not change this situation; it is more focused on the EU's internal policy than a reflection of a new German and EU Ostpolitik. It makes no conceptual contribution on how to deal with Russia and is argued as processual policy. Despite some fundamental changes in the German perception of Putin's Russia, projects like Nord Stream 2 reflect the tradition of the change through interweavement or "change through trade" approach. This did not work with the partnership for modernisation, and it is unlikely to work with the growing energy interdependence with Russia. Moreover, Putin's Russia is not the Soviet Union.

The inconsistency of Germany's policy on Russia and Eastern Europe confuses partners in the EU and gives the Russian leadership opportunities to influence German politics and divide the Union. US president Donald Trump's use of Nord Stream 2 to negotiate a trade deal with the EU is another element of this game, but it primarily shows how interdependence can create vulnerability in different directions and how much German action on one side (support for Nord Stream 2) is connected with consequences on others (reaction by the US, the EU and Ukraine). Furthermore, Trump makes US policy much more like Putin transactional, because he also undermines the multilateral liberal order and replaces win-win thinking by winner-loser bargaining. While the German public and elites seem to be more critical of Donald Trump over this approach, they are less so with Vladimir Putin.

As long as there is no consistent approach on Russia, Germany will undermine its leadership role in the EU on policy towards the east without winning more room for manoeuvre in Russia. Ironically, this policy not only increases opportunities for the Russian leadership to influence German domestic policy but also weakens Germany's position as the key EU country for the Russian leadership.