

1. GERMANY: THE LEADER OF THE EU'S RUSSIA POLICY

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INTRODUCTION

Germany is considered an increasingly essential driver of European foreign policy.¹ This is particularly true of the EU's relationship with Russia, in which Berlin has long played an important role. Before the Ukraine crisis, the German government attempted to upload its policy of economic co-operation and dialogue with Russia (generally referred to as *Ostpolitik*) to the EU level. The EU–Russia Partnership for Modernisation, launched in 2010 and based on a similar German–Russian partnership established in 2008, was the most tangible outcome of this approach.² After the Ukraine crisis, Germany continued to play a leading role in the EU's policy towards Russia, but with a different stance. Russia's annexation of Crimea and support of the separatist fighters in Donbas convinced policymakers in Berlin that a firm response at the EU level was necessary. Hence, German leaders – particularly Chancellor Angela Merkel – coordinated the imposition of EU sanctions against Russia, while at the same time they spearheaded diplomatic endeavours to resolve the crisis through peaceful means.

Several factors induced Germany to revise its stance vis-à-vis Russia and assume a leading position in the EU's policy towards the Ukraine crisis. The main factor was ideational and reflected widely held views about international politics and law among both German leaders and in German society. Russia's annexation of Crimea and the military escalation

1 See Niklas Helwig, ed. (2016), *Europe's New Political Engine: Germany's role in the EU's foreign and security policy*, FIIA Report 44, Helsinki: Finnish Institute of International Affairs.

2 Andrey Makarychev and Stefan Meister (2015), 'The Modernisation Debate and Russian–German Normative Cleavages', *European Politics and Society* 16(1), 85.

in Donbas were perceived as a threat to peace and security in Europe, and as major infringements of international law. These events were at odds with many of the principles that the Federal Republic had cherished since the end of the Second World War: multilateralism, European integration and the peaceful resolution of conflicts.³ At the same time, the belief that Russia was an essential player in European security, as well as a key supplier of energy to the EU, urged the German government to seek a peaceful solution through negotiations with Russian and Ukrainian policymakers; military intervention was categorically ruled out.

In the negotiations, German policymakers could rely on the political capital built up during decades of *Ostpolitik* diplomacy and on Germany's economic leverage with Russia. Germany was (and remains) Russia's main economic partner in Europe. Moreover, Germany's economic pre-eminence within the EU made Berlin a particularly suitable candidate for leadership in the Union's response to the Ukraine crisis, especially as the EU's preferred course of action focused on economic sanctions against Russia and financial aid to Ukraine. The ability of German policymakers to coordinate their diplomacy with transatlantic partners was another important facilitator of German leadership.

Between 2014 and 2017, the Ukraine crisis and relations with Russia were the subject of controversial and at times tense debates within Germany. While public opinion for the most part seemed to endorse the country's official stance, large and influential opposing minorities existed. The business community reluctantly supported the sanctions against Russia in 2014, and repeatedly criticised them thereafter. Several political parties and politicians on the right, left and centre of the political spectrum have called for a different approach towards Moscow. As perceived Russian attempts to influence the German domestic debate increased, and as the 2017 national elections approached, relations with Russia became a widely discussed and highly controversial topic in Germany. The Kremlin's military intervention in the Syrian crisis and the simultaneous arrival of thousands of Syrian refugees in Germany highlighted the necessity of reckoning with Russia. At the same time, the concomitance of other serious crises – the Eurozone crisis, Brexit, terrorism, tensions with Turkey and the uneasy relationship with the Trump administration in the US – have served as a reminder that Russia is not the only source of concern for German leaders.

The following sections investigate Germany's stance towards Russia in this evolving scenario, with particular attention to German leadership in the EU's foreign policy towards Russia. First, the background and

3 Marco Siddi (2016), 'German Foreign Policy towards Russia in the aftermath of the Ukraine crisis: A new *Ostpolitik*?', *Europe-Asia Studies* 68(4), 666–67.

long-term factors of the German approach are reviewed. The main domestic actors and power centres of Germany's Russia policy are introduced briefly. The core of this chapter then focuses on the domestic debates and official responses to Russia's foreign policy in Europe and in neighbouring regions. The main argument is that Germany's policy of economic sanctions and diplomatic engagement, as well as the ensuing leadership in the EU's (and the West's) approach to Russia, were the result of a constellation of compelling domestic and international factors. While this policy line has proved remarkably resilient, it has recently been challenged by both domestic developments and, most significantly, weakening coordination within the transatlantic alliance.

OSTPOLITIK: PAST AND PRESENT

The term *Ostpolitik* originally referred to the cooperative foreign policy of West Germany towards the Soviet Union and Warsaw Pact countries during the Cold War, beginning in the late 1960s.⁴ This policy was initiated by Chancellor Willy Brandt and his political advisor Egon Bahr. The main idea was to pursue positive change in bilateral relations 'through rapprochement' (*Wandel durch Annäherung*). The rapprochement had both a political and an economic dimension. The political dialogue led to a series of bilateral treaties enshrining the mutual recognition of existing borders and the renunciation of the use of force. Political reconciliation was also driven by Brandt's official recognition of German responsibility and apologies for Second World War crimes in Eastern Europe.⁵ Moreover, the economic dialogue paved the way for the growth of bilateral trade and for the emergence of an energy partnership between West Germany and the Soviet Union. The *Ostpolitik* approach became entrenched in German foreign policy and was upheld by the subsequent governments in Bonn, despite US scepticism and the ideological and military confrontation of the late Cold War years.⁶ According to an interpretation that is widely shared in German foreign policy circles, *Ostpolitik* contributed to creating the conditions and political atmosphere under which German reunification could take place. In this view, dialogue and enhanced contacts, rather

4 Tuomas Forsberg (2016), 'From Ostpolitik to 'frostpolitik'? Merkel, Putin and German foreign policy towards Russia', *International Affairs* 92 (1), 21–2.

5 Marco Siddi (2017), 'An evolving Other: German national identity and constructions of Russia', *Politics*, online first, 6–7.

6 See also Matthias Schulz and Thomas A. Schwartz, eds. (2009), *The Strained Alliance: US-European Relations from Nixon to Carter*, Cambridge: Cambridge University Press.

than Ronald Reagan's arms race, led to the peaceful end of the Cold War and to the rebirth of a unitary German state.

The *Ostpolitik* concept remained influential in the post-Cold War years. German reunification and Russia's apparent transition to a democratic system ushered in a new era of positive bilateral relations. Especially in the 2000s, commerce and energy trade between Germany and post-Soviet Russia continued to grow. The close relationship between successive German and Russian leaders (first between Helmut Kohl and Mikhail Gorbachev, and then between Gerhard Schröder and Vladimir Putin) contributed to the positive atmosphere. However, the assumption that post-Soviet Russia was on a teleological path towards democratisation reduced the focus on the normative aspect of the relationship. This began to re-emerge forcefully in German official discourse only after 2012, following large civil society protests in the main Russian cities, and particularly with the onset of the Ukraine crisis.⁷ Up to the early 2010s, however, the focus remained on expanding economic contacts. While positive in terms of economic turnout, this approach overlooked the deteriorating security situation in Eastern Europe, as well as calls for substantial dialogue on the future of Europe's security architecture.

Germany's stance in the main developments concerning EU-Russia relations between 2007 and 2010 reflects this issue. Despite substantial disagreements between Russia and the West concerning the future configuration of European security, which culminated in the Russian-Georgian war of August 2008, German and EU policy continued to concentrate primarily on economic partnership. The German-Russian Partnership for Modernisation, launched in 2008 and uploaded to the EU level in 2010 (as an EU-Russia policy framework), also included a civil society component. However, its main endeavours remained confined to the economic sphere due to both the pre-eminence of business interests on the EU/German side and to the dominant Russian understanding of the partnership as an opportunity for technology transfers from the West.⁸ Despite their urgency, security issues were given secondary importance, or referred to other venues and actors (such as NATO and the OSCE, or they were simply subordinated to the goals of US foreign policy⁹). The temporary improvement in West-Russia relations, following the election

7 Jennifer Yoder (2015), 'From Amity to Enmity: German-Russian Relations in the Post Cold War Period', *German Politics and Society* 33(3), 56-60; Marco Siddi (2017) *National Identities and Foreign Policy in the European Union: The Russia Policy of Germany, Poland and Finland*, Colchester: ECPR Press, 121-127.

8 Makarychev and Meister (2015), 87.

9 The deployment of a ballistic missile shield in East-Central Europe provides an example in this respect. The US argued for the deployment of the shield to neutralise a potential Iranian threat; however, given its location, it fuelled Russian suspicions and contributed to the erosion of security relations in Europe. See also Stephen Pullinger et al. (2007), 'Missile Defense and European Security', European Parliament, 24-26.

of apparently reform-oriented Dmitry Medvedev, and Barack Obama's attempt to 'reset' US-Russia relations, suggested that disagreements could be overcome through cooperation in other fields.

In Germany, a network of political and business actors supported the economic partnership with Russia and the ensuing foreign policy stance. Business groups such as the Federation of German Industries and the Committee for Eastern European Economic Relations (*Ost-Ausschuss der Deutschen Wirtschaft*) were influential players. A preference for this approach also existed in forums including participants from both the economic community and civil society, such as the German-Russian Forum and the Petersburg Dialogue.¹⁰ A majority of political parties supported this stance, too. This included not only the Social Democratic Party (SPD), whose historic leaders had crafted the *Ostpolitik*, but also Angela Merkel's Christian Democrats (CDU), the Christian Socials (CSU) and the Liberal Party (hence, all the governing parties since 2005). The opposition parties did not oppose this stance either. The Left Party had, in fact, a more pro-Russian approach (particularly due to scepticism towards the transatlantic alliance), whereas the Green Party tended to underplay foreign policy topics. Dissenting voices existed in each party, particularly among the Green Party, and paid more attention to Russia's lack of progress in terms of the rule of law. However, growing trade and a relatively problem-free bilateral relationship ensured the prevalence of the economic partnership approach.

Between 2000 and 2011, trade between Germany and Russia increased from around 13 billion euros to a record high of 75 billion euros, thereby making Russia one of the main expanding markets for German goods.¹¹ At the onset of the Ukraine crisis, 6,000 German firms were active in the Russian market, and 350,000 jobs depended on their activities in Russia.¹² The economic partnership was (and is) particularly strategic in the energy field. Russia is an important supplier of oil and gas to Germany, which is the main market (and thus a key source of revenues) for Russian energy exports. Between 2005 and 2012, Germany, Russia and a group of Western European countries (most notably France and the Netherlands) supported the construction of the Nord Stream pipeline. The pipeline created a direct link for the export of Russian gas to Germany via the Baltic Sea, with a capacity of 55 billion cubic metres per year (bcm/y). In 2015, despite

10 Jennifer Yoder (2017), 'Dialogues, Trialogues and Triangles: The Geometry of Germany's Foreign Policy of Trust-Building', *German Politics* 26(2), 199-206.

11 Hannes Adomeit (2012), 'German-Russia Relations: Balance sheet since 2000 and perspectives until 2025', Paris: Institut Français des Relations Internationales, 14.

12 Hannes Adomeit (2015), 'German-Russian Relations: Change of Paradigm versus "Business as Usual"'. Paris: Institut Français des Relations Internationales, 16.

the political tensions in EU–Russia relations, plans were initiated for the construction of a second set of pipelines, Nord Stream 2, which would double the capacity to 110 bcm/y (covering nearly two-thirds of Russia’s current gas exports to Europe).

Despite the considerable trade turnout and the continuation of the energy partnership, several key German actors in relations with Russia have changed their stance since the Ukraine crisis. The government coalition of Christian Democrats, Social Democrats and Christian Social has put on hold the cooperative *Ostpolitik* and supported economic sanctions against Russia. The Green Party and the Liberal Party largely endorsed this line too. On the other hand, the Left Party and the newly founded, right-wing Alternative for Germany have criticised the government’s stance and the sanctions. In 2014, after initial hesitation, the main representatives of German businesses accepted the sanctions policy. Markus Kerber, director general of the Federation of German Industries, argued that peace and freedom stood above economic interests.¹³ However, other prominent business groups, most notably the *Ost-Ausschuss*, have since criticised the sanctions and demanded that they be scaled back. A heated debate took place in the German public opinion. Although the topic remains contested and divisive, not least due to the widespread aversion to confrontational foreign policy among Germans, views of Russia have generally become more critical.¹⁴ As we shall see below, the debate remains fluid: while the government has upheld the sanctions policy, several mainstream politicians have expressed dissenting views and, most significantly, many tenets of the cooperative *Ostpolitik* (such as the energy partnership) remain influential in mainstream policy circles.

GERMAN DEBATES AND POLICIES ON RUSSIA, 2014–2017

The Ukraine crisis

On the eve of the Ukraine crisis, in late 2013, the recently elected German government still hoped for a partnership with Russia. The coalition agreement between the CDU, CSU and SPD, signed in December 2013, advocated ‘open dialogue and broader cooperation with Russia’, including the extension of the Partnership for Modernisation ‘to additional areas’.¹⁵ The agreement also highlighted the commitment of German leaders to pursue a new EU–Russia partnership agreement and to strengthen cooperation in

13 Forsberg, 34.

14 See for instance FAZ–Monatsberichte, “Zunehmende Entfremdung”, 16 April 2014. http://www.ifd-allensbach.de/uploads/tx_reportsndocs/FAZ_April_2014_Russland.pdf, accessed 11 January 2018.

15 Koalitionsvertrag zwischen CDU, CSU und SPD. 2013. Rheinbach: Union Betriebs–GmbH, 118.

foreign and security policy. However, only a few weeks after the signing of the coalition agreement, most of the stated objectives concerning the policy towards Russia appeared unattainable, and the rhetoric of German leaders changed drastically.

A few days after the Russian takeover of Crimea, Chancellor Angela Merkel gave a speech in the German Parliament in which she blamed Russia for pursuing ‘one-sided geopolitical interests’ in neighbouring countries and for the ‘violation of fundamental principles of international law’.¹⁶ Foreign Minister Frank-Walter Steinmeier echoed these views a few days later in a speech delivered at the German-Russian forum, in which he argued that ‘the attempt to redraw borders seven decades after the end of the Second World War [was] in violation of international law’ and awakened negative memories of the past.¹⁷ As it appears from these statements, German leaders believed that Russian actions were in conflict with several fundamental tenets of German foreign policy: the non-use of force, the settlement of international disputes through peaceful means and multilateral forums, as well as the rejection of the geopolitical mentality and power politics that had characterised European history in the past. Russian actions also led to the erosion of trust between the Russian and German leadership, particularly between Merkel and Putin. Under these circumstances, the cooperative *Ostpolitik* could not continue and was replaced by a tougher policy line, including sanctions. Simultaneously, German leaders argued that there could not be a military solution to the Ukraine crisis and supported diplomatic negotiations.

Between March and April 2014, a vibrant debate took place in German civil society concerning responsibilities for the Ukraine crisis and Germany’s role in addressing it. While many intellectuals and politicians, including former Chancellor Helmut Schmidt and former foreign minister Hans-Dietrich Genscher, criticised the West’s policy and sanctions, public opinion largely turned supportive of the government’s line. Even business organisations reluctantly agreed to the sanctions. However, at the same time, most Germans opposed military assistance to Ukraine and wanted to see their country in the role of mediator, rather than as a party to the crisis.¹⁸ This view seemed to consolidate itself after the downing of Malaysia Airlines Flight 17, on 17 July 2014, over territory controlled by the

16 Policy statement by Federal Chancellor Angela Merkel on the situation in Ukraine, German Bundestag, 13 March 2014, https://www.bundesregierung.de/Content/EN/Reden/2014/2014-03-13-regierungserklaerung-ukraine_en.html, accessed 11 January 2018.

17 Speech by Foreign Minister Steinmeier at the meeting of members of the German-Russian Forum, Berlin, 19 March 2014, http://www.auswaertiges-amt.de/sid_5CBD3126C1316C2257B01B73C1899D36/EN/Infoservice/Presse/Reden/2014/140319-BM_dtrus-Forum.html, accessed 11 January 2018.

18 For additional details on this and German leaders’ statements and policies in 2014, see Forsberg, 31–36.

pro-Russian separatists in Donbas. After this tragedy, Germany and the EU decided to impose deeper, sectoral sanctions against the Russian economy.

Throughout the rest of 2014, the German leadership remained in regular contact with Russia's and Ukraine's top policymakers. From June 2014, meetings and negotiations began to take place in the Normandy format, including the leaders of Germany, France, Russia and Ukraine. After the collapse of the ceasefire achieved in Minsk in September 2014 and the resumption of large-scale fighting in Donbas the following winter, Merkel decided to take the lead in the negotiations for a more stable agreement, together with her French counterpart François Hollande. Being Russia's main commercial partner in Europe, and boasting a decades-long tradition of *Ostpolitik* cooperation and diplomatic contacts with Moscow, Germany appeared to be particularly suited to the role of lead negotiator. Russian leaders also accepted their German and French counterparts as appropriate interlocutors. Significantly, a tacit agreement was achieved with the Obama administration in Washington, which essentially delegated Western leadership in negotiations on the Ukraine crisis to Merkel.

With this clout, in February 2015, Merkel and Hollande were able to negotiate the Minsk-2 agreement with Russian President Vladimir Putin and Ukrainian President Petro Poroshenko. Although the conflicting parties have repeatedly violated or refused to implement many of its provisions, the Minsk-2 agreement succeeded in de-escalating the conflict and in providing a basis for subsequent negotiations. An extension of the conflict was avoided and Western efforts continued to focus on diplomacy, as advocated by Germany and most other European governments, rather than on a military solution. Despite its flaws, Minsk-2 can thus be considered an important achievement of Franco-German (and European) diplomacy, particularly if the tense and polarised circumstances under which it was negotiated are taken into account.¹⁹

Crisis and engagement: Nord Stream 2, the Lisa case and Syria

While fighting and casualties continued to occur in Donbas, a partial relaxation of tensions between Germany and Russia took place. Merkel combined the condemnation of Russia's violation of international law and the policy of sanctions with a rhetoric of engagement. In February 2015, at the Munich Security Conference, she argued that Russia's actions in Ukraine violated the CSCE Final Act, the Budapest Memorandum and 'the principles of Europe's peaceful order'. At the same time, however, she stated that Germany wanted to 'work with, not against Russia, in shaping

¹⁹ See also Pernille Rieker and Kristian Lundby Gjerde, 'The EU, Russia and the potential for dialogue - different readings of the crisis in Ukraine', *European Security* 25(3), 315-16.

security in Europe'.²⁰ She also stated that Germany was 'very interested in advancing towards the long-term goal of a common economic space from Vladivostok to Lisbon and Vancouver'. In an attempt to sustain dialogue and the policy of historical reconciliation with Russia, Merkel travelled to Moscow and met Putin for the celebrations of the seventieth anniversary of the end of the Second World War. While she refused to attend the traditional military parade in Red Square on 9 May, she held a commemorative meeting with the Russian president the day after.

As tensions diminished, the business sector attempted to reboot cooperation in some strategic areas, most notably energy trade. In September 2015, German energy companies E.ON and Wintershall (together with Royal Dutch Shell, the French ENGIE and the Austrian ÖMV) signed a shareholders' agreement with Gazprom for the construction of Nord Stream 2. German officials argued that the project was a commercial initiative and would contribute to European energy security. In October 2015, Vice-Chancellor Sigmar Gabriel reiterated the commercial benefits of the pipeline for Germany and the EU during an official visit to Putin in Moscow.²¹ Merkel has also argued that Nord Stream 2 should be regarded as a commercial endeavour. Germany's renewed push for energy cooperation with Russia stems from two main factors. Firstly, Berlin may need additional imports of gas as it continues to phase out nuclear power plants and to pursue emission reduction goals. As a less polluting fossil fuel than coal and oil, gas is seen as an appropriate energy source during the transition to a low carbon economy. Based on decades of energy partnership and cooperation, German leaders and businesses consider Russian gas imports reliable and relatively cheap. Moreover, energy cooperation has long been part of the *Ostpolitik* approach, and is thus seen as a soft power instrument to improve the bilateral relationship with Russia.²²

Nonetheless, deeper improvements in German-Russian bilateral relations were prevented by the continuation of small-scale fighting in Donbas and the continuation of reciprocal economic sanctions. Between 2013 and 2016, bilateral trade decreased by 40% due to falling oil prices, the devaluation of the rouble and the effects of sanctions and counter-sanctions.²³ Moreover, in January 2016, another bilateral crisis occurred

20 Speech by Federal Chancellor Angela Merkel at the 51st Munich Security Conference, 7 February 2015, https://www.bundesregierung.de/Content/EN/Reden/2015/2015-02-07-merkel-sicherheitskonferenz_en.html, accessed 11 January 2018.

21 Transcript of Sigmar Gabriel's meeting with Vladimir Putin, 25 October 2015, <http://en.kremlin.ru/events/president/news/50582>, accessed 11 January 2018.

22 This stance has been criticised in several East-Central European EU member states, where dependence on Russian gas is perceived as a security issue. For a deeper analysis, see Marco Siddi (2017), 'EU-Russia Energy Relations: From a Liberal to a Realist Paradigm?', *Russian Politics* 2, 364–381.

23 See website of the German Foreign Office, http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/RussischeFoederation/Bilateral_node.html, accessed 7 October 2017.

due to the intervention of Russian officials and the media in a German domestic debate concerning the alleged rape by immigrants of an ethnic Russian girl living in Berlin. The girl, a 13-year-old known only as ‘Lisa F.’, later admitted to having made up the story. However, before she did, Russian foreign minister Sergei Lavrov accused the German authorities of concealing the truth. Russian state media and Russian TV’s German channel, RT (RT Deutsch), covered the story extensively, claiming that the girl had been treated as a ‘sex slave’, which led to anti-government demonstrations by the sizeable Russian-speaking community in Germany. The incident occurred at a particularly critical time for the German government, which was facing domestic criticism for the decision to welcome hundreds of thousands of refugees during the previous months. This political climate also resulted in the rise in popularity of the far-right, anti-EU and anti-immigrant party Alternative for Germany. Hence, foreign minister Steinmeier accused Russia of politicising the ‘Lisa case’. Moreover, prominent Russia experts in Berlin depicted the affair as a Russian disinformation campaign targeting Germany with the connivance of top Russian officials.²⁴

In the months that followed, German leaders and policy documents kept the door open for dialogue and reconciliation with Russia, while simultaneously recognising the security implications of Moscow’s policies. German leaders advocated the resumption of consultations in the NATO-Russia Council. In June 2016, Steinmeier argued that the large NATO military exercises that were taking place in Poland and the Baltic states might worsen tensions with Russia and thus weaken European security.²⁵ However, at the July 2016 NATO Summit in Warsaw, Germany agreed to participate in the NATO rotational contingents deployed in the Baltic region. Furthermore, the White Paper on German Security Policy published by the German government in July 2016 argued that ‘without a fundamental change in policy, Russia will constitute a challenge to the security of our continent in the foreseeable future’.²⁶ This criticism was toned down by an emphasis on the ‘broad range of common interests’ and the recognition that ‘sustainable security and prosperity in and for Europe cannot be ensured without strong cooperation with Russia’. Hence, it appeared

24 Stefan Meister (2016), The “Lisa case”: Germany as a target of Russian disinformation, NATO Review Magazine, <http://www.nato.int/docu/review/2016/Also-in-2016/lisa-case-germany-target-russian-disinformation/EN/index.htm>, accessed 11 January 2018.

25 ‘Steinmeier kritisiert Nato-Militärübung’, ZEIT Online, 18 June 2016, <http://www.zeit.de/politik/ausland/2016-06/frank-walter-steinmeier-nato-manoever-russland-abruestung>, accessed 11 January 2018.

26 German Federal Government (2016), White Paper on German Security Policy and the Future of the Bundeswehr, 13 July, 32.

that while the cooperative logic of *Ostpolitik* continued to be influential, German leaders had grown more wary of Russia's intentions and policy.

This also emerged from Germany's stance towards the Syrian crisis. Initially, German politicians such as Steinmeier saw Russia's engagement in the crisis as a potential opportunity for cooperation with the West in fighting terrorism. However, as the Russian military involvement increased, differences of interests and humanitarian considerations hardened the Western and German stance towards Moscow. Key disagreements concerned the definition of terrorist groups and the role of Bashar al-Assad's regime, whom Moscow considered an ally and legitimate ruler, and the West a war criminal. During the Russian bombing of Aleppo in October 2016, which caused numerous civilian casualties, Merkel and other senior officials in the German government appeared supportive of imposing new sanctions on Russia. However, the decision seems to have been divisive within the German government (where the Social Democrats reportedly advocated a softer stance) and was eventually vetoed by other member states led by Italy.²⁷

Trump's election and other challenges to Berlin's Russia policy

In 2017, new systemic challenges arose in relation to Germany's stance towards Russia. These were mostly the result of changed external circumstances, as Berlin's policies have been consistent with the line taken since 2014 (combining sanctions and containment with dialogue and sectoral cooperation). Firstly, Germany's energy cooperation with Russia was increasingly criticised by some Eastern European governments, which saw the Nord Stream 2 project as a threat to their energy security. Poland, where a right-wing populist government was elected to power in the autumn of 2015, was particularly critical of Germany's stance towards Russia and of its role in European politics in general.

Most significantly, the election of Donald Trump as US president seriously damaged transatlantic relations, and US-German relations in particular. As argued, consensus between Washington and Berlin had been essential in order to coordinate a joint Western response to the Ukraine crisis in 2014-2016. Shortly after the beginning of his presidency, Trump began aiming his rhetorical jabs at the EU, casting doubts on the future of European integration and on the motivations of German leaders in European politics. Trump's protectionist economic policies posed a threat to the strongly export-oriented German economy. Most importantly for the theme of this study, the US diminished coordination with the

27 'Rapprochement or Penalties? Germany Struggles to Find United Stance on Russia', Spiegel Online, 18 October 2016, <http://www.spiegel.de/international/germany/german-political-leaders-divided-on-approach-to-russia-a-1116979.html>, accessed 11 January 2018.

EU and Germany concerning their policies towards Russia. On the one hand, Trump voiced his intention of lifting the sanctions against Russia and seeking cooperation with Moscow in Syria, which raised speculations that he would also pursue a ‘grand bargain’ to settle the Ukraine crisis.²⁸

On the other hand, due to domestic considerations and the willingness to limit Trump’s room for manoeuvre in relations with Moscow, the US Congress passed a new set of sanctions against Russia without prior consultation with the EU. The decision by the US Congress to impose sanctions on Russia without coordination with the EU was unprecedented in the post-Ukraine crisis context. From the German and EU perspective, it was aggravated by the inclusion of extraterritorial sanctions that might affect European companies involved in energy cooperation with Russia. The unilateral US sanctions were deeply unpopular among the German public; a survey revealed that 83% of Germans opposed them.²⁹ Hence, the leaders of Germany, Austria, France and top EU officials vociferously criticised the sanctions bill, and launched negotiations with the US to tone down the parts that had repercussions for the EU.³⁰

Furthermore, Germany’s bilateral relations with Russia continued to be fraught, alternating between attempts at reconciliation and new tensions. In the early months of 2017, German-Russian bilateral trade grew considerably (by 37% in January–February, compared to 2016), after several years of drastic decrease. In May 2017, Merkel went on a state visit to Russia and met Putin in Sochi. Many observers considered the trip a gesture of goodwill; it was the first time the two leaders had met on Russian soil since 2015. In Sochi, Merkel stated that she did not consider the possibility of Russia’s interference in the upcoming German parliamentary election as an issue of concern.³¹ However, differences of opinion were reiterated on the Ukrainian and Syrian crises, as well as on

28 Ken Dilanian, ‘Former Diplomats: Trump Team Sought to Lift Sanctions on Russia’, *NBC News*, 1 June 2017, <https://www.nbcnews.com/politics/white-house/former-diplomats-trump-team-sought-lift-sanctions-russia-n767406>, accessed 11 January 2018.

29 Spiegel Online, 29 July 2017, <http://www.spiegel.de/wirtschaft/unternehmen/russland-sanktionen-83-prozent-der-deutschen-gegen-alleingang-der-usa-a-1160159.html>, accessed 11 January 2018.

30 Jim Brunsten and Courtney Weaver, ‘EU ready to retaliate against US sanctions on Russia’, *Financial Times*, 23 July 2017, <https://www.ft.com/content/211de800-6fbc-11e7-aca6-c6bd07df1a3c>, accessed 11 January 2018; German Foreign Ministry, ‘Außenminister Gabriel und der österreichische Bundeskanzler Kern zu den Russland-Sanktionen durch den US-Senat’, 15 June 2017, http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Meldungen/2017/170615_Kern_Russland.html, accessed 11 January 2018; ‘France says U.S. sanctions on Iran, Russia look illegal’, *Reuters*, 26 July 2017, <http://www.reuters.com/article/us-usa-trump-russia-france-idUSKBN1AB1MS>, accessed 11 January 2018.

31 Merkel’s comment referred primarily to Russian media’s alleged support for the far-right party Alternative for Germany in the upcoming national elections. See Henry Meyer, ‘Putin Has a Really Big Trojan Horse in Germany’, *Bloomberg*, 2 May 2017, <https://www.bloomberg.com/news/articles/2017-05-02/putin-s-trojan-horse-for-merkel-is-packed-with-russian-tv-fans>, accessed 11 January 2018. For a different take, see ‘Ethnic Germans from Russia in open letter: ‘We are not the AfD’’, *Deutsche Welle*, 17 September 2017, <http://www.dw.com/en/ethnic-germans-from-russia-in-open-letter-we-are-not-the-afd/a-40549269>, accessed 11 January 2018.

the rule of law in Russia.³² Moreover, sanctions remained a contentious bilateral issue. This emerged with particular clarity in July 2017, when the prominent German company Siemens suspended deliveries of power generation equipment to Russian state-controlled customers, arguing that four Siemens gas turbines meant for use on Russian territory had been modified and moved to Crimea, in violation of EU sanctions.³³

In the fall of 2017, a few domestic developments took place that may have an impact on the German foreign policy posture and the future development of German-Russian relations. At the September 2017 elections, Merkel's CDU-CSU and the Social Democrats obtained their worst result ever since 1945, while the far-right Alternative for Germany received 12.6% of the votes and seats in parliament for the first time. The outcome of the election complicated coalition negotiations and raised the prospect of political instability, which could also affect German leadership in EU relations with Russia and in EU politics more in general. Furthermore, a survey commissioned by the prominent Körber Foundation and carried out in October 2017 revealed how the important international developments of the previous years were affecting German public opinion.³⁴ Only 8% of Germans saw Russia as the greatest challenge for German foreign policy, following the refugee crisis (26%), relations with the US (19%), with Turkey (17%) and North Korea (10%). Surprisingly, 78% of the interviewees believed that Germany should cooperate more with Russia (only France obtained a better score, with 90% of respondents calling for more cooperation). At the same time, 46% of respondents were in favour of maintaining or tightening sanctions on Russia, while 45% wanted to see them lifted or relaxed.

CONCLUSIONS

Germany has become an essential actor in EU foreign policy towards Russia. In the late 2000s, Berlin began to advocate its position more assertively within the Union, most notably through the promotion of a 'European *Ostpolitik*'. The clearest success of this approach was the uploading of the Partnership for Modernisation, initially a German-Russian bilateral

32 André Ballin, 'Germany and Russia - An uneasy partnership', Handelsblatt Global, 2 May 2017, <https://global.handelsblatt.com/politics/germany-and-russia-an-uneasy-partnership-758648>, accessed 11 January 2018.

33 'Siemens to exit Russian power joint venture', BBC News, 21 July 2017, <http://www.bbc.com/news/business-40680004>, accessed 11 January 2018.

34 See The Berlin Pulse. German Foreign Policy in Perspective. Körber Stiftung, November 2017, 33-40, https://www.koerber-stiftung.de/fileadmin/user_upload/koerber-stiftung/redaktion/berliner-forum-aussenpolitik/pdf/2017/The-Berlin-Pulse.pdf, accessed 11 January 2018.

initiative, to the EU level. However, as Russia's domestic order increasingly differentiated itself from the Western liberal model, German- and EU-Russia relations deteriorated. Russia's annexation of Crimea and support of the separatist militias in Donbas since 2014 marked a key negative turning point. Tensions between Germany and the EU, on the one hand, and Russia, on the other, escalated into a full-blown crisis and the mutual imposition of sanctions.

In this context, Germany continued to be a leader in EU policymaking, but with a different stance. The rhetoric about partnership was put on hold and replaced by a policy line combining sanctions and containment with dialogue and sectoral cooperation (for instance, in the energy field or in negotiations concerning the Iranian nuclear programme). Coordination between German policymakers and the Obama administration, as well as with the French government, were important facilitators of German leadership in European policies towards Russia since 2014. The EU's policy of sanctions, the quest for a diplomatic (rather than military) solution to the Ukraine crisis and the Minsk-2 agreement were the main outcomes of Berlin's leadership.

Despite a lively and at times heated domestic debate, Germany's policy towards Russia has been consistent and is unlikely to change substantially immediately after the 2017 national elections. Nonetheless, several challenges have emerged in relation to Berlin's policy and particularly to its leading role in the European and Western posture towards Moscow. The deterioration in transatlantic relations and the unpredictability of US policy towards Russia following Trump's election constitute the main challenge. As the US has made several unilateral moves towards Russia, the transatlantic coordination that was instrumental to German leadership in Western policy towards Moscow may be weakened. A further issue stems from divisions within the EU, where Germany's stance vis-à-vis Russia is questioned by some East-Central European member states. Domestic political instability and shifts in the public opinion following the multiple international crises in 2015-2017 could also influence Germany's stance on Russia.

Most importantly, the future of Germany's posture towards Russia will largely depend on the evolution of Russian domestic and foreign policy. If the situation in Donbas remains unchanged, Berlin will most likely continue its combined policy of sanctions and diplomatic engagement. Partnership with Russia remains a long-term goal of German policy. However, current realities have limited cooperation to a few selected areas, such as energy trade and international negotiations where Germany and Russia have mutual concerns. While German policymakers have

stressed that a solid European security system is possible only with, and not against Russia, Moscow's current foreign policy posture is predominantly perceived as a challenge to Europe's post-Cold War order. From the German perspective, a comprehensive and lasting improvement in relations with Russia can only be achieved if Moscow consistently works for the restoration of international law, peace and cooperation in Europe.