

**Alister Miskimmon**

# Merkel's momentum

Germany's new Chancellor, Angela Merkel, ran for office on a platform of domestic reform for the flagging economy. Yet, it is her performance in foreign policy which has attracted most international attention. After two visits to Washington this year, the Chancellor is about to cement her improved relationship by taking President George Bush to her home in the former communist East Germany.

**G**ERMANY'S FOREIGN policy has lacked clear direction in recent years, having veered away from its traditional adept approach of balancing European and transatlantic interests. This lack of direction emerged during former Chancellor Gerhard Schröder's second term in office and the controversy over the Iraq war. Schröder's premature veto of involvement in military operations against Saddam Hussein in September 2002 marginalised Berlin, leaving it with little or no influence over the United States and many European Union member states.

Since Angela Merkel's narrow victory in the federal elections last September and the formation of a grand coalition

government with the Social Democratic Party, Germany has begun to mend relationships with its key partners – notably the US and Britain. As a result, Merkel is enjoying something of a honeymoon and Berlin's influence in international affairs is recovering.


The Chancellor's role in brokering a budget deal among EU member states at the closing summit of the British European Council Presidency last December, her successful visits to Washington, and tougher line on Russia and China have all won praise.

## Generational Change

The 1998 federal elections marked a generational change in German politics. Gone were the post-war politicians, constrained by the weight of history, embodied by Helmut Kohl. The new

breed was more confident in foreign policy. On taking office in October 1998, the red/green government under Schröder was faced with a looming crisis in Kosovo resulting in NATO's military intervention against Slobodan Milosevic in the spring of 1999.

Germany's involvement marked the first aggressive use of its forces since the Second World War. Since then, the country's role in military crisis management has grown significantly. Successive defence ministers have begun reforming the army for territorial defence, changing it into a modern mobile force capable of working alongside NATO and EU allies.

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## Self Confident Modesty

Foreign policy has undergone a strategic shift from a regional focus on European concerns, towards greater global engagement. While in office, Peter Struck, a former defence minister in the Schröder government, declared that German interests now have to be defended as far away as the Hindu Kush.

More than six thousand of the nation's troops are involved in crisis management overseas, most notably in Afghanistan, where Germany has just taken over command of the International Security Assistance Force in the north. This would have been unthinkable in 1990.

President Horst Köhler has also been vocal in outlining the country's responsibility in Africa. A sign of this greater engagement is in the preparations to be the lead nation in the EU military force to support forthcoming elections in the Democratic Republic of Congo.

However, foreign policy has largely been reactive to international developments. Germany has found the realities of the post-September 11 2001 international environment difficult to deal with and struggled to influence American policy. Lacking the traditional trappings associated with great powers – possessing neither nuclear weapons, nor a permanent seat on the United Nations Security Council – there are structural and material limitations on its ability to unilaterally influence international affairs.

This is also linked to the traditional reserve of foreign policy elites. In a recent interview, Foreign Minister Frank-Walter Steinmeier characterised the style of German foreign policy as driven by 'self-confident modesty'. Despite this, Germany remains a leading international player because of its economic size and its ability to influence its multilateral partners in the EU, NATO and the UN.

## Backing Business

There is a rationale for increased engagement in world affairs: Germany needs to develop a clearer global foreign policy vision to protect its thriving export industry. Bolstering relations with prime export markets will require Merkel to continue an active foreign policy in conjunction with the EU.

An export-led domestic recovery will depend on securing energy supplies to feed industry. This has been a major factor in recent agreements with Russia under both Merkel and Schröder.

Merkel has been more vocal in reiterating the obligations Russia and China have as emerging players in the global economy. On a recent visit to

China, the Chancellor raised concerns of industrialists and investors, reminding Beijing of its commitments as a member of the World Trade Organization.

## Special Relationship(s)

The Chancellor must position foreign policy to once again moderate between the extremes of Atlanticism and Europeanism. Her first visit to Washington in January signalled an intent to draw a line under tensions evident in the Schröder/Bush relationship and to work towards surer foundations.

Regaining Germany's role as a traditional balancer in the transatlantic community is important for Berlin's credibility in international affairs and to reinvigorate German-American relations. From Britain's perspective, improved German-American relations will lessen its exposure to criticism within the EU for being too Atlanticist and greatly ease efforts by France, Germany and Britain to build EU defence policy capabilities.

Greater pragmatism is also needed in Berlin's relations with its two key European partners – Paris and London. On the issue of Iran's emerging nuclear programme, Germany has managed to get a seat at the table, despite not being a permanent member of the Security Council. This stems from its role in the development of the EU's Common Foreign and Security Policy which has bolstered its diplomacy. Cohesion on the Iran issue between the EU3 – France, Germany, Britain – has been in marked contrast to the divisions over Iraq, and offers hope for greater European foreign policy cooperation.

Merkel has already signalled her intent to loosen the exclusivity of Franco-German relations to include Britain. For his part British Prime Minister Tony Blair has called for relations based on 'alliance and friendship – not rivalry'.

The Chancellor has what neither French President Jacques Chirac nor Blair has – momentum. With both French and British leaders seemingly planning for life after politics, Merkel may have difficulty finding a partner to work with. Nevertheless, France and Britain will be key partners in reviving the EU's flagging economy, although Blair's vision of market-led reforms clashes with Franco-German preferences.

## Growing Pragmatism

If Germany is to become more influential, the EU will be a central forum for its increased leadership. European policy has been characterised by greater pragmatism in recent years as a result of

the difficult economic climate.

Germany may have regained its title as world champion exporter, but continues to suffer from very high unemployment – around five million people and over twelve percent of the working-age population.

Poor economic performance has led to a shrinking of the space to manoeuvre to reach agreements in the EU. While Merkel was able to use German funds to placate Poland in an overall EU budget agreement under the British Presidency, gone are the days of chequebook diplomacy. European policy under Schröder and now Merkel has been marked by growing conditionality in forging agreements, evident in foot-dragging over the Services Directive, which aims to free service companies to operate across the Union.

The country's profile in European policy is set to rise as it takes over the European Council Presidency and the G8 in the first half of next year. Berlin has yet to outline a concrete agenda, but consolidation, rather than a grand integrationist vision, is likely to be the hallmark.

Merkel has been vocal in her calls for a revival of the European Constitution after the failed French and Dutch referendums, and this would be a sizeable achievement. For this, Merkel will have to outline a coherent European agenda to address current economic and political weaknesses.

Another key issue will be enlargement, not only with the inclusion of Romania and probably Bulgaria, but also offering prospective membership to Croatia and other Balkan states. Privileging Balkan states over Turkey may prove a very difficult line to tread, given the Chancellor's scepticism of Turkish EU membership.

Germany will need to confront its domestic economic fragility if it is to free significant resources to play a more influential role internationally. The grand coalition has made a start through its Agenda 2010 and Harz IV reform programmes and there are signs of improvement sparked by strong export figures. But talk of a resurgent Germany is a little premature.

The major challenges will be influencing the international response to Iran's nuclear programme and offering a vision for the EU's future which is accepted by the overwhelming majority of member states. These will not be easy for a Chancellor who showed no inclination for foreign policy on taking office, but her Presidency of the EU and the G8 next year will position Merkel at the centre of these discussions.

