

GERMANY

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WHAT IS THE PRESENT STATE OF RELATIONS WITH THE EU?

In November 2021, Olaf Scholz became Germany's new Chancellor, having promised [continuity](#) with Angela Merkel's policies upon his election. On key issues of European policy, the [coalition treaty](#) pledged to maintain the Single Market and the unity of the Union, returning to stricter EU budget rules in 2023 (after their suspension during the Covid-19 pandemic), and uphold its commitment to the rule-of-law mechanism against countries violating EU law.

Russia's invasion of Ukraine, on 24 February 2022, however, upended Europe's post-Cold War security order. In an important speech in the Bundestag only three days later, Chancellor Scholz announced a revolutionary '[Zeitenwende](#)', a new era for Germany's foreign, security and defence policies: Germany would increase defence spending to more than 2% of GDP, create a €100 billion Special Fund for modernising its armed forces, send weapons to Ukraine, and reduce its energy dependence on Russia (which supplied 55% of Germany's gas and 35% of its oil at the start of the war).

The speech outlined two radical changes. First, it signalled a shift in defence policy which, if implemented in its entirety, would make Germany Europe's biggest military power, [increasing defence expenditures](#) from about €50 billion to approximately €75 billion per year. Foreign Minister Annalena Baerbock's announcement of Germany's first [national security strategy](#) for early 2023 and the possible creation of a National Security Council further underpin these changes. Second, it confirmed the failure of Germany's Russian Ostpolitik of 'Wandel durch Handel' (transformation through trade) — the expectation that economic interdependence galvanises political change — and the end of Germany's role as interlocutor between the West and Russia, and of the SPD's longstanding principle that security in Europe can only be achieved in collaboration with Russia.

HOW HAVE WE GOT HERE?

For the last ten years, the EU has been in permanent crisis-solving mode, responding first to the eurozone crisis, then to the 2014 Ukraine crisis, followed by the migration crisis, Brexit, the Covid-19 pandemic, and now the ongoing war in Ukraine. The eurozone crisis in particular was the catalyst that made Germany the leading power in Europe and stalled the German-French motor, raising the question of German leadership within the EU, if only as a '[reluctant hegemon](#)'.

Germany had been the biggest beneficiary of the post-Cold War European-Atlantic order for over thirty years, firmly embedded in the institutional enlargements of the EU and NATO. Despite or because of this, Germany became an [assertive status quo power](#), shying away from exercising too much leadership, as this would have been too overpowering for its neighbours, but still gaining increasing influence within the Union. The war in Ukraine is now challenging many of these long-held German assumptions.

WHERE DOES GERMANY WANT THE EU TO HEAD?

Germany's response to the Russian invasion of Ukraine has been ambivalent. The *Zeitenwende* speech implied that the Scholz government would commit to long-overdue changes and implement them swiftly. Berlin, however, has been slow to join the EU's Russian oil embargo, approve the delivery of heavy armament to Ukraine, and send sufficient military support, unleashing strong [criticism](#) and loss of trust in Eastern Europe. After the EU's (and NATO's) unity in approving several rounds of sanctions on Russia and granting financial, military, and humanitarian support to Ukraine, divisions are now emerging between allies and partners. Inevitably, Berlin's hesitancy and inaction has already impacted its margin of manoeuvrability and is diminishing its influence within the EU.

To counter this weakened position, Berlin could revitalise the faltering German-French tandem together with Italy and push through the EU's reform agenda. The governments' preference for differentiated integration, qualified majority voting (QMV) in Common Foreign and Security Policy (CFSP), and the stated aim to further develop the EU into a federal European state is in line with Emmanuel Macron's and Mario Draghi's recent proposals for reforms in economic governance, climate action, digitalisation, migration, and defence. But despite Berlin's support for Draghi's [speech](#) on 3 May 2022 — for deepening economic integration, 'pragmatic federalism' in foreign policy and defence and treaty changes — and Macron's [speech](#) on 9 May 2022 — for QMV, treaty changes, and the creation of a 'European political community' — Scholz has not advanced a similar set of proposals, further strengthening the impression that Germany is lagging behind in these crucial times.

Although the triumvirate could count on the likely support of [Southern European](#) member states, they would face opposition by those who feel that the traditional German-French tandem no longer has the legitimacy to expect their allegiance. The Baltic, the Eastern European, and Scandinavian states already [voiced](#) their opposition to Macron's treaty changes proposal. In addition, Eastern European countries support the EU-membership bids from Ukraine, Georgia, and Moldova, disapproving of Macron's idea of a 'European political community' within which relations with Ukraine and others would be institutionalised into

a sort of European confederation, suggesting an indefinite postponement of EU membership. Scholz has not directly replied to Macron's idea — typically neither rejecting nor enthusiastically approving it — but has only [expressed](#) opposition for a fast-track approach for the new candidates.

Only if the German government overcomes its own inaction will it be able to push ahead with its stated aim of reforming the EU and playing its part in making the Union fit for the coming decade, while reinventing itself as more than a mere status quo power. This would also imply strengthening the European pillar in NATO, the German-US security relationship and the [German-UK](#) security and defence cooperation.

However, if Germany's recent policy towards the war in Ukraine — navigating a path of hesitance and reluctance — is anything to go by, it suggests that Germany is eschewing the radical changes that Scholz promised in favour of the policy continuity that helped him get elected.

If this were the case, Germany's credibility in Europe's new security order would be diminished, and its European policy would become a weaker link, reducing its overall influence. As it stands, the Chancellery's hesitancy sits uneasily alongside Berlin's willingness to push forward reforms and, even if the will exists, it is far from certain that it would not face considerable obstructions from less reform-minded member states, as well as from its own domestic politics. Consequently, a hesitant Germany would weaken the EU's own role in Europe and beyond.