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**The Economic and Geopolitical Weight in the Balance of International Relations:  
The Case of German-Russian Relations**

Master's Thesis

Supervisor: Dr. Stefano Braghioli

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I have written this Master's thesis independently. All viewpoints of other authors, literary sources and data from elsewhere used for writing this paper have been referenced.

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## **Abstract**

Germany's relationship with Russia has long been regarded as 'special' and 'strategic', and the evolution of *Ostpolitik* throughout the years has never lost sight of the original purpose: to increase ties between East and West. The annexation of Crimea marked a turning point in their relations, accounting for a major change in Germany's Russia policy and opened the debate among scholars about continuity and change in German foreign policy. Drawing upon the theoretical framework of foreign policy change and continuity and based on the liberal and constructivist approaches, the study focuses on economic and geopolitical factors as main forces driving government's decisions in interstate relations, and it seeks to evaluate their balance in determining Germany's approaches towards Russia. With the purpose of assessing the nature of Germany's Russia policy, this dissertation adopts the method of process tracing to investigate the causal mechanism behind Berlin's responses in three different cases: the signing of Nord Stream deal, the Georgian conflict and the Ukraine crisis. Through the analysis of three focal events, the collection of economic data and the examination of Federal Government's official statements, the following research argues that the geopolitical factor alone cannot account for the observed change; while the economic dimension plays a major role in determining Germany's foreign policy outcomes vis-à-vis Russia.

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## INTRODUCTION

Today, as in the past, Germany's relation with Russia is still regarded as one the most relevant factor contributing to the European and global stability. German-Russian relationship has always been of crucial importance in shaping the international political and economic scenario, and especially, the security order. Given its leading role in the European Union, in fact, the way in which Germany chooses to approach Russia, has strong implications at the European level.

The importance of German-Russian relations derives from the close historical ties of the two countries, already starting from the early modern era until the shared recent history of the XX century. Germany's geographical position, contributed to the long tradition of alternately friendly and hostile relations with Russia, and has always allowed Germany to play the role of mediator or 'bridge' between East and West by promoting Russia's integration into the European system and exporting political, institutional and cultural models to the East. After the Second World War, Germany's eastern policy sought to maintain a balance and reduce tensions, preserving close contacts and negotiations with Russia. Nowadays, Germany is still a major interlocutor in discussing international policy, while the Russian Federation is considered both a valuable actor in European and global security, and the main energy supplier, thus playing a key role in shaping the long-term aims of Germany's foreign policy. During the 1990s and 2000s, cooperation, interactions and goodwill have existed at many levels: in this sense, Germany has had a 'special relationship' with the Russian Federation, officially labelled as 'strategic partnership' and initially characterized by the close friendship between the leaders. The key tenets of *Ostpolitik* have not been contaminated neither by the change in Germany's government coalition nor by some political and security tensions occurred at the end of the 2000s; stable and constructive ties with Moscow have remained in Germany's interest, thus presumably explaining the quick return to 'business as usual' after the Georgian war in 2008. However, since 2012 a negative trend arise when Putin returned to the presidency and it came to a head in 2014 with the Ukrainian crisis. German-Russian relations, since 2010s, have been in a state of change: if, previously, Germany's Russia policy was driven by economic

interests, cooperation and 'Russia first' approach, after the latest geopolitical event the main element of its policy towards Russia has been the management of conflict.

The research area of the thesis concerns the primary focus of interstate relations on the specific case of German-Russian relationship, which is examined through the lens of the main factors that shape Berlin's policy vis-à-vis Moscow. This work focuses principally on economic and geopolitical considerations, including also the clash between values and interests, as they are considered to be the main driving factors in influencing Germany's relations with Russia: first, the economic and political engagement with Moscow was the core idea of *Ostpolitik* aimed at positive change in Soviet and post-Soviet Russia and, the emphasis on fostering economic and commercial cooperation had prevailed over other issues; secondly, geopolitical concern, especially in the case of Crimea's annexation, has called into question the tenets of *Ostpolitik* and caused a deterioration of the relations, also assuming a reformulation of German foreign policy. The balance of these factors in foreign policy formation leads to the main research problem that the present work tries to address is determining to what extent the factors affect the relationship. In this light, the examination of the historical German-Russian ties and the evolution of Germany's Russia policy in the time period of the last two chancellorships (1998 – today), will serve the purposes of assessing the nature of Germany's Russia policy and determining whether a significant shift in German foreign policy has taken place, when it happened and how deep is the change; moreover, the thesis will also explore German foreign policy in order to explain the continuity more than change, or vice versa.

The choice of this particular timeline is determined by the intention to analyse the evolution of Germany's Russia policy from 'change through rapprochement' to 'change through interweaving', up to the current and so-called '*Frostpolitik*'. Over these years Germany and Russia have been involved, in one way or another either as main actors or as spectators, in several events that have had significant impact in the international scenario: in July 2005, Germany and Russia signed the energy contract for the construction of the Nord Stream gas pipeline that by-passes Eastern Europe and the Baltic states; in August 2008, Russian military intervention in Georgia and the recognition of South Ossetia and Abkhazia as independent states; in late 2013,

Kremlin's support for separatism and military intervention in Ukraine, followed by the 2014 annexation of Crimea. These episodes are evaluated as key defining moments in the development of German-Russian relations and they will be analysed by taking as benchmarks two main factors driving Germany's Russia policy: economic interests and geopolitical concerns. *Hence, the research question of the thesis is whether and how geopolitical events and economic interests determine Germany's foreign policy towards Russia.*

Considerations on the primary focus of interstate relations on the German-Russian case are drawn from different German foreign policy approaches in the above-mentioned cases. Economic and business interests account as major factors influencing Germany's Russia policy, in fact, it is not by chance that the peak of their partnership was the construction and the commissioning of the Nord Stream pipeline. The increasing foreign trade, investments and large-scale joint projects between Germans and Russians has created a stable basis for the development of bilateral relations, in such a way that the 2008 conflict in Georgia, despite its geopolitical nature, did not have drastic consequences for German-Russian ties. The unexpected change of international borders in 2014 generated quite different reactions than the Georgian war did. The annexation of Crimea has been the turning point in Germany's foreign policy towards Putin's Russia, causing the shift of German focus from an economic interest-led *Realpolitik* to a value-based *Moralpolitik*.

The aim of this work, then, is to demonstrate the balance of these two factors in determining Germany's foreign policy approaches towards Russia. The final outcome will be an explanation of the balance between the higher relevance of one factor versus the lower relevance of the other factor. The main research task is therefore to measure the weight of economic interests and geopolitical concerns in the evolution of Germany's Russia policy.

The thesis analyses German-Russian relations as a single case study over a long period of time, and the process will mainly consist of two stages: a first tracking-phase of bilateral relations and a second explanatory-phase of the key defining moments through process-tracing method.



The reason behind the method of process-tracing is its ability to allow the study of casual mechanism and increase the number of observations by searching for intervening variables that link independent variables with dependent variables. By using this method, the key defining moments will be widely analyzed in the light of two independent variables, i.e. economic interests and geopolitical calculation, with the purpose to identify complex interaction effects in the dependent variable, i.e. German-Russian relations, as well as to find out what makes the dependent variable change the way it does. Moreover, it will be possible to assess whether each of the independent variable in the cases of Nord Stream pipeline's agreement, Georgian conflict and Crimea annexation can, or cannot, be ruled out as having causal significance. The higher relevance of one independent variable accounts for the lower relevance of the other independent variable, thus shaping Germany's foreign policy decisions in its relations with Russia. The *hypothesis* suggests that keeping the other factors constant, if economic interests remain stable, meaning at the core of Germany's Russia policy, no change can be expected in its relations with Russia, suggesting that their relationship remains stable. Consequently, keeping the other factors constant, if geopolitical concern prevails over lower economic interests, relations with Russia change.

In the pursuit of the research objectives, the dissertation is divided into three main chapter. The first chapter provides the historical overview of German-Russian bilateral relations since the modern era until the current days, outlining the major developments during the period of the Cold War and after the German reunification, with particular emphasis on the comparison between the bilateral relationship under Merkel and Schröder. After outlining the historical background, the first chapter presents the literature review, delineating the social and theoretical relevance of the topic by briefly describing the main debates around the key issues: German foreign policy continuity and change, and the nature of Germany's Russia policy. The theoretical framework is also contained in the first chapter. After clearly defining the meaning of 'strategic' and 'special' relations, the chapter turns to the main theoretical approaches used in the analysis of German-Russian relationship, with a a detailed explanation of the concept of geopolitics and economy, in order to understand why they are considered the main

factor shaping the relationship. The first chapter ends with a theoretical overview of the theories accounting for foreign policy change and continuity.

The second chapter is devoted to the description of methodology. The qualitative tool of process-tracing is widely described and, its three main variants are also outlined in details. Furthermore, the chapter defined the two major factors shaping foreign policy, geopolitics and economic considerations, as independent variable, thus providing an explanation of their measurement and how the collection of empirical evidence is carried out.

The empirical analysis and assessment of findings is contained in the third chapter, which starts with the overview of German foreign policy with primary focus on its core concepts. The chapter, then, moves from the general foreign policy to the more specific Russia's policy by outlining the key principles of *Ostpolitik*, its development into 'change through trade' and the differences between Schröder's 'Russia first' policy and Merkel's *Moralpolitik*. This section contains the detailed analysis of the three major events, Nord Stream, Georgian conflict and Ukraine crisis, and it ends with the assessment of German foreign policy's nature by summarising the empirical findings of the analysis.

The last section of the thesis is devoted to drawing conclusion, which summarises the outcomes of the analysis and defines the extent of German foreign policy change vis-à-vis Russia.

## **Chapter 1. German Russian Relations in History, Literature and Theory**

### **HISTORICAL BACKGROUND: *From the Modern Era up to 1945***

Angela Stent wrote that “it is impossible to understand current ties between Russia and Germany and the shadow they cast over Central Europe without examining the rich, ambiguous, and compelling mutual historical relationship of the two nations”<sup>1</sup>. The so-called special relationship between Germany and Russia is not only the heritage of the fall of the Berlin wall, but it is the result of more ancient interactions which reach back at the beginning of the modern era, when Prussia became the main source of influence for the modernization of tsar’s empire<sup>2</sup>. The West was perceived by the Romanov dynasty as scientifically advanced, thus importing the German organisation of the state apparatus and administration; the Russian industrialisation was possible thanks to German industrials and assets; and German universities were taken as example for the first Russian universities, where the German influence on education, science, philosophy and trade increased to such an extent that Russians developed the German culture adoration. It is not a case that the most revolutionary socialist Russian movement had been inspired by German philosophers, from Feuerbach to Karl Marx. Moreover, German and Russian crown families were related to each other: Catherine the Great, born as Sophie Friederike von Anhalt-Zerbst-Domburg, was herself a German and her decree<sup>3</sup> signed in 1763 had been a meaningful step in the history of German-Russian relations.

The congress of Vienna dealt with important territorial issues such as a new configuration of Germany, the reorganisation of central Europe, and Russia not only was part of the decisional process among the five Great Powers, but with the extension of Europe’s eastern border to the Urals, a significant portion of Russian empire became part of the European continent. The League of the Three Emperors created by Otto von Bismarck including Germany, Austria and Russia was another proof of the increasing actorness of the Russian Empire in the European and international arena. Starting from

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<sup>1</sup> Stent, A., *Russia and Germany Reborn: Unification, the Soviet Collapse and the New Europe*, Princeton University Press, 2000

<sup>2</sup> Handl, V. & Ehler, T., *The German policy towards Russia – The Meaning of the context of the European Union, 2009-2011*, Friedrich Ebert Stiftung, Prague

<sup>3</sup> Manifesto to permit all foreigners to come into the Empire, allowing the immigration from the West. <http://www.dw.com/en/catherine-the-great-and-the-russian-germans/a-16965100>

the second half of the XIX century, Russian empire extended its borders up to the Balkans, while the military-diplomatic actions of Bismarck led to the creation of the German Reich that soon proved to be active on the international scenario. Santangelo, in his historical reconstruction of German-Russian relations, highlights the fact that the unification process of Germany was not hampered by the Russian expansion, which on the contrary favoured the rise of Germany as a post-Napoleon European power. The strategic alliance between the two empires created and kept the equilibrium among the European powers around the central power, Germany<sup>4</sup>. But the rising of imperialism, the conflicts in the Balkans and a new correlation of forces in Europe caused a reorientation of Russian empire's foreign policy towards France and Great Britain, and the hostile attitudes toward Russia and Germany resulted in war hostilities.

Despite the results of World War I had not been positive for none of the two countries, however it provided the framework for the first peaceful agreement between Germany and the Soviet Russia. The Treaty of Brest-Litovsk is in fact described by Walter Laqueur, in his study of German-Russian relations<sup>5</sup>, as the "first milestone in Soviet-German relations". The reason for such definition is that it brought about the end of the war between Russia and Germany, marking the first successful attempt to find a solution that was beneficial for both nations.

The following 1922 Treaty of Rapallo signed by the Weimer Republic and Soviet Russia was another step in the normalization of their political and economic relations. In the aftermath of the First World War, both countries found themselves diplomatically isolated from the rest of the world with the only way out to cooperate in order to meet the economic needs of both. The bilateral Treaty of Rapallo marked the strengthening of their economic and military ties and the mutual recognition as "favourite nation for commercial trade"<sup>6</sup>. According to Santangelo, the treaty served the USSR to emphasise the divergences among the capitalistic states, while for Berlin it represented the chance to economically look towards East to meet the enormous war reparations.

The diverging ideas and interests of Soviet Russia and Nazi Germany did not promise long-lasting and stable cooperation, especially as soon as Hitler put into practice his racial ideology. Political cooperation decreased as well as economic trade,

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<sup>4</sup> Santangelo, S., *Gerussia*, Castelvechi, Roma, 2016

<sup>5</sup> Laqueur, W., *Russia and Germany. A century of conflict*, Weidenfeld and Nicolson, 1965

<sup>6</sup> Santangelo, S., *Gerussia*, Castelvechi, Roma, 2016

while tensions between the countries increased on all levels until 1939. In the same year the famous Non-Aggression pact, also known as Molotov-Ribbentrop, was signed between Moscow and Berlin, creating hegemonic spheres of influence. The pact contained also a secret protocol regarding the partition of Europe into spheres of influence in case of a territorial rearrangement, which meant the political and territorial reconstruction of many states as well as their violation of sovereignty, territorial integrity and independence. The immediate result of the Molotov-Ribbentrop Pact was the aggression and division of Poland, which led to the outbreak of World War II. In 1945, the Third Reich ceased to exist and the victors of the war, the Soviet Union and other allies, divided Germany both geographically and politically.

### ***The cold war and German Ostpolitik***

At the time when Germany and the capital of Berlin were divided into four occupational zones, the Soviet Union emerged as one of the two global superpowers, controlling vast territories in the Eastern Europe and pursuing the goal of creating a neutral Germany not dominated by the Atlantic orientation. The division of Germany corresponded with the division of Europe into two blocks separated by the “iron curtain”. Germany’s division was supposed to be a temporary solution<sup>7</sup> to control the country until a new government could be installed, instead it hampered relations between East and West directly leading to political struggles.

The Cold War lasted for almost 47 years, it symbolised the inner conflict of Germany and it is commonly used to describe the relationship between the Soviet Union and the United States after the end of World War II<sup>8</sup>. During the Cold War years, the prospect of a possible and further Soviet expansion induced the Western powers to form a joint security agreement, assuring a strong presence of the United States in Europe. In 1949, North America and Western Europe founded the North Atlantic Treaty Organization (NATO), in response to which Soviet leaders signed in 1955 the Warsaw Pact. The two opposite blocks were both nuclear-armed and dominated Germany and the Cold War until the fall of the Berlin Wall in 1989.

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<sup>7</sup> Harrison, E., *The Post-cold War International System: Strategies, Institutions and Reflexivity*, Routledge Taylor and Francis Group, 2004

<sup>8</sup> Charles, C., Sean, R., & Dominic, S., *The Significance of the Wall*, The Rise and Fall of the Berlin Wall, Year 8 History Extension, 2012

<https://berlinwall.pressbooks.com/chapter/the-significance-of-the-wall>

The military alliance was accompanied by the intention of Konrad Adenauer, the West German chancellor, to integrate Germany into the West. He developed the *Westbindung* or Westintegration, a foreign policy concept relying on the solid alliance with the West through a combination of military and economic integration to prevent the isolation of Germany and to contrast the Soviet hegemony<sup>9</sup>. The approach of the West German chancellor became known as the ‘Policy of Strength’<sup>10</sup>, suggesting that only a strong western alliance would eventually allowed the reunification of West Germany and therefore regaining the country’s sovereignty. To achieve this goal without becoming a geopolitical threat to Western Europe<sup>11</sup>, West Germany pursued a strategy aimed at binding its economy to those of the other European countries, in such a way to strengthen their ties, maximise the market opportunities and achieve economic prosperity, and at contrasting the communist threat by agreeing to operate within the NATO framework. After the death of Stalin, the dialogue between the countries’ leaders was opened up in a climate of mutual understanding: Adenauer recognised the importance of the dialogue with Moscow and the need to normalise relations between the two countries, for which purpose diplomatic relations were established in the late 50s<sup>12</sup>.

The construction of the Berlin wall in the summer of 1961 represented a low moment in German-Russian relations, as it indicated the closure of the border between the West and the East side and the return to conflicting relations.

In 1969, after the fall of the Christian Democratic Union (CDU) government, the new formed coalition between the Social Democratic Party (SPD) and the liberal Free Democratic Party (FPD) took over the German government and sought a new direction for the German foreign policy. The Social Democrats, led by the new chancellor Willy Brandt, initiated a *détente* policy in Europe known as *Ostpolitik*<sup>13</sup>. The idea of *Ostpolitik* was to create closer ties between East and West Germany and improve the relations with the Soviet Union and the other Warsaw Pact countries through the economic and

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<sup>9</sup> Konrad Adenauer Stiftung, *Westintegration* <https://www.konrad-adenauer.de/stichworte/aussenpolitik/westintegration>

<sup>10</sup> Kleuters, J., *Reunification in West German Party Politics From Westbindung to Ostpolitik*, Palgrave Macmillan, 2012

<sup>11</sup> Since 1871, tensions between Germany and France had represented the spark for international conflicts. With the economic recover of West Germany, France’s concerns increased.

<sup>12</sup> Konrad Adenauer Stiftung, *Westintegration* <https://www.konrad-adenauer.de/stichworte/aussenpolitik/westintegration>

<sup>13</sup> Translated in English with “new eastern policy”

political engagement<sup>14</sup>. The cooperative approach of the “new eastern policy” was based on the concept of “change through rapprochement”, also known as *Wandel durch Annäherung*, formulated by the then political secretary, Egon Bahr who believed that economic and political engagement with Moscow would lead to positive change both within the Soviet Union and in bilateral relations. Relations between the FRG and the USSR, in fact, gradually improved: in 1970 the *Ostverträge* was signed in Moscow, opening the period of good diplomatic relations, confirming the ultimate goal of peace and security and fostering the economic cooperation by concluding the first deal of energy cooperation<sup>15</sup>.

The legal recognition of the sovereignty of two German states and the European geographical division, the *détent* policies of *Ostpolitik* and *Westpolitik* created the cooperative framework for the reconstruction of the European peaceful order, in which the Helsinki Conference on Security and Co-operation in Europe took place. The confirmation of Germany as a solid partner for the neighbouring countries including Russia came also from Helmut Schmidt’s policy, which maintained the tenets of *Ostpolitik* enhancing relations with the East and paved the way for the unification of Germany, which happened under the chancellery of Helmut Kohl (1982-1998). In the meantime, in 1985 the Soviet Secretary General position was taken by Mikhail Gorbachev, who introduced new reforms to strengthen and open the economy and modernise the country, aiming at reforming the entire Soviet system and moving from a centralised government to a more liberal form. Gorbachev’s relation with Erich Honecker, leader of the East Germany, declined due to the German leader’s refusal to accept the Soviet reforms and his strong commitment to save the regime. In 1989, tensions and anti-Communist demonstrations in East Berlin increased and spread through East Germany calling for reconciliation and liberalisation. Honecker was forced to resign and in November of 1989, a mass of Berliners crossed the border into the Federal Republic of Germany without any reactions from the border control guards. Following the fall of the *Berliner Mauer*, Gorbachev and Kohl paved the way for

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<sup>14</sup> Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukraine Crisis: A New Ostpolitik?*, *Europe-Asia Studies*, 68:4, 665-677, 2016

<sup>15</sup> Stent, A., *Russia and Germany Reborn: Unification, the Soviet Collapse and the New Europe*, Princeton University Press, 2000

political reunification of Germany and for the rapprochement process of their country following the collapse of the Soviet Union.

### ***German-Russian Relations After 1989***

The fall of the Berlin Wall, the reunification of Germany and the subsequent disintegration of the Soviet giant favoured the positive development of their bilateral relations and the transformation of their foreign policies. In this framework of cooperative approach, a central role was played by the leaders of both countries, without which things could have been different. It has been already explained how Gorbachev's *Perestrojka* was fundamental to the dissolution of the Iron Curtain and the reunification of Germany; in the same way, the Russian President, Boris Yeltsin, had been supported by Kohl, both economically and politically, to favour Russian transition, also developing personal ties labelled by Alexander Rahr with the German expression *Strategische Saunafreundschaft*<sup>16</sup>; Schröder and Putin established not only a partnership between their respective countries but also a close friendship; and even though Angela Merkel never developed similar close ties with Putin, she got along with Dmitry Medvedev during his presidential term.

The elapsed years between the collapse of the USSR and the election of Schröder as new German Chancellor in 1998 are characterized by challenges and efforts aimed at the economic, social and political reconstruction of the states. Both, the reunified Germany and the newborn Russian Federation, dealt with border and security issues, difficult relations with neighbours in the Eastern Europe<sup>17</sup>, and domestic issues. Russia did not face a cheerful transition to a democratic and liberal economy: high costs, public debt out of control, poverty and privatisation had been the direct results of the shock therapy, which had a huge impact on the political dimension too<sup>18</sup>. The role of Germany as an international actor was strongly linked to its commitment to the European integration process started in the 50s<sup>19</sup>. Germany's interests included the reconciliation with the former Warsaw Pact countries and Central European states, the promotion of

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<sup>16</sup> Literally translated from German as "strategic sauna friendship", their personal relationship is also called "sauna diplomacy".

<sup>17</sup> The dissolution of the USSR led to the formation of 15 independent republics, some of which were driven by a deep resentment towards Moscow. (Santangelo)

<sup>18</sup> Santangelo, S., *Gerussia*, Castelvechi, Roma, 2016

<sup>19</sup> Kundnani, H., *Germany as a Geo-economic Power*, The Washington Quarterly, 2011



democratic development in those countries and also the internal stabilisation of Russia. The latter interest was not a sort of compensation for Russian support in Germany's reunification, rather its central position allowed Germany to play the role of mediator between Russia and the West<sup>20</sup>, thus promoting closer relations with the Euro-Atlantic structures. The international system was changing fast and German efforts had been hampered both by the Chechnyan wars, and some major American foreign policy moves. NATO expansion towards East was of great concern for Russia due to the fact the Alliance was targeting those countries that used to be under the Soviet influence. Recognising the "sphere of influence" was exactly one of the main goals of the new Russian president, Vladimir Putin, whose priority was "to make the West reckon with Russia"<sup>21</sup>. In 2000, Putin took over the presidency of a nation that was politically and economically declining and carried out a programme aimed at reconstructing the economy and regain the international prestige<sup>22</sup>. The new president consolidated the status apparatus by centralising it, defined the primacy of politics over economics and sought economic and beneficial relations with the West, which resulted in a strategic partnership with Schröder's Germany.

Coming to power in 1998, Gerhard Schröder was a strong supporter of the idea that security and stability in Europe were possible only through a cooperative relationship with the Russian Federation. Berlin intensified its engagement with Moscow at different levels and in different ways, therefore bringing the already existing *Ostpolitik* to a new dimension.

### ***Bilateral Relation under Schröder's Chancellorship (1998-2005)***

Coming from the Social Democratic Party, Gerhard Schröder was appointed chancellor of Germany and leader of the SPD-Green coalition in 1998, taking a more critical and pragmatic stance to the fostering of political reforms in Russia than his predecessor, Helmut Kohl<sup>23</sup>. However, in 2000 Schröder's approach toward Russia

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<sup>20</sup> Stent, A., *Russia and Germany Reborn: Unification, the Soviet Collapse and the New Europe*, Princeton University Press, 2000

<sup>21</sup> EUROPEAN COUNCIL ON FOREIGN RELATIONS

[http://www.ecfr.eu/article/commentary\\_the\\_origins\\_of\\_russias\\_new\\_conflict\\_with\\_the\\_west330](http://www.ecfr.eu/article/commentary_the_origins_of_russias_new_conflict_with_the_west330)

<sup>22</sup> Aron, L., *The Putin's Doctrine: Russia's Quest to Rebuild the Soviet State*, Foreign Affairs

<https://www.foreignaffairs.com/articles/russian-federation/2013-03-08/putin-doctrine>

<sup>23</sup> Johnson, D., & Robinson, P., *Perspective on EU-Russia Relations*, Routledge Taylor & Francis Group, New York, 2005

changed as he found in the new president of the Russian Federation a leader “with an apparently similar approach towards politics”<sup>24</sup>. On the one side, Vladimir Putin was aware that Germany’s pivotal role<sup>25</sup> inside the European Union could have helped Russia in regaining its international role and improving its relations with Western partners; on the other side, the German leader acknowledged the importance of Russia for European security, and equally for Germany’s own economic gain.

The first visit of Schröder to Moscow in 2000 was crucial to the development of political and personal relations between the two leaders, marking the beginning of a high engagement, otherwise known as “strategic partnership”. This partnership was characterised by the personal “man-to-man friendship”, common understanding<sup>26</sup> and mutual trust, and strengthened by annual inter-governmental meetings taking place alternately in Berlin and Moscow. The economic dimension of the partnership was extremely important for both: Germany was becoming more and more dependent on exports, and its economy looking for new trade partners saw in Russia a huge potential market in which to invest; in exchange German exports and investments helped Russian modernisation and liberalisation process and increased Russia’s role as main energy, security and commercial partner. The 2001 St. Petersburg Summit “came as an important turning point in the official relations between Germany and Russia” as it announced the establishment of a bilateral governmental consultation process (Timmins, 2005). The creation of the Petersburg Dialogue in 2001, under the joint initiative of Putin and Schröder, aimed at promoting a strategic partnership for economic and political cooperation including the increase of mutual understanding between the two countries, the development of mutual cooperation in all social spheres and the increase of civil societies contacts between both nations<sup>27</sup>. Based on the German-Russian Forum, “a membership organisation founded in 1993 to improve mutual understanding between the countries”<sup>28</sup>, the Petersburg Dialogue provided a platform for bilateral discussions open not only to diplomats, politicians but also to

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<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

<sup>27</sup> *Petersburg Dialog*, The Gorbachev Foundation  
[http://www.gorby.ru/en/gorbi\\_fund/partners/show\\_27803/](http://www.gorby.ru/en/gorbi_fund/partners/show_27803/)

<sup>28</sup> Meister, S., *Reframing Germany’s Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecf.eu

researchers, specialists and representatives of German and Russian business interests. As a demonstration of this renewed strategic cooperation, Timmins reported, in his study on Schröder-Putin relationship, that the German chancellor few days before the summit published a statement on Germany's Russia policy, where he declared that Russia was the main priority for Germany as well as for the EU<sup>29</sup>. The same quotation is also reported by Adomeit, when describing the trends of German-Russian relationship's development he refers to this policy as a "relentless Russia first policy"<sup>30</sup>. By defending Putin's credibility "as a champion of democracy"<sup>31</sup> and as "*lupenreiner Demokrat*"<sup>32</sup>, Schröder made his strong personal interests prevailing over the international concern about Russia's violations of human rights and lack of democratic development and of rule of law<sup>33</sup>, whereas favored and deepened economic ties.

As Stefan Meister argues, German business interests influence Germany's Russia policy significantly and the business community had always supported the policy of "change through rapprochement". Under Schröder's chancellorship, economic relations developed to such an extent that Germany became the most important trading partner within the EU<sup>34</sup> and a major partner in energy trade. Indeed, it is no coincidence that one of the main pillars of German-Russian relationship was established under Schröder's government and concerned the energy cooperation over the construction of Nord Stream gas pipeline. The joint venture agreement was signed in 2005 in Berlin between the German *E.ON* and Russian *Gazprom*, thus increasing Germany's and Europe's dependency on Russian gas and oil.

Schröder's new *Ostpolitik*, known as *Realpolitik*, and the overall strategically close German-Russian ties had an impact on the general relations of the EU with the Russian Federation, causing growing criticism and increasing concern in Brussels and among

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<sup>29</sup> Timmins, G., *Germany and Russia-a special partnership in the new Europe?* In Johnson, D., & Robinson, P., *Perspective on EU-Russia Relations*, Routledge Taylor & Francis Group, New York, 2005

<sup>30</sup> Adomeit, H., *German-Russian Relation: Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

<sup>31</sup> Gerhard Schröder, *Entscheidung: mein Leben in der Politik* in Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, *International Affairs* 92: 1, 2016, pp. 21-42

<sup>32</sup> Translated in English as "impeccable or flawless democrat". Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

<sup>33</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, *International Affairs* 92: 1, 2016, pp. 21-42

<sup>34</sup> Timmins, G., *Germany and Russia-a special partnership in the new Europe?* In Johnson, D., & Robinson, P., *Perspective on EU-Russia Relations*, Routledge Taylor & Francis Group, New York, 2005

Schröder's critics mainly for two reasons. First, the Nord Stream project signed with Russia did not take into consideration the interests of Poland and those of the new European member states, the Baltics. Second, his assertive foreign policy turned to the "German way"<sup>35</sup> with regard to national interests, as demonstrated by German opposition to the US invasion of Iraq in 2002. Germany's alignment with Russia and France in opposing the United States on the Iraqi war together with Schröder's priority to relations with Russia rather than with the EU's new members, and his lack of concern for Russia's non-democratic tendencies worsened its relations with the East European countries and increased doubts about the future reliability of Germany; furthermore, the poor economic performance of the last years under Schröder as chancellor undermined its diplomatic influence<sup>36</sup>.

The chancellorship of Gerhard Schröder ended in 2005 after the vote of no-confidence in the *Bundestag*. The early called election caused a change of power in Germany by placing on the German chancellor's chair the leader of the conservative opposition: Angela Merkel.

#### ***Bilateral Relation under Merkel's Chancellorship (2005 - today)***

Angela Merkel, leader of the Christian Democratic Union, took over the office of Chancellor of Germany in November 2005, after that she became the first woman at the head of the grand coalition CDU/CSU and SPD.

Contrary to her predecessor, she did not focus on pursuing personal ties with the Russian President and made clear to be highly committed to multilateralism and respect of international values and human rights. The special relationship with Russia was not the priority for the new *Bundeskanzlerin*, that kept distance from Moscow and re-oriented her foreign policy on a value base, thus suggesting that the "strategic partnership" had come to an end<sup>37</sup>. In fact, as Meister reported, the labels "special" and "strategic" were not used anymore to describe the cooperation, and she did not refrain from expressing her concern about Russia's domestic situation on human rights in 2006 at the meeting with President Putin. In addition, the new chancellor was willing to

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<sup>35</sup> Grant, C., *Germany's foreign policy: What lessons can be learned from the Schröder years?*, Centre for European Reform, London, 2005

<sup>36</sup> *Ibid.*

<sup>37</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

resume good relations with Germany's East European neighbours and took a critical stance towards Russia's move to cut off oil and gas deliveries to Ukraine in 2006, declaring that Putin by acting without consultation was betraying Germany's trust and hampering the basis of their cooperation<sup>38</sup>. Although she was openly critical of Russia, highlighting the German-Russian divergences with regard to human rights, common norms and war in Chechnya, Merkel continued to foster on commercial and economic cooperation, given Germany's growing energy dependency on Russia and common economic interests. In 2007, during the Petersburg Dialogue's meeting in Wiesbaden, she defined the economic pillar as the main developed and substantive one (Dent, 2004), on which bilateral relations between the two nations are built and which needs to be better integrated with the international political and socio-cultural dimensions (Santangelo, 2016).

The economic engagement with Moscow was considered an incentive for the modernisation of Russian economy, supported by the German government's policy of "change through interweavement". Already drafted in 2006<sup>39</sup>, the *Annäherung durch Verflechtung* sounded as a recall of the Brandt's *Ostpolitik* concept of "change through rapprochement". The idea was to broaden exchanges and enhance the already existing links in all dimensions, from education to trade, in order to modernise Russia and integrate it into the rule-based Western system. The initiative was realised within the framework of the "Modernisation Partnership", announced in 2008 by German Foreign Minister as a mutual beneficial partnership: Germany would have supported Russia's reforming of politics, implementation of rule of law and better conditions for small and medium-sized companies<sup>40</sup>, and in exchange it would have increased export and investment opportunities of German industries in Russia; while Russia would have had access to Western technology and would have benefited from investments and economic transfers.

As it has been observed by many scholars including Adomeit, Meister and Forsberg, during Merkel's first term in office, despite the Merkel-Putin partnership lacked the

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<sup>38</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, International Affairs 92: 1, 2016, pp. 21-42

<sup>39</sup> Stelzenmueller, C., *Germany's Russia Question: A new Ostpolitik for Europe*, Foreign Affairs, Vol. 88, No 2, 2009

<sup>40</sup> Meister, S., *An Alienated Partnership. German-Russian Relations after Putin's return*, FIIA Briefing Paper 105, 2012

personal level between leaders and more emphasis was put on norms and rights' respect, Germany's policy towards Russia did not change dramatically. The main reason for this continuity in foreign policy, which will be further analysed in the following chapters, was the presence of a strong Russia's supporter in the foreign ministry's office. Frank Walter Steinmeier (SPD) has been focused on cooperation and integration with the Russian Federation, which was considered the priority for Germany<sup>41</sup>, and he was the main author of the implementation of the already mentioned "Modernisation Partnership". The further development of this partnership was also possible thanks to the more West-oriented foreign policy of the new Russian President, Dmitry Medvedev, which took over the presidency in May 2008. With the new Russian presidency, it seemed that German-Russian relations were moving along a comprehensive line since Medvedev aimed at modernising the economy, fighting corruption and maintaining good relations with the West. His policy was supported by the German chancellor, whose expectations from Medvedev's announced reform were very high.

The warm relationship between the leaders did not prevent different interests and values to clash. If Germany was using the economic cooperation as a tool to influence Russia in adopting more democratic practices, on the other side Russia was more interested in the economic gain and less in pursuing democratic policies as demonstrated by the lack of progress in establishing the rule of law and transparency<sup>42</sup>. As pointed out by Adomeit, evidence of this disengaged will to cooperate can be observed also in the fact that none of the frozen conflicts in the former Soviet space had been solved, despite Germany "did urge Russia to adopt a constructive approach to solve them"<sup>43</sup>. The 2008 Georgia war became one of those conflicts as well as one of the "defining moment"<sup>44</sup> in the framework of EU and Russia relations. Russian outbreak in Georgia came as a surprise to Germany and to the West, which could not do anything to prevent the recognition of Abkhazia and South Ossetia regions as independent states. The security dimension, especially if related to the post-Soviet neighbourhood, became a field of important cooperation between Moscow and Berlin. Germany's commitment

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<sup>41</sup> Meister, S., *An Alienated Partnership. German-Russian Relations after Putin's return*, FIIA Briefing Paper 105, 2012

<sup>42</sup> *Ibid.*

<sup>43</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, *International Affairs* 92: 1, 2016, pp. 21-42

<sup>44</sup> *Die Zeit, 2008* in Stelzenmueller, C., *Germany's Russia Question: A new Ostpolitik for Europe*, *ForeignAffairs*, Vol. 88, No 2, 2009

to the European security has been extremely high as proved by its efforts to integrate Russia in the European security puzzle: in 2010, for instance, Angela Merkel and Dmitry Medvedev agreed on the Meseberg Memorandum, an agreement, established within the framework of the EU-Russia security council, according to which Russia committed itself to cooperate in the resolution of Transnistria conflict with Moldova, thus proving to be a reliable security partner<sup>45</sup>.

Relations with Russia entered a new stage when Putin announced his return to presidency for his third term. In 2012, it has been registered a lowering of good relations between the two countries, demonstrated by the growing disagreement in the 2012 German-Russian summit. Germany questioned the cooperative relations that the two countries used to have by accusing Russia of limiting freedoms and violating human rights. As reported by Forsberg, the “Modernization Partnership” was losing its significance and the idea of “change through trade”, introduced by Guido Westerwelle, was replaced by “trade without change<sup>46</sup>”. Criticism towards Putin’s regime did not come only from the West. In the same year, first signs of opposition became visible also among Russians and they resulted in large protest demonstrations against Putin, such as the Pussy Riot protest, which was largely covered by Western media, fomenting the Western disapproval toward Russian government policies.

In the following years, tensions and mutual distrust arose: violations of human right and Russian anti-gay laws only proved that “Germany’s idealistic Russia is not compatible with Putin’s realpolitik”<sup>47</sup>. The lowest point in their bilateral relations has been the annexation of Crimea in 2014, which is a proof of Putin’s zero sum game, where other’s loss is his gain.

## LITERATURE REVIEW

Given that the problem of German stance towards Russia after 2014 events, and more precisely the delicate balance between its economic interests and geopolitical concerns, is quite current and constantly developing, it makes difficult to find academic

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<sup>45</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

<sup>46</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, International Affairs 92: 1, 2016, pp. 21-42

<sup>47</sup> Meister, S., *Reframing Germany’s Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecf.eu

books about the specific issue. Looking for literature to answer the research question, it becomes clear that academic journals and studies do not sufficiently cover the central issue and that the number of valid academic sources, especially in regard to the current situation following the Ukrainian crisis, is quite limited. The relationship between Germany and Russia has been widely studied until the current diplomatic crisis, and there have also been conducted perspectives until 2025 by Hannes Adomeit. The present work will evaluate several studies and reports to define the general positive direction of their cooperation until the current state of affairs. Starting from a brief historical overview, the work will focus on the comparison of bilateral relations under the last two chancellorship, supporting the thesis that continuity had been the major foreign policy direction of the German government.

The historical perspective of German-Russian relations is based on a journal article written by the German scholar Alexandr Rahr, who evaluates their relationship as a “special partnership”. According to him, the countries “are destined to have a special relationship”<sup>48</sup>, because already from the Soviet period both countries were important trade partners, thanks to West Germany’s policy known as *Ostpolitik* aimed at improving relations with the Soviet block, thus assuming the role of mediator between the West and the East. Angela Stent and Hannes Adomeit focused on the period after the reunification of Germany and the fall of the Soviet Union by tracing the path of German-Russian relations from the Soviet regime to the European integration in details, and providing an analysis of the Soviet policy and the post-communist developments. Chivvis and Rid investigate the roots of Germany’s Russia policy, dedicating a great section of their work to the historical relationship, which according to the authors “continues to weigh heavily on politics today”<sup>49</sup>. In *The roots of Germany’s Russia policy*, the authors point out the difficulty faced by Germany to take aggressive positions towards Russia and the important role played by history in shaping contemporary Germany’s positive perception of *Ostpolitik*. Therefore, they argue that its key principles towards Russia will not be changed in the short term. Tuomas Forsberg, in his recent work *From Ostpolitik to ‘frostpolitik’*, bringing out the *Ostpolitik* of Germany, explains its meaning, its key principles and the differences in the period of

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<sup>48</sup> Rahr, A., *Germany and Russia: a special relationship*, Washington Quarterly 30: 2, 2007

<sup>49</sup> Chivvis, C. & Rid, T., *The roots of Germany’s Russia policy*, Survival 51: 2, 2009, pp. 105-122



the last two chancellorships. The aim of his article is to understand whether a major change in Germany's Russia policy has in fact taken place, and what he brings up is the concept of continuity in regard to the concept of *Ostpolitik*. First, the author uses Welch's theory of foreign policy change to explain "the endurance of the *Ostpolitik* tradition irrespective of changes in the government coalition", and later to explain the supposed foreign policy change as Welch argues that "foreign policy change is more likely in the domain of losses, which was clearly the case in respect of *Ostpolitik*, defined as an attempt to bring Russia closer to the rest of Europe while preserving the agreed fundamentals of the European security order"<sup>50</sup>. As mentioned in the first paragraph, this work will prove Forsberg's arguments, arguing that changes in German domestic politics did not influence foreign policy decisions to such an extent, rather emphasising the tendency that foreign policy is often based on the country's own economic interests.

The question of continuity more than change in Germany's foreign policy towards Russia has engaged several scholars, each of which puts forward the reason for continuity or change. In Jonas Wolff's article<sup>51</sup>, *Democracy promotion and civilian power: the example of Germany's 'Value-oriented' foreign policy*, the author clearly states that "continuity is the main feature characterising German policy" due to the strong interest of Germany to ensure good economic cooperation with the Russian Federation, and he also adds that "normative concerns as to the political situation in Russia have had a limited impact on actual (German) policies at best". In its relations with the Russian Federation, Germany has always sought to export Western values as part of its Russia's foreign policy: Steinmeier's "Modernization Partnership" and Westerwelle's "change through trade" were aimed at the promotion of Civilian power's democratic values as well as they represented German efforts to continue a policy of engagement with the Russian partner.

In 2011, three years after the Russo-Georgian war, Timmins regarded Germany's energy dependency on Russia as one of the main priorities driving continuity in German foreign policy. As well as Chivvis and Rid, Timmins' article is dated before the

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<sup>50</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, *International Affairs* 92: 1, 2016, pp. 21-42

<sup>51</sup> Wolff, J., *Democracy promotion and civilian power: the example of Germany's 'Value-oriented' foreign policy*, Peace Research Institute Frankfurt, 2013

annexation of Crimea, which is described by the researcher Schmidt-Felzmann as a pivotal turning point in the EU's relations with Russia<sup>52</sup>. The fundamental rupture in this relations, regarded by Felzmann as a failure to develop mutually beneficial cooperative relations with Moscow, have led to the mistrust of Russia, which has been no longer regarded as "trustworthy political and trade partner". According to Mischke and Umland, the German government's reaction to the crisis have been an indication "that Germany's strategy toward Russia may be undergoing more than just a temporary shift"<sup>53</sup>. In *Germany's New Ostpolitik*, the researchers declare the possibility of German foreign policy entering a new era, emphasizing the controversial role of Steinmeier: supporter of sanctions against Russia and simultaneously supporter of the cooperation with Russia.

One of the scholar that by contrast openly supports the change in German-Russian relations is Stefan Meister, who already in 2012 declared that their relations were in a state of change<sup>54</sup> and in 2015 published the article *Politics trump economics*, where asserted how "the Ukrainian crisis marked three fundamental changes in German-Russian relations"<sup>55</sup> highlighting the shift from economic interests to political interests. The issue of 'politics trump economics' has been supported also by John Lough, who declared that "Berlin has moved from its long-established view of Russia as a country that it should embrace to one whose great power ambitions it must resist."<sup>56</sup> Despite the economic damage from sanctions, the author argues that this time politics has prevailed, even though, stressing German historical ties with Russia, "this is not a position with which (Germany) feels naturally comfortable." The present paper will challenge these positions by arguing that despite the decision to impose sanctions and the impact of sanctions on German economy, the immediate change in German policy is not determining for a complete shift in German-Russian relations, which key principle is a cooperative partnership that benefits not only Germany and Russia but Europe as well.

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<sup>52</sup> Schmidt-Felzmann, A., *Is the EU's failed relationship with Russia the member states' fault?*, Centre International de Formation Européenne, 2014, pp. 40-60

<sup>53</sup> Mischke, J., & Umland, A., *Germany's new Ostpolitik: an old foreign policy doctrine gets a makeover*, Foreign Affairs, 2014  
<https://www.foreignaffairs.com/articles/western-europe/2014-04-09/germanys-new-ostpolitik>

<sup>54</sup> Meister, M., *An alienated partnership. German-Russian relations after Putin's return*, FIIA Briefing Paper 105, 2012

<sup>55</sup> Meister, M., *Politics trump economics*, Berlin Policy Journal, DGAP, 2015  
<https://zeitschrift-ip.dgap.org/en/ip-journal/topics/politics-trump-economics>

<sup>56</sup> Lough, J., *Ukraine crisis prompts a sea change in Germany's Russia policy*, Chatham House, 2014  
<https://www.chathamhouse.org/expert/comment/16320>

Concerning economic interests and geopolitical concerns, factors that influence bilateral relations between Germany and Russia, some scholars argue that despite the annexation of Crimea and the Ukrainian crisis, it cannot be declared a fundamental change in German foreign policy toward Russia because of the importance of economic cooperation. Szabo's main claim is that "big business runs the show in Berlin", thus reducing the role of politics. He thinks that German foreign policy is subordinated to business interests because its "commercial *Realpolitik* privileges the country's economic well-being above all other interests"<sup>57</sup>. Szabo's statement reflects the strong realist view of economy as the ultimate goal of state's foreign policy, but it is also linked to the liberal assumption that states' behaviour reflects the preferences of state's groups, in this case the preference of the *Russlandsversteher* group. In his attempt to investigate the shift in Germany's *Ostpolitik*, Marco Siddi, comes to the conclusion that even if economics is not sufficient anymore to ensure stable and cooperative relations with Putin, German foreign policy is mainly focused on the economic agenda, as Russia is considered a key energy supplier. However, he suggests a new type of German foreign policy, which combines diplomacy and economic engagement. This approach will be used in the thesis to explain the controversial role of Germany as a Civilian power using diplomacy for de-escalating the crisis and simultaneously supporting the venture project of Nord Stream.

Besides the economic factors, Chivvis and Rid underline the importance of geopolitics in Germany's *Russlandpolitik*. They understand geopolitics as the politics of geography, arguing that the closeness of the two countries has always influenced Germany's Russia policy, thus leading to political consequences. Anyway, they retain energy to be the essential factor in German-Russian contemporary relationship. Ulrich Speck emphasizes the geopolitical aspect in regard to the Ukrainian crisis, sustaining that "the entire geopolitical order to the country (Germany)'s East is at stake"<sup>58</sup>. He argues that Russia's imperialist attitude in its attempt to challenge the status quo is likely to risk the geopolitical order in the eastern German neighborhood, which is of great concern for Merkel as it is vital for German security and prosperity. Alongside geopolitical concerns there are those values, which cannot be overwhelmed in any way

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<sup>57</sup> Moravcsik, A., *Germany, Russia, and the rise of geo-economics; the paradox of German power*, CAPSULE REVIEW, Foreign Affairs, 2015

<sup>58</sup> Speck, U., *German power and the Ukraine conflict*, Carnegie Europe, 2015

and that can come to shape the policy response to certain actions. Forsberg defines the German policy change as a “program change”, focusing on the shift from economic interests to ‘defend the main values’ in shaping Germany’s Russia policy. He describes the change as “more than a mere ‘adjustment’ but less than an ‘international orientation change’”. While those studies look at these factors individually and explain Germany’s Russia policy by reference to either economics, or geopolitics, this thesis uses these two as two alternative competing explanations in accounting for Germany’s Russia policy. It will be, thereby, check for relative explanatory power of one set of factors over the other.

According to Hans Kundnani the main problem in explaining German foreign policy is “how to understand the apparent contradiction between the harder edge of Germany’s pursuit interest within Europe and its continuing reluctance to use military force”<sup>59</sup>. In his view, Germany is trying to emerge as a new form of power in international relations, namely as a geo-economic power. The concept draws from the traditional understanding of the Federal Republic as a “civilian power”, whose foreign policy goals are achieved using multilateral institutions and economic cooperation, avoiding the use of military force. Kundnani supports his theory by adducing to international relations professor Hanns W. Maull, who argued that the foreign policy aim of a civilian power “is not simply to improve economic performance of prosperity but to civilize international relations through the development of the international rule of law”<sup>60</sup>.

Considering the above mentioned arguments, where each scholar conveys its explanation for considering either economics or geopolitics the driving factor, this thesis will investigate the main reasons for Russia’s foreign policy continuity after the 2008 Georgian war and the ostensible change after the 2014 Ukrainian crisis by analysing the geo-political and geo-economic context both internationally and domestically.

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<sup>59</sup> Kundnani, H., *Germany as a Geo-economic Power*, Washington Quarterly 34:3 pp.31-45

<sup>60</sup> *Ibid.*

## **THEORETICAL FRAMEWORK**

“Foreign policy is an interaction between forces originating outside the country’s borders and those working within them”. The definition provided by the British Professor of International Relation, Frederick Northedge, suggests that foreign policy is the main tool of sovereign states to relate to each other and to the global system. It is the major instrument to influence other states and to achieve domestic and international goals, thus ensuring states’ vital interests in regard to economy, security and power. Henry Kissinger provided a different approach to the concept’s explanation by adducing that “foreign policy begins where domestic policy ends”<sup>61</sup>, which cannot be longer considered a proper definition due to the increased globalisation and the subsequent disappearance of national borders.

The purpose of this section is to provide a theoretical overview on foreign policy with particular focus on theoretical approaches to the study of special relationship between Germany and Russia, and on theoretical approaches that account for change and continuity in foreign policy.

### ***German-Russian ‘special’ and ‘strategic’ Relations***

First of all, it is necessary to clearly define the main concept of ‘special’ and ‘strategic’ relations between the two countries. In his studies, Hannes Adomeit often uses these two adjectives to describe the close ties between Germany and Russia with reference to the fact that they are historically, geographically, culturally and economically connected. Their relationship has been built throughout the centuries, as explained in the chapter dedicated to the historical background. Germany has been Russia’s privileged partner in Europe for long time, which in turn has exerted an enormous influence on Russia in several fields, given birth to the “German factor”.

The German director of the Korber Centre for Russian and CIS affairs, Alexander Rahr, entitled an article “Germany and Russia: A Special Relationship” explaining the historical reasons for such classification. Germany has played the role of bridge between East and West during the Cold War, becoming an important trade partner for the USSR first, and subsequently for the Russian Federation. He highlights the goodwill

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<sup>61</sup> Kissinger, A. H., *Domestic Structure and Foreign Policy*, Daedalus, Vol. 95, No. 2, 1966

and social interactions existing between the nations, the elites and public opinions, and despite the increasing skepticism following the recent events<sup>62</sup>, he believes in the constructive role of Germany as Russia's favourite partner. Emphasis to the history was given also by Karl Schlogel, author of the chapter "About Russian-German Special Relations in the Twentieth Century". He outlines the interwoven historical, cultural, economic and political path that dominated the XX century Europe and which has made their relationship 'special'.

By citing the website of the German Foreign Ministry, Adomeit translates the German expression *Sonderbeziehungen* in the English 'special relationship', proving that the label is commonly used among experts, politicians and scholars. The other frequent classification is 'strategic', often associated with the noun 'partnership'. 'Strategic partnership' is a label used with reference to the mutual favourable terms of the partnership. Gernot Erler, for example, minister of state from 2005 to 2009, illustrated the bilateral energy dependency as a cornerstone of the strategic partnership, thus understanding it as a mutual dependence; whereas Gerhard Schröder, who had a personal friendship with Putin, publicly declared that "Germans and Russians were closely aligned and united by a strategic partnership for a peaceful, prosperous Europe"<sup>63</sup>, implying that a good cooperation with Putin was necessary for the European order.

Therefore, in view of what has been evaluated, this work understands and uses the labels 'strategic partnership' and 'special relationship' to describe German-Russian bilateral relations by referring to the mutual historical understanding, geographical proximity and economic dependency. Taking into account Meister's statement that "Germany has been an advocate of Russian interests in the European Union and a strategic partner with regard to energy and economic cooperation"<sup>64</sup>, the thesis interprets these labels also as a classification of the peculiar German approach towards Russia, which in turn has always considered Berlin as the main European reference partner. It had been an integrative approach, according to which German policies supported and implemented liberal and democratic reforms in Russia, thus creating a

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<sup>62</sup> The article was written in 2010, it does not take into account the Ukrainian events.

<sup>63</sup> Adomeit, H., *German-Russian Relations: Balance Sheet since 2000 and Perspectives until 2025*, ETUDE Prospective & Strategique, IFRI. 2012

<sup>64</sup> Meister, S., *An Alienated Partnership. German-Russian Relations after Putin's Return*, FIIA Briefing Paper 105, 2012

multilateral platform for Moscow's integration into international structures on the intergovernmental level. As declared in 2009 by the *Osteuropa Zeitschrift*, "The relation towards Russia was and is seen as the last logical step that should finish the process of uniting Europe"<sup>65</sup>.

### ***Theoretical Approaches***

The 'special' and 'strategic' relations between Germany and Russia can be studied within the framework of different approaches: Realism, Constructivism and Liberalism. The theoretical approaches used in this academic work are the liberal approach, which has been considered by several scholars as the most appropriate one in explaining German-Russian interactions, and the constructivist approach, necessary to understand the role of civilian power. The liberal approach focuses on the domestic factors that shape foreign policy formation, while the constructivist one explains the relations of power in the international system. Despite the (neo-) realist approach, which emphasises state power, national interests and includes geopolitical thinking, has been left aside, a specific explanation on geopolitics and geopolitical thought is relevant, given that the thesis considers the geopolitical factor as one of the main features influencing foreign policy decisions. Considering geopolitics as a subset of the realist theory of international relations, it does not focus only on power of states, but also on the space in which the power is exerted. In this regard, it has been dedicated a sub-chapter on geopolitics as one of the intervening variables.

The main factors that shape foreign policy are internal and external factors. The internal factors include societal values, individual interests, preferences of domestic actors within the state, while external factors are the influences of foreign nations in the international system. Foreign policy decisions are taken on the basis of the linkage of both factors, and the balance between domestic and external factors, such in the case of Germany's foreign policy after the 2014 events, can lead to foreign policy change toward specific countries.

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<sup>65</sup> Volker Weichsel in Handl, V. & Ehler, T., *The German Policy towards Russia – The Meaning of the Context of the European Union*, Friedrich Ebert Stiftung, Prague, 2011

## ***Geopolitics And Economy: The Driving Factors***

The fall of the Berlin wall, the German reunification, the collapse of the USSR reshaped the European borders, and brought the German-Russian relationship to a new dimension, characterized by an intense cooperation between the two countries. This lasted until the Ukrainian crisis. The Russian annexation of Crimea has been a serious geopolitical turning point, able to change German attitudes toward its always old friend-enemy and endanger its economic gains.

### **Geopolitics**

Colin Dueck, Senior Fellow of the Foreign Policy Research Institute, explains the concept of “geopolitics” simply indicating it as the “analysis of the relationship between geographical facts on the one hand, and international politics on the other.”<sup>66</sup> Øyvind Østerud, professor emeritus of University of Oslo, defines geopolitics as the joining link between political power and geographical space. Michael Mayer, visiting research fellow at the Center for Strategic and International Studies, offers a more detailed explanation of the concept by including the importance of primacy state actorness, the military-economic competition for raw materials and ability of states to prevail over other territories by securing political influence or through physical occupation.<sup>67</sup>

Throughout the following centuries, the word “geopolitics” assumed multiple definitions due to the historical moment and geographical perception of the world. The conceptualisation of the concept of “geopolitics” has never come to a universal conclusion, it has been formulated many times and there are several conceptions and approaches to it. The academic literature provides many definitions of the concept, widely discussed by many prominent scholars and theorists such as Taylor, Cohen, Flint in a still open debate. “Geopolitics” refers also to a theory of international relations, which focuses not only on world politics and power of nations, but also on how relations between states are conducted and affected by the changing world. Two of the main classical theorists, according to the aforementioned scholars, of the concept of

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<sup>66</sup> Dueck, C., *Geopolitics reborn*, E-notes, FPRI, July 2013  
<http://www.fpri.org/article/2013/07/geopolitics-reborn/>

<sup>67</sup> Mayer, M., *In Search of conceptual clarity*, “What is geopolitics? Debate on the term Geopolitics”, GeoPolitics in the High North, 2014-2017  
[http://www.geopoliticsnorth.org/index.php?option=com\\_content&view=article&id=45:article2&catid=44&showall=&limitstart=2](http://www.geopoliticsnorth.org/index.php?option=com_content&view=article&id=45:article2&catid=44&showall=&limitstart=2)



“geopolitics” are Halford Mackinder and his opponent, Nicholas Spykman, who offered different approaches to the geopolitical framework of the Eurasian continent.

Mackinder’s theory, known as the Heartland Theory, is based on the idea that the Eurasian continent, the Heartland surrounded by the “Inner” and the “Outer Crescent”, served as the pivot of all geopolitical transformations given its central and geo-strategic position in the world map<sup>68</sup>. His assumption was that the conflict between sea-based power and land-based power would be won by the land power, which would be able to dominate the world by controlling the Heartland. As Østerud explained, the Heartland comprising both the Central and Eastern Europe, was the key to world dominance and “the Molotov-Ribbentrop pact was a political manifestation of the strategic implications” of the Heartland theory. Based on the Heartland Theory and adopting Mackinder’s geographical division, Nicholas Spykman developed his own geopolitical model arguing that the Inner Crescent, which he called Rimland, was historically the most dominant power, namely the key to global hegemony for locational reasons<sup>69</sup>. Spykman’s view of the Heartland corresponds simply to a geographical area exposed to cultural and civilisation influence coming from the Rimland. He rejected Mackinder’s assumptions and rather stated that those who rule the Rimland can therefore dominate the world. The Rimland Theory was influential during the Cold War, when the USSR almost accomplished the theory seeking to gain control over the Heartland and the Outer Crescent. It was a bipolar competition between the Heartland Soviet Union and the maritime alliance of the United States in the territory of Eurasia, also known as Rimland and described by Cohen as “a large, strategically located region that is occupied by a number of conflicting states and is caught between the conflicting interests of adjoining Great Powers”<sup>70</sup>.

Both theories are relevant to the issue of this thesis, because, as briefly mentioned before, they had a major impact on government policy respectively in the Nazi Germany and in the USSR during the Cold War period. Mackinder’s thought became prominent in German geopolitical discourses in the post war period, when geopolitics was highly influenced by the outcomes of the First World War. The main concepts of these

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<sup>68</sup> Ismailov, E. & Papava, V., *Rethinking Central Eurasia: The Heartland Theory and the Present-Day Geopolitical Structure of Central Eurasia*, Central Asia-Caucasus Institute and Silk Road Studies Program, 2010

<sup>69</sup> Spykman, J.N., *The Geography of the Peace*, Harcourt Brace, 1944

<sup>70</sup> Cohen, S.B., *Geography and Politics in a World Divided*, Random House, New York, 1963

discourse rotated around the well known terms of *Lebensraum*<sup>71</sup> and *Mitteleuropa*<sup>72</sup>, determining the primary importance of geography in state's decision and strategy making; and paving the way for the expansion of the Third Reich. German geographers "sought to actively shape politics according to what they regarded as the geographically given needs of the German Reich"<sup>73</sup>, and believed in the deterministic idea that weak states pursued defensive strategies, while strong states naturally expanded<sup>74</sup>.

Spykman's theory of Rimland was relevant during and after the Second World War as it was a war characterised by mixed alliances over control of the Rimland, which was neither an entirely land area nor an entirely sea area<sup>75</sup>. Based on Spykman's assumptions, in the post World War II period, it was in the interest of the United States to prevent consolidation of the hostile powers in the Rimland. The strategic imperative was to prevent the Soviet occupation and therefore the Soviet hegemony of the Rimland by developing a containment strategy. Scholvin argues that Spykman's geopolitical theory not only had been able to shape world politics for half a century, but it also works as explanation for the EU enlargement and NATO expansion to the East. The theory highlights the closeness of Central Europe to the Western world and helps to understand the recent move of Russian Federation to expand into the European Rimland, by its occupation of Crimea.

Nowadays, the term "geopolitics" is often mentioned in international news broadcasts with the meaning of 'world politics' or 'international political strategy', referring to international boundary disputes and to indicate geographical and political changes<sup>76</sup>. The current international system is the competitive arena, where great

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<sup>71</sup> Literally translated in English as "living space", the German term refers to the central idea of geopolitics and, subsequently, of national socialism, according to which some peoples have had the "natural right" to expand on the surrounding areas and at the expense of others.

<sup>72</sup> Literally translated in English as "Middle Europe", it usually refers to the cultural tradition of the Habsburg Empire. In this context, it refers to that area, which encompasses Central and Eastern Europe, that had been dominated by German powers as it was considered the "natural expansion" of German borders.

<sup>73</sup> Scholvin, S., *Geopolitics: an overview of concepts and empirical examples from international relations*, The Finnish Institute of International Affairs, Working Paper, April 2016

<sup>74</sup> *Ibid.*

<sup>75</sup> Dueck, C., *Geopolitics reborn*, E-notes, FPRI, July 2013

<http://www.fpri.org/article/2013/07/geopolitics-reborn/>

<sup>76</sup> Agnew, J., *Geopolitics: Re-visioning World Politics*, Routledge; 2 edition, 2003

powers play their own role as decision makers and put into practice their strategies. Russian aggression against Ukraine and the subsequent annexation of part of the Ukrainian territory has brought again to light the issue of geography and security, bringing back the use of term “geopolitics” to such an extent to recall the geopolitical changes of the last century. The dissolution of the Soviet Union and the following reunification of Germany led to profound changes in the European, and not only, geopolitical order. The geopolitical dimension is fundamental in order to understand the dynamics of the German-Russian relations, and the role of Germany as European leading country in the EU-Russia relations; their common history contains many central geopolitical events such as the *Dreikaiserbund*<sup>77</sup> (1872-1881), the Rapallo Treaty (1922), the Operation Barbarossa (1941), the World War II (ended in 1945), the division of Germany (1949), until the more recent 2008 and 2014 crisis and the Nord Stream projects of energy cooperation.<sup>78</sup> The European continent has been the scenario of many geopolitical actions, which in the XXI century “profoundly altered the geopolitical equilibrium in Europe and in the rest of the world, paving the way to new possible scenarios”<sup>79</sup>.

Hence, the geopolitical dimension, despite the several and sometimes challenging definitions of it, has always been a crucial framework for states’ relations, reflecting international realities and constellation of power.

Among the main driving forces operating within the geopolitical dimension, Mayer distinguishes the economic aspect as one of the major influences for developments between states. “The military-economic competition inspires geopolitical reasoning”<sup>80</sup>, as demonstrated in the specific case of German-Russian relations: in 1991 despite the geopolitical order has been reversed, the USSR could still play the energy card, to which Germany was highly dependent. Since the collapse of the Soviet Union, Berlin and Moscow has shared vital political-economic interests.

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<sup>77</sup> The Three Emperors League

<sup>78</sup> Santangelo, S., *Gerussia*, Castelvechi, Roma, 2016

<sup>79</sup> *Ibid.*

<sup>80</sup> *Ibid.*

## **Economy**

In the dynamics of German-Russian relations, a central role is played by the economic interests. Since the beginning of Nineties, Germany has privileged commercial and economic ties first with the Soviet Russia, and later with the Russian Federation<sup>81</sup>. The economic dimension of this relationship has favoured the development of strong diplomatic and cultural ties as well as paved the way to several cooperations and energetic projects.

Trade and economic relations between countries can be better understood within the context of globalisation, which has favoured the integration of economies of different countries around the world through international trade and financial flows (IMF, 2008). The growing links between economies, states and societies has been possible thanks to the increasing cross-border movement of goods, capital, services, technology, information and labor migration. It is a process of global cooperation, integration and interaction among actors at long distance mediated through flows of people, information and ideas; and according to the KOF Index of Globalisation it can be classified into three main dimensions: 1) economic globalisation, characterised as long distance flows of capitals, goods, services; 2) political globalisation, characterised by the diffusion of government policies; 3) social globalisation, characterised as the movement of people as well as of ideas, images, and information<sup>82</sup>. Throughout the years, German-Russian relations have covered all dimensions, but one is particularly relevant to determine the extent of their strategic relationship.

The economic globalisation is defined by the IMF as an historical process, and the result of human innovation and technological progress. According to the Global Economy, economic globalisation consists of two dimensions: “actual economic flows and restrictions to trade and capital.”<sup>83</sup> Since the end of the Second World War, Germany adopted a free economic market, increasing opportunities for exports and trade investment, and creating an international industrial and financial structure. As Chivvis and Rid observe, German businesses have always sought new markets to maintain high wages through exports of high quality, value added industrial goods and expertise, which characterised Germany’s economic strategy during the Cold War

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<sup>81</sup> Szabo, S. F., *Germany, Russia, and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>82</sup> <http://globalization.kof.ethz.ch/>

<sup>83</sup> [http://www.theglobaleconomy.com/Germany/kof\\_econ\\_glob/](http://www.theglobaleconomy.com/Germany/kof_econ_glob/)

through the implementation of General Agreement on Tariffs and Trade (GATT) process and the European integration, and later in the post Cold War period through the European enlargement towards central and Eastern Europe<sup>84</sup>.

In the post-war period, the economic factor became increasingly important in international relations, thus showing that politics and economics were intertwined and that it was not possible to keep separate the concepts of domestic and international, state and market. The economist Michael Veseth argues that political actions affects international trade and monetary flows, which in turn affect the environment in which political and economic decisions are taken. In this context, the International Political Economy (IPE) is developed as a social science field of study with the aim to analyse the “continuing breakdown of disciplinary boundaries between economics and politics”<sup>85</sup>. Many scholars examined the interaction of domestic and international factors as they affect economic policies and outcomes, and have influence on foreign policy decisions. The important aspect, as noted Wilson, is that foreign policy is increasingly driven by commercial consideration due to the fact that “economic strength gives incomparably more political influence than military strength.”<sup>86</sup>. Hence, as became evident in the globalisation era, economics and politics are connected to each other in a strong relationship where many economic issues are often seen through the political lens, and economic performances are considered one of the key political forces.

With the rise of globalisation, many countries have opened up their economies to foster bilateral trade. In the case of German-Russian relations, the growth of Russian economy represented a new and important market opportunity for German exports. According to the *Bundesagentur für Außenwirtschaft (BFAI)*, Germany is the third largest exporter to Russia in the world and the biggest customer of Russian natural gas flow among Western countries. As a proof of what has been mentioned previously, their successful trade relations have been politically beneficial resulting in a mutually strategic relationship between politics and economics. A concrete result has been the

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<sup>84</sup> Chivvis, S.C. & Rid, T., *The Roots of Germany's Russia Policy*, Global Politics and Strategy, Survival 51: 2, 2009, pp. 105-122

<sup>85</sup> Veseth, Michael, *What is International Political Economy*, UNESCO international encyclopedia project, 2004

<sup>86</sup> Economides, S., & Wilson, P., *The Economic Factor in International Relations*, Tauris, New York, 2001

establishment of the Modernisation Partnership in 2008, within which the economic cooperation has been used as a tool for Russian modernisation and diversification of its economy. The project was supported by German business community, whose interests influence the country's Russia policy considerably, and contribute to strengthen the existing networks between German and Russian companies and institutions. What Meister argues is that "informal ties between Russia and Germany run across the economy", in a sense that economic interests encourage German industry to lobby for good relations, both economic and political, with the Russian partner.

### ***Liberalism***

Liberal theory conceives states as embedded in domestic and international civil society, and considers the individual preferences as the main criteria on which foreign policy is based. According to the liberal approach, the fundamental actors in world politics are individuals and privately-constituted groups with autonomous preferences, whereas governments are a subset of domestic social actors, and the policies pursued by states serve primarily the interests of dominant groups. Overall, "interstate behaviour is shaped by the pattern of state preferences, not state power"<sup>87</sup>.

Drawing from Moravcsik's study, liberals contemplate society as a group of humans with individual interests, who seek to achieve their social goals by interacting with others and creating private organisations. The resulting pluralist society is characterised by distinctive patterns of social interests that create different sets of constraints and opportunities, and this 'conflict of positive values', according to Mill and de Tocqueville, is what makes the society liberal. To better explain the liberal view of society, three implications of Moravcsik are here reported: 1) the most fundamental determinant of politics is the society, thus assuming that the state itself depends on the nature of individual preferences in relation to the international system; 2) social order and progress is possible only through institutions that combine private motivations with social goals of wealth and security; 3) the conflict of interests does not prevent political and socio-economic development in terms of wealth and security.

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<sup>87</sup> Moravcsik, A., *Liberalism and International Relations Theory*, Harvard University, Paper No. 92-6, Harvard University

One of the Liberal assumptions relevant to the case of German-Russian relations is that the behaviour of states, including levels of international conflict and cooperation, reflects the nature and configuration of state preferences<sup>88</sup>. Theoretically criticised by realists who claim that power politics prevents states from realising their preferences, this assumption has to be grounded in the two-stage model, according to which “individual states first define their preferences and then engage in a process of interstate strategic interaction to reach a common outcome”<sup>89</sup>. Therefore, focusing on domestic preference formation, always referring to Moravcsik, liberals argue that change in foreign policy behaviour and international diplomacy is mainly determined by the change in states’ purposes, which are related to domestic and international civil societies. The liberal theory, according to the realist Waltz, explains the nature and outcomes of interstate relations and how they interact with each other, thus defining states’ foreign policy as the result of convergence and divergence of state preferences. In Moravcsik’s view, states are formed by individual and group interests, who project their preferences into the international system through a particular kind of government.

In the contemporary international system, nation states are not the only actors that execute foreign policy, although they remain the main players. Other participants are intergovernmental organisations such as the European Union, and non-governmental organisations. Influence on international cooperation, and to some extent on foreign policy choices, is exerted also by private actors, non-state transnational bodies and multinational corporations, hence transforming the world political system based on the Westphalian principles, where states were the only actors. Within this new framework, the school of neo-liberalism was developed by the theorists Keohane and Nye, who highlight the increasing connections between states, in which the force of power was less effective in implementing policy. Emphasising the role of non-state actors and the increasing diversities of interactions between nations, the theorists propose the concept of transnational relations. In their introduction to *Transnational Relations and World Politics*, the authors claim that “transnational interactions of all types may promote attitude change which may have possible consequences for state policy”<sup>90</sup>. The active

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<sup>88</sup> *Ibid.*

<sup>89</sup> *Ibid.*

<sup>90</sup> Nye, J. S. & Keohane, O., *Transnational Relations and World Politics: An Introduction*, *International Organisation*, Vol. 25, No. 3, JSTOR, 1979

involvement of actors in international affairs, according to the neo-liberal theory, has several effects, such as the creation of dependence and interdependence.

However, interstate's behaviours are not only shaped by domestic, individual interests as it was during the chancellorship of Gerhard Schröder, when the dominant groups in politics and economic lobby had a major impact in determining foreign policy directions. Norms, identities and values need to be taken into consideration as well, when it comes to foreign policy, because they can highly influence actors' perceptions.

### ***Constructivism***

The theory of Constructivism involves social realities, identities and interactions. It seeks to interpret reality, to explain the role of agents in the constitution of social reality and it bridges social identities with national interests, and with political practices in general<sup>91</sup>. Medvedev and Neumann define Constructivism as the approach that provides an understanding of "how relations of powers are constructed in the process of social interaction between groups and individuals with regard to basic values, norms and identities"<sup>92</sup>.

Constructivists acknowledge the importance of both material and normative factors in the international system and highlight the connection between agents and structures<sup>93</sup> by focusing on the social context in which interstate relations occur. Constructivism believes in the social construction of world politics through a process of interactions between agents and structures<sup>94</sup>, identities and practices. Identities and preferences of international actors, according to the constructivist theory, are shaped by social structures which are not fixed<sup>95</sup>, but change with the international context. Taking into account that norms, according to Adler, constitute social identities and form the national interests, while identities represent the core of national interests and therefore are

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<sup>91</sup> Adler, E., *Constructivism in International Relations: Sources, Contributions and Debates* in Carlsnaes, W., Risse, T. & Simmons, B.A., *Handbook of International Relations*, SAGE, 2<sup>nd</sup> edition, 2012

<sup>92</sup> Krumm, R., Medvedev, S. & Schröder, H.H., *Constructing identities in Europe. German and Russian Perspectives*, Nomos, SWP, Baden Baden, 2012

<sup>93</sup> Agents are those actors involved in international context, such as individuals, states and non-state actors. Structures refer to institutions and shared meanings that constitute the context in which international actions are developed.

<sup>94</sup> Behraves, M., *Constructivism An Introduction*, E-International Relations Articles, 2011

<sup>95</sup> Chernoff, F., *Theory and Metatheory in International Relations*, Palgrave Macmillan US, 2007



essential to understand states' behaviour, practices and change<sup>96</sup>, constructivists emphasise “the role of social norms and identities in constructing international politics and determining foreign policy”<sup>97</sup>. Furthermore, they focus on social discourses that construct social realities in order to explain changes and conditions for change.

The constructivist approach, in this study, helps to understand the political cultural factors that shape foreign policy, specifically the socio-cultural domestic context which assumes high relevance when it comes to norms' and values' violation. Both constructivists and foreign policy analysts focus on the impact of agents, state or non state-actors, influence and orientate foreign policy decisions. Constructivist scholars of foreign policy analysis, as reported by Behravesch quoting Jeffrey Checkel, adopt a communicative approach by using “communicatively rational agents”, which means that they prefer to use normative tools such as dialogue in social interactions<sup>98</sup>.

Within this theoretical framework, it emerges the concept of civilian power, which role is based on the normative notion that international relations may be transformed and civilised, and on the constructivist notion that values and norms remain stable, while interests and behaviours may change<sup>99</sup>. As argued by Harnisch, the constructivist approach, by providing an understanding of foreign policy as formed by the mutual constitutive relations between agents and structures, is the theoretical dimension of civilian powers, which “actively promote the ‘civilising’ of international relations”<sup>100</sup>.

The concept of civilian power is connected to post-1989 Germany's foreign policy, which has been characterised by the use of multilateral institutions and economic cooperation, avoiding the use of military force. In accordance to the constructivist view, power and material interests, in German foreign policy, have been perceived through the lenses of norms and values and “embodied in the civilian power role” (Harnisch, 2010). More emphasis on shared informal values, norms and international rules has been placed by Angela Merkel, who stressed the importance of multilateralism and the necessity to cooperate with other nations to pursue international objectives.

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<sup>96</sup> Adler, E., *Constructivism in International Relations: Sources, Contributions and Debates* in Carlsnaes, W., Risse, T. & Simmons, B.A., *Handbook of International Relations*, SAGE, 2<sup>nd</sup> edition, 2012

<sup>97</sup> Behravesch, M., *Constructivism An Introduction*, E-International Relations Articles, 2011

<sup>98</sup> Checkel, J.T., *Constructivism and Foreign Policy*, in Behravesch, M., *The Relevance of Constructivism to Foreign Policy Analysis*, E-International Relations Articles, 2011

<sup>99</sup> Harnisch, S., *Change and Continuity in post-unification German Foreign Policy*, German Politics, 10:1, 35-60, 2010

<sup>100</sup> *Ibid.*

### ***Foreign Policy Change and Continuity***

“The question of change and stability in foreign policy is vital for peace and security” wrote Kjell Goldmann in the introduction of *Change and Stability in Foreign Policy: The Problems and Possibilities of Dètente*. Having considered that the environment in which international relations take place changes, it comes as a consequence that foreign policy formation changes as well. Overall, it is possible to classify foreign policy changes into two major groups: changes that resulted from regime change or state transformation, and changes that resulted from a government’s shift of foreign policy directions. Specifically, Charles Hermann identifies four levels of foreign policy changes: 1) adjustment change, which occurs at the level of efforts to achieve goals or widens the scope of recipients or targets; 2) program change, which refers to the change of methods and means by which goals are achieved; 3) problem or goal change, which occurs when the overall policy goal is replaced; 4) international orientation change, which involves the redirection of the nation’s orientation, its international role and actions (Hermann, 1990). Furthermore, Hermann distinguishes four agents which contribute to explaining the aforementioned degrees of change. These sources are: 1) leadership driven, which results from an authoritative policy maker’s decision; 2) bureaucratic advocacy, which refers to the presence of group within the government that advocates redirection; 3) domestic restructuring, which refers to the society as an agent of change; 4) external shock, which results from a dramatic international event. The theorist assumes a likely interplay between the sources, thus creating major forces for foreign policy redirection<sup>101</sup>. Foreign policy change, according to Goldmann, is mostly influenced by the internal framework: domestic politics highly contributes to the change in foreign policy, assuming that conditions for stability and instability can be found in environmental changes, negative feedback and shifts in the leadership<sup>102</sup>.

Observing the foreign policy of a country over long periods, it is not unusual to distinguish some basic long-term policy goals pursued by that country, which do not

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<sup>101</sup> Hermann, C. F., *Changing Course: When Government Choose to Redirect Foreign Policy*, International Studies Quarterly, Vol. 34, No 1, 1990

<sup>102</sup> Goldmann, K., *Change and Stability in Foreign Policy: The Problems and Possibilities of Dètente*, Princeton University Press, 2014

undergo major changes. Koni explains that one of the reasons for continuity in foreign policy lies in the consistency of policy goals, which consistency is the expression of societal values that are not challenged by policy-makers<sup>103</sup>. Continuity is mainly associated with the “adherence to the value-based expectations of appropriate behaviour shared within the international and domestic society” (Rittberger, 2001). In the case of Germany, in particular, it is relevant the role-model of civilian power to explain German foreign policy continuity, because its set of beliefs is conceived as the stable feature driving Germany’s external behaviour after 1989 (Harnisch and Maull, 2001).

Hellmann defines the constructivist approach as the advocate of continuity, as social norms, political culture, national identity and social role are “remarkable stable and almost resistant to any change”<sup>104</sup>. Therefore, when it comes to the evolution of foreign policies, theorists such as Harnisch and Maull acknowledge a modified continuity rather than fundamental changes. In this view, continuity relates to policies of active integration and broad cooperation within the international context, thus referring to the role of civilian power, among which objectives there is the intensification of multilateral cooperation with inclusive participation<sup>105</sup>.

The civilian power ‘value-oriented foreign policy’ does not account for change, rather it promotes a continuous support for human rights, social equity and non-violent forms of conflict management; support for strengthening the international law, norms and regimes through cooperation, integration and transfer of sovereignty; thus aiming at ‘civilising’ international relations between states<sup>106</sup>. The stability of socially constructed foreign policy culture is one of the features characterising states’ behaviour in the international context, which stability can be understood within the framework of the civilian power model, and can explain the reasons of states’ choices to pursue diplomatic dialogue rather than militarily intervention to resolve international crisis.

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<sup>103</sup> Koni, H., *Theories of Political Decision-Making in Foreign Policy*, Turkish Public Administration Annual, Ankara, [http://www.todaie.edu.tr/resimler/ekler/1d2fc35953f48ab\\_ek.pdf?dergi=Turkish%20Public%20Administration%20Annual](http://www.todaie.edu.tr/resimler/ekler/1d2fc35953f48ab_ek.pdf?dergi=Turkish%20Public%20Administration%20Annual)

<sup>104</sup> Hellmann, G., *Fatal Attraction? German Foreign Policy and IR/Foreign Policy Theory*, JIRD 12, 2009

<sup>105</sup> Wolff, J., *Democracy Promotion and Civilian Power: The Example of Germany’s ‘Value-Oriented’ Foreign Policy*, German Politics, 2013

<sup>106</sup> Harnisch, S., *Change and Continuity in post-unification German Foreign Policy*, German Politics, 10:1, 35-60, 2010; Wolff, J., *Democracy Promotion and Civilian Power: The Example of Germany’s ‘Value-Oriented’ Foreign Policy*, German Politics, 2013

## Chapter 2. METHODOLOGY

### Process-Tracing Method

The methodology tool used in this work is process-tracing (PT), a qualitative method of political science defined as “the systematic examination of diagnostic evidence selected and analysed in light of research questions and hypotheses posed by the investigator” (Collier, 2011).

Process-tracing focuses on studying causal mechanism using in-depth single case study; this method allows the analysis of causal mechanism linking causes with outcomes, thus enabling the researcher to make strong within-case inferences about how causes produce outcomes. Using the words of Professor Van Evera, process-tracing involves research in which “the cause-effect link that connects independent variable and outcome is unwrapped and divided into smaller steps; then the investigator looks for evidence of each step” (Van Evera, 1997). In other words, by using PT, the researcher examines the correlation between X (cause) and Y (effect), analysing how X creates a series of conditions that come together to produce Y.

Tracing causal mechanisms provides strong evidence-based deductions about causal correlations between causes and outcomes, thanks to the in-depth analysis that produces within-case evidence of each step of causal process, and provides also a better understanding of how a cause produces a certain outcome.

This approach was firstly developed in 1979 by Alexander L. George, who used the term to describe the process of inferring about causal explanations from within a historical case study by using evidence<sup>107</sup>. The approach was then developed as an essential form of analysis by George and Bennett in *Case Studies and Theory Development in Social Sciences* (2005). In the chapter dedicated to PT, the authors define the main objective of this method by asserting that “process-tracing attempts to identify the intervening causal process – the causal chain and causal mechanism –

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<sup>107</sup> George, A. L., *Case Studies and Theory Development: The Method of Structured, Focused Comparison*, In Paul Gordon Lauren, Editor, *Diplomatic History: New Approaches*. NY: Free Press, in Bennett, A. & Checkel, J. T., *Process Tracing: From Philosophical Roots to Best Practices*, Simons Papers in Security and Development, No 21, 2012

between an independent variable and the outcome of the dependent variable”<sup>108</sup>. Through the method of PT, it is possible to make causal inferences in single cases, meaning to observe whether the causal process hypothesised by a theory is in fact evident in the given case. Tracing the process that may cause a particular outcome, they argue, helps to narrow the list of potential causes. Therefore, it is arguable that process-tracing becomes an helpful tool in theory testing and theory development as it generates numerous observations within a case that need to be linked to each other to constitute an explanation of the case<sup>109</sup>.

By arguing that PT studies the theoretical causal mechanisms linking causes and outcomes together, the focus is shifted from causes and outcomes to the hypothesised causal process in-between them. The mechanism then, despite there is still a considerable disagreement about what mechanisms are, is the causal process, which is triggered by causes, that links causes with outcomes and that needs to be unpacked. Derek Beach gathered several definitions of causal mechanisms, such as that of Glennan who defines it as a system of interlocking parts that transmits causal forces from X to Y (Glennan, 1996), and the definition provided by Hernes who describes the causal mechanism as a “set of interacting parts – an assembly of elements producing an effect not inherent in any one of them” (Hernes, 1998). Beach and Pedersen’s interpretation<sup>110</sup> of causal mechanism in process tracing concerns the analogy of the ‘black box’ between X and Y. PT method opens up the black box and reveal the inside causal mechanism, which is understood as the process that causes X to give rise to Y.

In this view of causal mechanism, as illustrated in figure 1, each of its part is described as individually necessary and composed of entities that engage in activities which are conceptualised as the “producers of change or what transmits causal forces through causal mechanism”<sup>111</sup>. The entities (actors, organisations, systems) are defined as nouns, while the activities (protesting, researching) are depicted as verbs.

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<sup>108</sup> George, A. L. & Bennett, A., *Case Study and Theory Development in the Social Sciences*, Cambridge, MA: MIT Press, 2005

<sup>109</sup> *Ibid.*

<sup>110</sup> Beach, D. & Pedersen, R. B., *Process-Tracing Methods: Foundations and Guidelines*, University of Michigan Pr, ed. 2013

<sup>111</sup> *Ibid.*

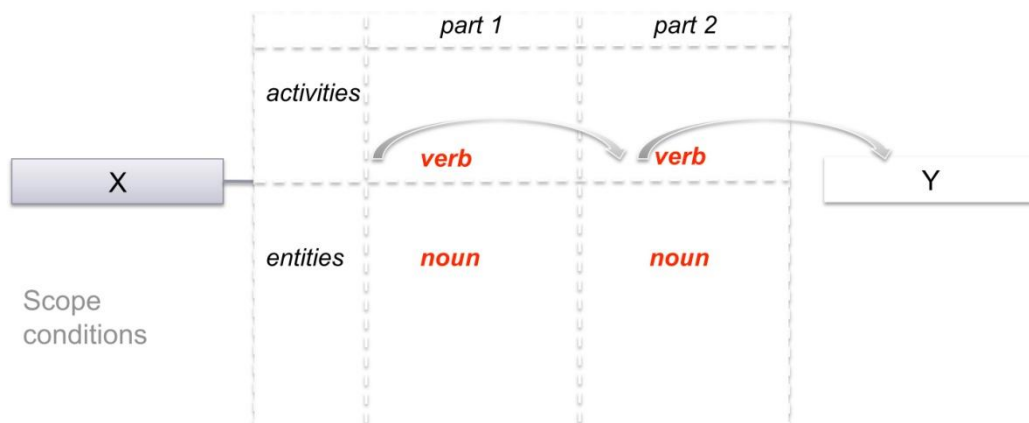


Figure 1. – Simple template of causal mechanism (Beach, 2012)

Through the process of unpacking the causal mechanism, contextual conditions and causal logic are made explicit, which contributes to verify and test the initial theory or to provide a better theory and evidence of the process. Hence, process tracing can be used either for testing theories or in theory-building (or theory development). In both cases, the core components of PT are three: 1) theorisation about causal mechanisms that link causes and outcomes; 2) analysis of observable empirical manifestations; 3) collection of evidence.

While George and Bennett acknowledge the existence of two different approaches within the general method of PT, distinguishing between what they call “process verification” and “process induction”, Beach and Pedersen identify three variants of PT.

According to George and Bennett, “process verification involves testing whether the observed processes among variables in a case match those predicted by previously designated theories”<sup>112</sup>, and “process induction involves the inductive observation of apparent causal mechanisms and heuristic rendering of these mechanisms as potential hypotheses for future testing”<sup>113</sup>. They recognise that various techniques, either inductive or deductive, of process tracing can be used for different purposes in different phases. Drawing from these approaches, Beach and Pedersen distinguish three distinct PT research purposes, thus identifying three variants.

<sup>112</sup> Bennett, A. & George, A. L., *Process Tracing in Case Study Research*, MacArthur Foundation Workshop, 1997

<sup>113</sup> *Ibid.*

Theory testing is a deductive method: it deduces a theory from the existing literature and tests whether a hypothesised causal mechanism exists in a given case. It mainly looks for evidence of a hypothetical causal mechanism linking X and Y and if it worked as theorised. This variant is used when there is an already existing correlation between X and Y, but it is not clear whether an actual causal mechanism exists. The first step in theory testing is to conceptualise a plausible causal mechanism whereby X produces Y based on existing theorisation, logical reasoning and explicit contextual conditions. The second step is the operationalisation of the causal mechanism in order to find strong evidence. It means to develop empirical case-specific predictions about the observable manifestations and to gather empirical material by testing whether the causal mechanism is present in the given case. The third step consists in collecting and analysing empirical evidence that can be used to make causal inferences. This step aims at demonstrate that evidence predicted by the theorised mechanism is present or not.<sup>114</sup>

Theory building is an inductive method: starting from empirical material, it aims at building theoretical explanations of causal mechanism from empirical evidence of a particular case, and uses the empirical analysis to induce a possible causal mechanism of linkage between X and Y. It mainly looks for general causal mechanism by analysing the empirical material. The variant of theory development is used when there is already an existing correlation between X and Y, but the mechanism linking the two is unclear and there is no previous theory; or when the outcome is clearly visible but the causes are unknown.

Explaining outcome is the third PT variant identified by Beach and Pedersen, and it is an iterative research method which attempts to trace causal mechanism in order to produce a comprehensive explanation of a specific historical outcome. It mainly looks for a minimally sufficient explanation of the case by deriving explanations of the outcome and by using theoretical causal mechanisms in eclectic combinations. It can be either deductive or inductive, starting from theory or empirical evidence, therefore following either the theory testing path or the theory building path.

Overall, process-tracing is used to investigate hypothesised causal process and in the case of this study, to understand international behaviour of actors. George and Bennett

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<sup>114</sup> Beach, D. & Pedersen, R. B., *Process-Tracing Methods: Foundations and Guidelines*, University of Michigan Pr, ed. 2013

underline its relevance in generating and analysing data on those events and intervening variables that link causes to observed effects. The authors claim that through process-tracing, the researcher can assess “whether each of the potential causal variables in the imperfectly matched cases can, or cannot, be ruled out as having causal significance”<sup>115</sup>. In the case in which one of the independent variables can be excluded through process-tracing, it exists a strong basis to determine that the remaining variable has causal significance.<sup>116</sup> Moreover, PT offers an alternative tool for producing causal inferences to the method of comparison; it can identify alternative causal paths to the same outcome in different cases, and different outcomes for the same causal factor, thus contributing to the “development of differentiated typological theories”<sup>117</sup>.

### **The independent variables in German-Russian relations’ process-tracing**

The advantage of using process-tracing method lies in the “contextualisation of qualitative variables” in given cases that account for changes in a specific case<sup>118</sup>. Since the thesis interest is to assess the extent of economic and geopolitical factors in determining Germany’s Russia policy, the method of process-tracing is here used to investigate the causal mechanism behind the existing evident outcomes of German foreign policy. By analysing the evidence, it will be possible to assess whether a major change in Germany’s Russia policy has occurred from the Georgian crisis to the Ukrainian crisis by a refocus in foreign policy’s priorities. Keeping the main factors constant, the study traces the process of German-Russian relations over a specific period of time, focusing on each period and on what have changed over time.

The main factors are the already explained features of ‘economic interest’ and ‘geopolitical concern’ which relates also to clash between values and interests. They are here considered the main influential factors shaping bilateral relations between Germany and Russia.

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<sup>115</sup> Bennett, A. & George, A. L., *Process Tracing in Case Study Research*, MacArthur Foundation Workshop, 1997

<sup>116</sup> George, A. L. & Bennett, A., *Case Study and Theory Development in the Social Sciences*, Cambridge, MA: MIT Press, 2005

<sup>117</sup> Bennett, A. & George, A. L., *Process Tracing in Case Study Research*, MacArthur Foundation Workshop, 1997

<sup>118</sup> George, A. L. & Bennett, A., *Case Study and Theory Development in the Social Sciences*, Cambridge, MA: MIT Press, 2005



Economic cooperation is measured by the level of trade between the considered countries, whose trade, economic and energy relationship is supported legally and institutionally. Already before the implementation of the Modernisation Partnership, annual meetings, conferences, seminars and forums such as the German-Russian *Regierungskonsultationen*, German-Russian Working Group for Strategic Questions of German-Russian Economic and Financial Relations (SAG), provided the framework for economic discussions and joint projects<sup>119</sup>. The public forum “Petersburg Dialogue” was aimed at deepen the mutual understanding between Moscow and Berlin by establishing a constructive dialogue in several public areas, and by promoting and implementing many projects. It includes high level meeting and economic workgroups between the respective business communities. Within the framework of the Modernisation Partnership, cooperation in energy efficiency and renewable energy was implemented, and it was found the German-Russian Energy Agency (RUDEA), a joint venture with ambitious goals which, however, have not been fulfilled. In 2010, the Declaration on German-Russian Strategic Partnership on key areas of economic cooperation was signed between the Ministry of Economic Development of the Russian Federation and the German Federal Ministry of Economics and Technology<sup>120</sup> with the goal of strengthening cooperation in mutual investment, improving the business climate and improving the development of cooperation between their business associations. Also, both in Berlin and in Moscow are present strong advocates of reciprocal business interest such as the Committee on Eastern European Economic Relations (CEEER), composed by German business organisations and representing the interests of German business in Moscow<sup>121</sup>.

The factor ‘economic interest’ is crucial, given that Germany is one the main trading partner for Russia as well as Russia’s largest market for oil and gas; it is indeed the largest European importer of gas. The lack of raw resources makes Germany dependent

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<sup>119</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012; Szabo, S. F., *Germany, Russia and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>120</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012; Szabo, S. F., *Germany, Russia and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>121</sup> The Committee on Eastern European Economic Relations was established in 1952 and operates not only in Russia, but also in Belarus, Ukraine, Central Asia, Caucasus and South-Eastern Europe. <http://english.bdi.eu/bdi/organisation/regional-initiatives/committee-on-eastern-european-economic-relations/>

to imports, and Russia, being the “world’s largest producer of crude oil and the second-largest producer of dry natural gas”<sup>122</sup>, is highly dependent to energy exports. As a logical consequence, it followed the establishment of a strategic economic cooperation, based on supply and demand, in support of the economic needs of both. The construction of the Nord Stream gas pipeline has represented the seal of German-Russian energy integration.

Change in government coalitions can play the role of intervening variable as having an effect on the trend of relations. This has been demonstrated by the German experience of the last two chancellorships, the first of which was marked by closeness and personal friendship with Moscow, whereas the second one has been characterised by skepticism, disappointment and more emphasis on the European core values.

The factor ‘geopolitical concern’ here refers to German misgiving as a reaction to geopolitical challenges posed by the Russian Federation to the international context in terms of security, norms and values. It follows the geographical conditions that explain the power of states and their expansions; according to Michael Klare, “national power in XXI century is determined by the vastness of a country’s resources and its ability to generate other sources of wealth to purchase resource, especially oil”<sup>123</sup>. Taking into consideration the increasing aggressive attitude of Moscow, which does not hesitate to use energy as a tool to threaten and manipulate other countries, its geopolitical power has been revealed in different circumstances, and it seems that Germany can no longer tolerate it, especially if considered its weight in the EU.

Since 2011, after the announcement of Putin’s return to the Kremlin, a bitter disappointment arose within the German government as demonstrated by the frequent criticism of Angela Merkel to Putin’s attempt to keep its neighbours distant from the European Union, to Russian banning of nongovernmental organisation, to the spread corruption and to violation of human rights. Germany’s strong commitment to universal values and rights was more than ever emphasised by its critical stance towards the case

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<sup>122</sup> U.S. Energy Information Administration EIA, Independent Statistics and Analysis, Russia, October 2015

<https://www.eia.gov/beta/international/analysis.cfm?iso=RUS>

<sup>123</sup> Klare, M., *Resource Wars, Blood and Oil and Rising Powers* in Scholvin, S., *Geopolitics: an overview of concepts and empirical examples from international relations*, The Finnish Institute of International Affairs, Working Paper, April 2016

of Pussy Riot trial for hooliganism, the ban on homosexual propaganda and anti-gay legislation, and the arrest of Greenpeace activists in the Arctic. The image of Russia among German public opinion<sup>124</sup> has deteriorated over time, reaching its lowest point with the annexation of Crimea, when the repeated Russia's adherence to European values<sup>125</sup> has been disproved. The violation of international law came as part of more general geopolitical considerations which include norms, values, national interests and geopolitical spaces.

The importance of geography and space is crucial in international relations, and geopolitical arguments are at the core of countries' formulation of foreign policy in pursuing national interests. The construction of geopolitical space is a central matter in foreign policy discourses of Russia, whose main goal is to establish itself as a strong, powerful and influential country in the international system<sup>126</sup>. Svarin recognises three principal geopolitical spaces in Russia's foreign policy: Eurasia, the Euro-Atlantic region (EAR) and the Asia-Pacific region (APR); he also observes a gradual shift from the Euro-Atlantic region to the East<sup>127</sup>, intensified by the increasing negative perception of the EU and NATO enlargement. The geopolitical logic of the Ukrainian crisis involves both, the EU and NATO: on the one side, the NATO membership promised to countries of the former Soviet space (Ukraine and Georgia, Bucharest Summit 2008<sup>128</sup>) and on the other side, the wider European agenda of the EU enlargement clashing with Russia's idea of a "Greater Europe". From the Russian point of view, the threat posed by the West was enough to push Moscow to occupy the Georgian territory first, and later Ukraine.

By using the method of process-tracing, geopolitics as independent variable can reveal causal mechanisms, demonstrating the importance role of geographical conditions, which in turn can explain certain general patterns and long-term processes. Geographical conditions are therefore determinant for explanations of some current

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<sup>124</sup> Despite the reactions of German public opinion to Crimea's annexation were ambivalent, Germans overall supported the sanctions' policy.

<sup>125</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012; Szabo, S. F., *Germany, Russia and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>126</sup> Svarin, D., *The Construction of 'geopolitical spaces' in Russian Foreign Policy Discourse before and after the Ukraine crisis*, Journal of Eurasian Studies No 7, 2015

<sup>127</sup> *Ibid.*

<sup>128</sup> In this occasion, the NATO membership was only promised in the future. The Membership Action Plan was not on the table.

major events in international relations, but as noted by Scholvin, geopolitical factors always need to be combined with non-geographical factors to better explain the observed outcomes<sup>129</sup>.

As evident, the two factors are interrelated. Gazprom has become an essential tool in the hand of the Russian government to exert influence within the international scenario, by using hydrocarbons to put pressure on the relations with Russia's neighbours (Cohen, 2011). In 2008, Rubanov stated that Russian energy projects about the construction of new pipelines are strongly affected by geopolitics, thus heading towards the control of the former Soviet space<sup>130</sup>. In 2014, during the Ukrainian crisis, the energy card has been played again by Russia, which used the threat to turn off the gas supply to Ukraine, causing fear of a potential fuel shortage across Europe. The energy variable acquires great importance when it comes to interstate relations, especially if they involve the Russian Federation, and demonstrates that fossil fuels are often the drivers of state power relations.

Both factors, economic interest and geopolitical concern, are assessed by collecting material evidence in form of statements, speeches and press releases from the German Government and Federal Ministries to evaluate German concern towards Russia's actions, and bilateral trade data in order to measure the level of economic engagement. In the following chapter, which is dedicated to the analysis of the single cases, the evaluation of the two factors' weight is carried out through the examination of evidence in two different circumstances for each case: before and after the development of focal events. The official statements are taken as a parameter in the analysis, since they clearly express the direction of German foreign policy toward Russia in specific moments, while economic data are a tangible proof of what have or have not changed in their economic trend throughout the years. Therefore, it will be possible to assess the tendency of change or continuity in Germany's Russia policy for each single case and also to assess the general trend of their relations, trying to better understand which factor plays a major role in its Russia policy.

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<sup>129</sup> Scholvin, S., *Geopolitics: an overview of concepts and empirical examples from international relations*, The Finnish Institute of International Affairs, Working Paper, April 2016

<sup>130</sup> Rubanov, I., *La Santa Alleanza dell'energia* in Santangelo, S., *Gerussia*, Castelvecchi, Roma, 2016

### **Timeline and sources of German-Russian relations' process-tracing**

The collection of empirical evidence, including bilateral agreements, share of total imports and exports, macroeconomic indicators, top- and high-level meetings as well as diplomatic working contacts, is carried out in relation to the historical and political context. The official statements of the *Bundestag*, the *Bundeskanzleramt* and press releases of the Federal Foreign Office, offer a valid source for the collection of statements and protocols providing information about German foreign policy directions. The three mentioned actors are the main stakeholders in governmental decision-making in German foreign policy. However, an important role in influencing foreign policy is played even by non governmental agencies: German public opinion and special interest groups such as the *Ost-Ausschuss*, one of the dominant actor in Berlin's Russia policy<sup>131</sup>. The goal of collecting such empirical material allows the research to trace the development of bilateral relations between Germany and Russia in the time period of 2005 until 2014, and to assess whether, why and to what extent foreign policy has changed.

The choice of the time period lies in the specific intention to trace the evolution of Germany's Russia policy from 'change through rapprochement' to 'change through interweaving', until the current and so-called '*Frostpolitik*'. The major events of this period that have involved Germany and Russia, either as main actors or as observers, and that have had a huge impact at the international level are the signature of the Nord Stream gas pipeline (2005), the conflict in Georgia (2008) and the crisis in Ukraine (2014). By using process tracing, these three major events are investigated in the light of the two independent variables and thus, complex interaction effects in German-Russian relations are identified. After the operationalisation, it is outlined which of the independent variables accounts for having causal significance in each of the mentioned case and if, as expected, the higher relevance of one independent variable accounts for the lower relevance of the other.

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<sup>131</sup> Adomeit, H., *Germany's Russia Policy: From Sanctions to Nord Stream 2?*, Transatlantic Academy, Paper series No 3, 2016

### **Chapter 3. GERMAN FOREIGN POLICY TRACING**

In this chapter, initially an overview of German foreign policy will be provided with primary focus on its key principles and core ideas. The balance between German economic interest and the importance of rights and values is at the core of Berlin's foreign policy, and it represents the key issue of this thesis in analysing German-Russian relations. To follow, Germany's Russia policy will be outlined with particular reference to the changes in government coalitions and successively, the track of the key defining moments will provide the framework for the process-tracing analysis of German foreign policy's direction towards Russia. The empirical measurement of balance between economic and geopolitical considerations in German foreign policy will be carried out on the basis of bilateral relationship's development and taking into account the official statements of German Federal Foreign Office and Government.

#### **German Foreign Policy**

After the German reunification in 1990, the sovereign Federal Republic of Germany regained political and economic power, adopting a set of distinctive characteristics of the former West Germany's foreign policy. Multilateralism became the core idea of its foreign policy and the concept of 'civilian power' determined Germany's foreign and security policy<sup>132</sup>.

Multilateralism, which is defined by Robert Keohane as "the practice of coordinating national policies in groups of three or more states"<sup>133</sup>, was adopted to ensure West Germany's foreign policy objectives such as the peaceful resolution of national division, the prevention of nuclear wars and the defence of territorial integrity, reasons why Germany engaged in the multilateral institutions of NATO and the European Union. Focusing on European integration, as Crawford states, Germany based its foreign policy and international behaviour on civilian practices emphasising the supremacy of international law and norms, collective and cooperative security and trade cooperation. The multilateral approach helped the country to enhance state power and regain international acceptance and influence. Today, Germany relies on multilateralism

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<sup>132</sup> Harnisch, S., *Change and Continuity in post-unification German Foreign Policy*, German Politics, 10:1, 35-60, 2010

<sup>133</sup> Keohane, R., *Multilateralism. An Agenda for Research*, International Journal, 45 No 4, 1990

in a different way in respect to the Cold War period, it supports the multilateral approach to enhance its state power without having to rely on power politics (Reimer, 2015). Through the EU, “Germany has been able to become a regional hegemon, and to provide stability to the continent”<sup>134</sup>, thus making the European integration and multilateralism the main pillars of its foreign policy<sup>135</sup>.

German foreign policy role of ‘civilian power’ is described by Hanns W. Maull as being “committed to deepening European and transatlantic integration, enhancing cooperative and multilateral conflict resolution, and resorting to force only within the framework of the United Nations”<sup>136</sup>. According to the author, the concept of civilian power is the main aspect of German foreign policy, which aims to ‘civilise’ international relations through the promotion and internationalisation of socially accepted norms<sup>137</sup>. Germany as a ‘civilian power’ relies on multilateral institutions and economic cooperation to accomplish its aims, without the use of military force. Its role is based on a ‘value oriented’ policy which emphasises support for human rights, democracy assistance, dialogues, incentives and long-term strategies of political influence<sup>138</sup>. As argued by Maull, reunited Germany has followed a path of continuity in exerting foreign policy with the concept of civilian power as the basis for its strategic culture<sup>139</sup>; in 2014 he argued that “Germany’s value-based foreign policy has in the past proven to be an important foreign-policy asset, and there is no indication of this changing in the near future”<sup>140</sup>.

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<sup>134</sup> Reimer, M., *The Preference: German Foreign Policy and Multilateralism*, European University Institute

<sup>135</sup> Crawford, A., *The Normative Power of a Normal State* in Reimer, M., *The Preference: German Foreign Policy and Multilateralism*, European University Institute

<sup>136</sup> Maull, H. W., *Germany’s Uncertain Power*, Palgrave Macmillan, New York, 2006

<sup>137</sup> Harnisch, S. & Maull, H. W., *Germany as a Civilian Power?*, Issues in German Politics, Manchester University Press, 2001

<sup>138</sup> Wolff, J., *Democracy Promotion and Civilian Power: The Example of Germany’s ‘Value-Oriented’ Foreign Policy*, German Politics, 2013

<sup>139</sup> Strategic culture refers to the socially transmitted ideas, values, beliefs and preferences of a society that are developed throughout the history. The *Bundeswehr* Institute of Social Science (SOWI) defines the concept as “a number of shared belief, norms and ideas within a given society that generate specific expectations about the respective community’s preferences and actions in security and defence policy” (Biehl, 2013 in Hyde-Price, 2015)

<sup>140</sup> <http://www.aussenpolitik-weiter-denken.de/en/external-view/show/article/die-aussenpolitische-kontinuitaet-ist-richtig-muss-aber-angepasst-werden/pages/2.html>

German foreign policy is based on the normative foundation of its Basic Law<sup>141</sup>, according to which the federal government is committed to protect basic rights (Article 23), to ensure peaceful relations between nations (Article 26) and to transfer sovereign power to international organisations (Article 24), pursuing a multilateral approach, which aims to shape and “civilise international relations through a binding framework of law and regulations” (Maull, 2014). In that respect, the Federal Foreign Office declares that “Germany’s foreign policy is value-oriented and interest-led. Its foreign policy agenda revolves around Europe, the transatlantic partnership, working for peace, new players and managing globalisation”<sup>142</sup>.

However, German support for multilateral approach also serves the material interests of its export-oriented nature. The country benefits economically, as well as geopolitically, from the integration of new candidates into multilateral Western institutions, and German approach of democracy promotion “responds to economic considerations related to German trade and investment” (Wolff, 2013). The federal country is a big beneficiary of the free global market, its economic development in a globalised era has made Germany’s economy increasingly dependent on exports, and thus determining the economic nature of its foreign policy goals. In this sense, Germany can now be best described as a “geo-economic power” meaning that it uses the “method of commerce” as the main tool in international relations, or in Edward Luttwak’s words, the main tool in the “logic of conflict” rather than military methods<sup>143</sup>. The use of economic power rather than military power for its influence is what defines the paradigm of geo-economics and also, according to the geo-economic view, German foreign policy directions. The relationship between state and business is determinant for a geo-economic power, and undeniably over the last decade in Germany, business has exerted increasingly significance influence on foreign policy.

Szabo describes geo-economics as a form of realism, which gives priority to the national economic interest over other political or social considerations, thus defining it

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<sup>141</sup> Bundesministerium der Justiz und für Verbraucherschutz, [https://www.gesetze-im-internet.de/englisch\\_gg/englisch\\_gg.html](https://www.gesetze-im-internet.de/englisch_gg/englisch_gg.html)

<sup>142</sup> Federal Foreign Office Statement quoted by Chernov, J., *Is Germany’s Foreign Policy in the Need of an Extreme Makeover?* The Huffington Post, 2014

<sup>143</sup> Kundnani, H., *Germany as a Geo-economic Power*, The Washington Quarterly, 2011



as the ultimate goal of states' foreign policy<sup>144</sup>. As recognised by Luttwak, the XX century has been characterised by the shift from geopolitics to geo-economics in the system of international relations and this aspect of foreign policy, according to Szabo, will only increase in future. The author depicts the model of German geo-economic foreign policy as mainly characterised by economic interest which prevail over human rights, democracy promotion and other non-economic interests, and as a foreign policy that uses economic power to coerce other states and relies on a selective multilateralism<sup>145</sup>. The opposition of German chancellor Schröder, in 2002, to the US plan for invading Iraq and the 2011 abstention from the United Nations Security Council vote on the Libya resolution driven by Westerwelle are example of the 'German way' or *Sonderweg*, and also an evident estrangement with the traditional multilateral approach. Hans Kundnani, who strongly believes that Germany is less constraint than it used to be and does not need multilateral institutions as happened in the past<sup>146</sup>, argues that Berlin uses multilateral approaches when it considers necessary, and acts bilaterally when it does not. In the light of this, it seems that Germany's *Westbindung* has been weakened since its implementation under the West German chancellor Konrad Adenauer.

The concept of *Westbindung*, already expounded in the historical chapter, refers to German integration into the European framework and into the military structure of the Western institutions. NATO membership was highly symbolic as it stood for Germany's decision to turn Westwards, more precisely towards the United States, thus sealing the German-American cooperation. Western integration has been at the basis of German foreign and security policy, and its attachment to Western institutions has reflected Germany's values and interests (Bozo, 2017).

The primacy of Western ties is counter-balanced by Germany's engagement with its Eastern neighbours, in particular with Russia. *Ostpolitik*, indeed, is one of the key tenets of German foreign policy, together with transatlanticism, European integration, multilateralism, respect for human rights and democracy promotion and rejection of

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<sup>144</sup> Szabo, S. F., *Germany, Russia, and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>145</sup> *Ibid.*

<sup>146</sup> Kundnani, H., *Germany as a Geo-economic Power*, *The Washington Quarterly* 34: 3, 2011, pp. 31-45

war<sup>147</sup>. Initially developed by Willy Brandt to improve relations with the East, and revisited few times throughout the years, the policy of *Ostpolitik* has represented Germany's cooperative approach towards Russia until present.

Both foreign policy approaches, *Westbindung* and *Ostpolitik*, are part of the same strategic culture that characterised Germany since the Cold War. As highlighted by Szabo, Germany learned from its experiences that dialogue, diplomacy, multilateralism and mutual trust are the best approach for dealing with both opponents, the US and Russia; and willing to maintain a balancing position between the two, Germany has always sought to mediate between East and West by relying on soft power and supporting one side without 'harming' the other. Example of this multilateral approach in past is Kohl's decision to support NATO enlargement in the 1990s, on the condition that Russia would be involved through the NATO-Russia council.<sup>148</sup>

### **Germany's Russia policy**

The policy of engagement and cooperation with Moscow known as *Ostpolitik* was based on the idea that economic cooperation would have prompted positive effects on Russia's domestic political and economical developments. The *Wandel durch Annäherung*, or change through rapprochement, became official as the *Neue Ostpolitik* when Brandt became chancellor and the new Eastern policy was considered a necessary step for developing a sovereign German foreign policy and expanding its scope<sup>149</sup>. Even after the country's reunification, this policy was used as a tool of foreign policy to cooperate with Moscow and improve their strategic understanding. Today, three years after the Ukrainian crisis, the word *Ostpolitik* echoes within the German-Russian debates.

German efforts to engage with Moscow further intensified after 1998 under Schröder's administration that placed Russia policy at the top of German foreign agenda, given rise to concern about a 'Russia first policy' to the detriment of

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<sup>147</sup> Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukrainian Crisis: A New Ostpolitik?*, *Europe-Asia Studies*, 68:4, 2016, pp. 665-677

<sup>148</sup> Szabo, S. F., *Germany, Russia, and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

<sup>149</sup> Meister, S., *Reframing Germany's Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecfre.eu

transatlantic ties<sup>150</sup>. Personal contacts with the Russian president contributed to the prioritization of the ‘Russia first policy’ and the pursuit of German *Sonderweg*, which became evident with chancellor’s opposition to the US invasion of Iraq, was a clear sign of Germany’s inclination towards East.

The principle of ‘change through rapprochement’ during Schröder’s chancellorship was developed into ‘change through economic interlocking’ as the social democrat pushed for stronger ties with Moscow, declaring that strong economic relations with Russia would have led to transformation of Russian societal situation (Kundnani, 2015). The personal and economic dimensions added to *Ostpolitik* by Schröder improved political relations and reciprocal understanding between the two countries, and responded to the commercial needs of Germany. Great emphasis was placed on the economic interests of the German economy in search of new potential markets and stable flows of energy supply and therefore, as claimed by Kundnani, the slogan *Wandel durch Handel*, or ‘change through trade’, became a justification for any business as usual under almost any circumstances<sup>151</sup>. Despite the internal and external criticism of Germany’s Russia policy under Schröder, the chancellor signed a number of bilateral agreements of strategic importance with the Kremlin, among which the most relevant for the purpose of this work is the signing of the Nord Stream project.

The 2005 change in German government coalition did not profoundly alter the key principles of *Ostpolitik*, which logic continued to be the main approach for cooperation with the Russian Federation, rather it only brought more sober and critical tone from the side of the new chancellor, Angela Merkel willing to put more emphasis on the human rights dimension in German policy and on the interests of Central European NATO members. The idea of economic interlocking was maintained during her first term in office, and one of the reason for such continuity was the presence of Frank-Walter Steinmeier as Foreign Minister. The social democrat Steinmeier occupied the seat of vice chancellor during the former chancellorship and was a strong supporter of *Ostpolitik* as well as one of the designer of Schröder’s Russia policy. In 2008, he launched the previously mentioned Partnership for Modernisation reflecting the core

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<sup>150</sup> Adomeit, H., *German-Russian Relations Balance Sheet since 2000 and Perspective until 2025*, Etude Prospective & Strategique, IFRI, 2012

<sup>151</sup> Kundnani, H., *The German Paradox*, Oxford University Press, 2015

idea of the new Eastern policy, and the same approach, even though with less emphasis, was confirmed also by his successor, Guido Westerwelle. Despite the new Foreign Minister was less engaged in Germany's Russia policy, he emphasised the need for close economic networks in order to overcome remaining divisions (Szabo, 2015). By advocating the policy of 'change through trade'<sup>152</sup>, the new German coalition proved to be willing to support Russian efforts towards modernisation and thus, to promote German economic interest, but mainly focusing on human rights situation, democracy promotion and on strengthening the rule of law. As Medvedev was elected president in 2008, German chancellor intensified her relations with the new Kremlin's administration in light of Medvedev's commitment to modernise and democratise his country. The Christian Democratic-Liberal government (2009-2013) indeed continued to support the economic cooperation, despite a 'Russia first policy' did not constitute a priority for the new German chancellor, during whose coalition the labels 'special' and 'strategic partnership' were not used and Russia was only regarded as "an important partner for overcoming regional and global challenges"<sup>153</sup>. The Modernisation Partnership did not disappeared but rather, it became a foreign policy tool within the framework of the *Ostpolitik* strategy, used to bridge the values and interests approach by relying on the concept of modernisation through interdependence, which "assumes that Russia cannot be changed through pressure from the outside but only through continual and nonthreatening interaction and interdependence, which will lead to change from within"<sup>154</sup>.

As demonstrated by Russian negative domestic developments since Putin's return to presidency in 2012, German policy of 'change through rapprochement' did not produced the expected effects, moreover the Modernisation Partnership resulted in an increasing of bilateral misunderstandings between Germany and Russia. According to Meister, the two partners had different views on the cooperation as they "were speaking about the same topics but had diverging interests and priorities". If Germany was using the economic and energy interdependence to seek political and economic change in

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<sup>152</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, International Affairs 92: 1, 2016, pp. 21-42

<sup>153</sup> Wachstum. Bildung. Zusammenhalt. Koalitionsvertrag zwischen CDU, CSU und FDP 17. Legislaturperiode in Meister, S., *Reframing Germany's Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecf.eu

<sup>154</sup> Szabo, S. F., *Germany, Russia, and the Rise of Geo-Economics*, Bloomsbury, New York, 2014

Russia, the latter was primarily focused in technology and know-how transfer. The return of Putin as president, the lack of progress in human rights situation, of democracy and transparency, the growing corruption, and especially the lack of reciprocity on Moscow side made the “Germany’s idealistic Russia not compatible with Putin’s realpolitik”<sup>155</sup>, and paved the way for an escalating deterioration of their bilateral relations since the Georgian War, thus indicating a plausible shift in German foreign policy towards Russia which presumably culminated with the crisis in Ukraine.

### *Nord Stream and the energy variable*

The energy cooperation between Berlin and Moscow is at the core of their special relationship. Germany needs Russian energy as much as Russia needs Germany’s market, thus resulting in a logic interdependence. Direct instruments of energy cooperation are the pipelines, which assume a strong geopolitical implication already starting from the initial phase of their design and once they are constructed, they become an influential tool of political pressure in the hand of states.

The most symbolic energy agreement between Germany and Russia has been that of the Nord Stream project for the construction of a gas pipeline that directly connects the two countries through the Baltic Sea. Already in 1997, a first draft of a north gas pipeline route from Russia to northern Germany was drawn by Russia’s Gazprom and its then Finnish partner Neste, but it was only in September 2005 that the North European Gas Pipeline project was agreed and approved. In December 2005, the construction of the Russian onshore section of the pipeline began, and one year later the entire enterprise was renamed Nord Stream. The project was the result of a German-Russian joint venture, today known as Nord Stream AG, an energy cooperation between Gazprom, the German companies E.ON Ruhrgas and BASF/Wintershall and the N.V. Nederlandse Gasunie, that was greatly welcomed by the German and Russian government. Putin and Schröder, in fact, had been both proponents of the project and furthermore, former German chancellor Schröder has been the chairman of Nord Stream AG since 2006.

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<sup>155</sup> Meister, S., *Reframing Germany’s Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecf.eu

Composed of two pipeline lines, which construction started in 2010 and entirely completed in 2012, Nord Stream is long 1,224 kilometres running from Vyborg to Lubmin, and has an annual capacity of 55 billion cubic meter (bcm) with an estimated lifetime of 50 years<sup>156</sup>. It allows Russia to supply natural gas directly to Germany while bypassing Estonia, Latvia, Lithuania and Poland, and traversing five countries<sup>157</sup>. As being the most direct connection between Russian gas reserves and European energy market, it symbolises the integrated energy trade between Berlin and Moscow.

Germany benefits from Nord Stream in different ways: bypassing the Baltics and Poland, the pipeline constitutes a new channel for energy import that minimises the sovereign risk of cross-border projects, it reduces the cost of transportation, and its transport capacity guarantees direct energy supply to the country, meeting a quarter of additional import needs of Europe (Nord Stream, 2008). Berlin “needs to import nearly 90% of the gas it consumes” declared Amelang with reference to 2014 Energy Study issued by the German Federal Institute for Geosciences and Natural Resources (BGR). In 2012, according to International Energy Agency (IEA) data, Germany imported 85.9% of natural gas, which demand corresponded to 87.2 bcm a year<sup>158</sup>. In 2013, Germany consumed 91 bcm of natural gas, 39% of which coming from Russia and imported by pipeline<sup>159</sup>.

Having recognised the strategic importance of Nord Stream cooperation for both sides, and also taking into consideration that the basic agreement was signed under the Schröder’s administration, it becomes unquestionable the primacy of economic interests in the then Germany’s Russia policy. One of the major points of Schröder’s Nord Stream policy was that the project would bring Russia closer to Europe, and the EU-Russia relations could certainly benefit from that. Another focal point for supporting the joint venture was that the pipeline would secure the increasing demand for natural gas in Europe by passing those politically unstable transit countries like Ukraine and Belarus.

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<sup>156</sup> "Nord Stream - The New Gas Supply Route for Europe." Nord Stream AG <http://www.nord-stream.com/>

<sup>157</sup> Kornfeld, I., *The Marriage of Russian Gas and Germany’s Energy Needs*, Journal of Energy and Environmental Law, 2012

<sup>158</sup> Germany Energy Supply Security 2014, [http://www.iea.org/media/freepublications/security/EnergySupplySecurity2014\\_Germany.pdf](http://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_Germany.pdf)

<sup>159</sup> Amelang, S., *Germany’s dependence on imported fossil fuels*, Clean Energy Wire, 2015 <https://www.cleanenergywire.org/factsheets/germanys-dependence-imported-fossil-fuels>

The Nord Stream project, according to Kramer, was part of a political pattern designed by Schröder while he was still in office, in order to secure the primacy of German business interests “ahead of all other issues when dealing with Russia”<sup>160</sup>. The pipeline design, indeed, was developed prior to the signing of the basic agreement; in 2005, the deal was closed for € 4 billion, € 1 billion of which was personally guaranteed by the German chancellor; and few weeks after the social democrat left the German chancellery, while Gazprom offered him the position of chairman of Nord Stream AG shareholders committee<sup>161</sup>. These events and circumstances have demonstrated that politics played a huge role in the planning and preconstruction process of the gas pipeline.

The project had been highly criticised by Germany’s and Russia’s neighbours in view of environmental, political and energy security concerns. Poland accused Germany of doing its own business without considering Eastern European interests and blamed Berlin to make Germany and Europe more dependent on Russian supplies<sup>162</sup>. The Baltics complained that the project would have denied them transit fees as well as threaten Europe, given Russia’s reliability, and repeatedly linked the pipeline venture to the World War II events<sup>163</sup>. Sweden was concerned about the offshore platform close to its borders which could favour for intelligence and military operations. Overall, the main common political concern regarded Germany’s further dependency on Russia, an argument which had been addressed by German government by arguing that the dependence is not a one-side one but it is a mutual dependence, or an interdependence<sup>164</sup>. In Whist’s analysis of the political debates around Nord Stream, the concept of interdependence is described as a normative argument used in Germany’s Nord Stream policy.

“Interdependence fosters peace” states Whist, who defines the normative aspect of interdependence by arguing that “mutually beneficial exchange – trade – creates

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<sup>160</sup> Kramer in Kornfeld, I., *The Marriage of Russian Gas and Germany’s Energy Needs*, Journal of Energy and Environmental Law, 2012

<sup>161</sup> *Ibid.*

<sup>162</sup> Dempsey, J., *Construction of Contentious Nord Stream Gas Line to Begin*, The New York Times, April 2010

<sup>163</sup> Svyatets, E., *Energy Security and Cooperation in Eurasia: Power, Profits and Politics*, Routledge, New York, 2016

<sup>164</sup> Whist, S. B., *Nord Stream: Not Just a Pipeline*, Fridtjof Nansen Institute, November 2008

condition in which conflict becomes less likely because the parties involved gain more from the commerce than from any potential hostilities”<sup>165</sup>. This idea has been at the core of Germany’s foreign policy especially in regard to economic and energy relations with Russia, recalling the well known *Ostpolitik*. The idea that Nord Stream project serves this purpose was mentioned by foreign minister Steinmeir, who believed that deepening energy and trade relations with Moscow meant to ensure good relations, and according to this view the undersea pipeline has represented a milestone comparable to the European Coal and Steel Community (Sven Hirdman, former Swedish ambassador to Russia)<sup>166</sup>.

Despite the sharp criticism coming from Central and Eastern Europe, in particular from the then Polish defence minister who compared Nord Stream to the 1939 Nazi-Soviet pact by calling it “the Molotov-Ribbentrop pipeline”, the energy-based Germany’s Russia policy did not undergo any critical change even when Merkel took over the chancellery. During the first meeting with the then Russian president, Medvedev, she regarded Nord Stream as “strategically important for the whole Europe”, and renewed German government’s support for the project.

Whist accounts the reasons for continuity in Germany’s policy towards Moscow in spite of the change in German government coalition by adducing Germany’s energy dependence on Russian gas, which he considers unlikely to change in the future<sup>167</sup>. The energy sector is the key shared interest between Germany and Russia, and Nord Stream is the largest project that mutually benefit both countries, reason for which the relationship has not changed. A second reason is the presence of a strong energy lobby in Germany with interest in doing business in and with the Russian Federation. As mentioned several times in this study, pro-Russian business lobby has huge influence on Germany’s foreign policy directions, which is something that then new appointed chancellor, Angela Merkel, could not ignore.

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<sup>165</sup> *Ibid.*

<sup>166</sup> *Ibid.*

<sup>167</sup> *Ibid.*



### *Georgian conflict*

The first serious challenge faced by Merkel's foreign policy occurred in 2008 in conjunction with the five days war in Caucasus, which shattered relations between Germany and Russia and raised disagreements within the EU.

Prior to the Georgian crisis, Germany's relations with Russia were characterised by high interdependence and high reciprocal engagement. As emerged from macroeconomic indicators, the annual growth of German-Russian trade reached the peak of 67 billion dollars in 2008<sup>168</sup>, with German imports from Russia accounting for 26.6 billion dollars, namely 2.6% of country's total imports in 2008<sup>169</sup>, whereas the value of German exports to Russia reached 42.8 billion dollars (3.1% of its total exports)<sup>170</sup>. The role of private actors was crucial above all in the energy sector, where "energy companies has to become one of the central instruments of energy policy"<sup>171</sup>. As pointed out by the Foreign Ministry in February 2008 during the speech on European Energy and Security Relations<sup>172</sup>, Russia at that time was already become "an energy giant", especially "for Germany and Europe, Russia is one of our leading oil and gas suppliers" and "there is no other way to ensure interdependency than on the one hand to involve Russia in the ongoing international dialogue on energy security as well as the equally important dialogue on climate change."<sup>173</sup> Maintaining stable cooperation with Russia was among the main interests of German government in order to guarantee the stability order in Europe. In this regard, indeed, Günter Gloser in 2008 declared that good relations with the Russian counterpart are a prerogative: "*Ohne gute Beziehungen*

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<sup>168</sup> President of Russia, Press Conference, 31.09.2009

<http://en.kremlin.ru/events/president/transcripts/48398>

OEC Trade Balance <http://atlas.media.mit.edu/en/visualize/line/hs92/show/deu/rus/all/1995.2015/>

<sup>169</sup> OEC Exports destinations of Germany

[http://atlas.media.mit.edu/it/visualize/tree\\_map/hs92/import/deu/show/all/2008/](http://atlas.media.mit.edu/it/visualize/tree_map/hs92/import/deu/show/all/2008/)

<sup>170</sup> OEC Import origins of Germany

[http://atlas.media.mit.edu/it/visualize/tree\\_map/hs92/export/deu/show/all/2008/](http://atlas.media.mit.edu/it/visualize/tree_map/hs92/export/deu/show/all/2008/)

<sup>171</sup> Sander, M., *A Strategic Relationship? The German Policy of Energy Security within the EU and the Importance of Russia* in Annen, N., *Fearing a Weak, Embracing a Strong Russia*, Brussels Forum Paper Series, 2009

<sup>172</sup> Federal Foreign Ministry, Speech on Energy Security

<http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2008/080201-Erler-IFRI-Europa-Energie.html>

<sup>173</sup> *Ibid.*

*zu Russland können wir unser Ziel eines gesamteuropäischen Raums der Stabilität nicht erreichen.”*<sup>174</sup>

In August 2008, an armed conflict between Russia and Georgia broke out on the Georgian breakaway regions of South Ossetia and Abkhazia, which had been occupied by the Russian Federation and subsequently declared themselves independent from Georgia. After the brokered ceasefire, their independence have been recognised by Russia, referring to the two republics as part of Moscow’s “zone of privileged interests” (Cohen & Hamilton, 2011). While seeking international recognition, the new Republics of South Ossetia and Abkhazia have been officially considered by Georgia as sovereign Georgian territories under the Russian military occupation.

The reasons behind Russian military intervention in Caucasus are multiple and mainly related to highly valued strategic and geopolitical objectives, as declared by Cohen and Hamilton<sup>175</sup>. First of all, the roots of the ethno-political conflicts in the Caucasian region are linked to the Soviet period and to the collapse of communist regimes after 1989. For this reason, Professor Charles King from Georgetown University, used the expression “the war of the Soviet succession.”<sup>176</sup> Both regions, South Ossetia and Abkhazia, have been the ground for ethnic conflicts and violent tensions between the Georgian government and the ethnic groups during the 1990s, sometimes evolving also into secessionist wars, which resolutions and ceasefires did not prevent small scale violence from happening the following years. At the official level there were not contacts, therefore negotiations came to a stalemate and this lack of dynamics allowed conflicts to be labeled as frozen. When Saakashvili came to power, his intention was to restore Georgia’s control over all the territory. Weakening Saakashvili regime was one of Russia’s geopolitical purposes behind the military campaign, together with the prevention of NATO enlargement in the region.

In 2008 in response to the NATO Bucharest Summit Declaration, Russia strengthened its ties with the two Georgia’s secessionist regions and the usual low-

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<sup>174</sup> “Without good relations with Russia, we cannot achieve our goal of a pan European stability”  
Federal Foreign Office, Speech, 04.04.2008

<http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2008/080402-GloserStockholm.html>

<sup>175</sup> Cohen, A. & Hamilton, R. E., *The Russian Military Intervention and the Georgia War: Lessons and Implications*, Strategic Studies Institut, June 2011

<sup>176</sup> King, C., *The benefits of ethnic war: Understanding Eurasia’s unrecognized states*, World Politics 53: 4, 2001

tensions came to a head once again. Georgian armed forces initiated a large-scale operation in South Ossetia, but after five days of fighting Russia pushed them back out of the region, destroying Georgia's military infrastructure and Georgian villages of South Ossetia. In the meantime, Abkhazia took advantage of the situation to take back those parts of its territory that had remained under control of the Georgian government since the end of the first conflict. The conflict thus escalated into a full-scale war between Georgia and Russia and ended through the mediation of the EU under the leadership of the French President Nicolas Sarkozy. The European brokered ceasefire was signed in Tbilisi and Moscow in August 2008. MacFarlane reports that the EU deployed a monitoring missions to Georgia with the aim to ensure that no further hostilities would come to a head, while Russia recognised the two secessionist regions and signed bilateral agreements allowing the establishment of military bases in their territories. The Russian Federation assumed control of the Abkhaz and Ossetian borders almost without consequences.

The brief Russo-Georgian war proved to Germany, and to the West in general, that Russia is a geopolitical power still able to change international borders by force, especially if its interests are threatened. Russia achieved its geopolitical goal of preventing NATO enlargement to the former Soviet territories, thus undermining their relationships with the US. In regard to Europe, Russia's military intervention "provoked an international crisis, triggering various diplomatic reactions from the European states, ranging between strong condemnations of Russia (...) and expression of general concern with the conflict escalation of even support of Russia"<sup>177</sup>. By adducing from Mouritzen and Wivel's analysis<sup>178</sup>, Larsen divides European reactions into three main categories: traditional, fervent and 'doves'. The latter is the approach used by Germany, based on the soft strategy of "binding Russia through socialising the country into European values" instead of harsh reactions which could have alienated Russia.<sup>179</sup> The balanced position of Germany was evident already before the outbreak of the war, when minister

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<sup>177</sup> Larsen, H. B. L., *The Russo-Georgian War and beyond: Towards a European Great Power Concert*, *European Security*, 21:1, 2012

<sup>178</sup> Mouritzen, H. & Wivel, A., *Explaining Foreign Policy: International Diplomacy and the Russo-Georgian War*, Lynne Rienner Publishers, 2012

<sup>179</sup> Larsen, H. B. L., *The Russo-Georgian War and beyond: Towards a European Great Power Concert*, *European Security*, 21:1, 2012

Steinmeier tried to implement preventive diplomacy by initiating a three-sided discussion between Russia, Georgia and Abkhazia. As reported by the Federal Foreign Office, on August 8, Steinmeier called on the parties to enter into a dialogue in order to avoid further escalation of violence<sup>180</sup>. German Foreign Minister's intent to play a constructive role in the crisis has to be understood within the framework of the new *Ostpolitik* that excluded a sharp confrontational rhetoric of condemnation. Indeed, his efforts to defuse the conflict in Georgia did not include anything more than bilateral talks urging the need for a de-escalation of the violence and the dispatching to Georgia of Deputy Director-General responsible for the Caucasus<sup>181</sup>.

The rejection of sanctions towards Russia was a clear statement made by the Foreign Minister Steinmeier who reiterated the importance for German policy of Georgia's territorial integrity, but simultaneously declared that freezing the dialogue with the Russian counterpart or suspending the EU-Russia Partnership and Cooperation Agreement would not have led to any conflict resolutions<sup>182</sup>. As a sign of non-abandoned cooperative approach, chancellor Merkel, who had been more critical towards Russia than Steinmeier, met with the then Russian president Dimitry Medvedev. During the talk, happened two days after her meeting with Saakashvili, she did not refrain from describing Russian actions as disproportionate and unreasonable<sup>183</sup>, also asserting that Russian troops should withdraw from central areas in Georgia<sup>184</sup>.

German government did support the French Presidency in its approach to end the hostilities in Caucasus, but it did not prevent criticism toward Germany for not having taken clear resolutions. The Franco-German reaction was criticised for being weak and cautious (Bowker, 2011), Germany was blamed for not having taken the immediate role of mediator and Merkel's approach was pointed out as "very careful", although understandable, by the German ambassador to Ukraine, Dietmar Stüdemann, who also

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<sup>180</sup> Federal Foreign Office, Press Releases, 08.08.2008

<http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2008/080808-suedossetien-bm.html>

<sup>181</sup> Federal Foreign Office, Press Releases, 10.08.2008

<http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2008/080810-BM-Telefonate-GEO.html>

<sup>182</sup> Larsen, H. B. L., *The Russo-Georgian War and beyond: Towards a European Great Power Concert*, European Security, 21:1, 2012

<sup>183</sup> *Merkel, Medvedev Clash Over Russia's War in Sochi Talks*, Deutsche Welle, 15 August 2008

<http://www.dw.com/en/merkel-medvedev-clash-over-russias-war-in-sochi-talks/a-3567243>

<sup>184</sup> Beste, R., Feldenkirchen, M. & Szandar, A., *Merkel's Most Serious Foreign Policy Crisis*, Spiegel online, 2008 <http://www.spiegel.de/international/world/germany-and-the-caucasus-conflict-merkel-s-most-serious-foreign-policy-crisis-a-572726.html>

added that the crisis in Georgia is a lesson for the whole Europe, and that “they (Europeans) must become involved from the beginning and not leave it up to the regional powers”<sup>185</sup>. In spite of criticism, acting cautiously and diplomatically while avoiding strong statements was considered the proper way to respond to Georgian crisis without ignoring Russia’s responsibilities in the conflict, nor undermining bilateral relations with the Kremlin. In 2008, Germany’s foreign policy was highly orientated to maintain a stable cooperation with Russia, given priority to its economic interests<sup>186</sup>. The global economic and financial crisis, the upcoming construction of Nord Stream pipeline and the aggressive stance of Russia in 2007 Munich Speech on security in Europe had substantial weight in Germany’s foreign policy direction: at that time, strong reactions or implementation of sanctions would have risked a further alienation of Russia as a strategic partner, which had already displayed feelings of marginalisation. Therefore, as Larsen explains “Germany sought to uphold the diplomatic course to avoid derailing the Russia-EU/NATO relations into ‘obsolete’ power rivalry for sphere of influence and to ensure Russia’s continued binding to Europe.”<sup>187</sup> Ultimately, in fact, the main ‘punishment’ for Russian military intervention and recognition of Georgia’s breakaway republics was a short suspension of the NATO-Russia Council, whereas shortly after the ceasefire implementation, the re-engagement with Russia was pursued and negotiations re-launched<sup>188</sup>, thus coming back to business as usual (Adomeit, 2010) without any change in foreign policies. Germany, as well as other great powers, were not willing to sacrifice their long-term relations with Russia over Georgia, thus demonstrating Larsen’s argument that “‘great power concerts’ perspective offers the best understanding of the European pattern towards Russia”.

Regardless of the widespread concerns emerged out of the events in Georgia, they did not have the same impact on the relations between Germany and Russia, as mentioned above. From the point of view of the institutional commitment aimed at maintaining cooperative relations between the two countries, the protraction of the

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<sup>185</sup> Dempsey, J., *Merkel and Georgia: The Pressure’s on her*, The New York Times, August 2008  
[http://www.nytimes.com/2008/08/20/world/europe/20iht-letter.1.15461074.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2008/08/20/world/europe/20iht-letter.1.15461074.html?pagewanted=all&_r=0)

<sup>186</sup> Federal Foreign Office, Interview, 2008 in Larsen, H. B. L., *The Russo-Georgian War and beyond: Towards a European Great Power Concert*, European Security, 21:1, 2012

<sup>187</sup> Larsen, H. B. L., *The Russo-Georgian War and beyond: Towards a European Great Power Concert*, European Security, 21:1, 2012

<sup>188</sup> *Ibid.*

Modernisation Partnership and the efforts to collaborate together in the security field by cooperating in the disarmament initiative in Pochep<sup>189</sup> and by signing the Meseberg Memorandum in 2010 proved that the German willing and purpose to maintain a stable cooperation with Russia have not been profoundly undermined by the Georgian crisis, following the path traced in the previous years by the agreement on the Nord Stream Pipeline. The economic indicators concerning their imports and exports, indeed, confirm this trend, emphasising Russia's role as indispensable energy partner for Germany, as demonstrated by the value of imports coming from Russia between 2009 and 2011 period, which was on a constant rise (2.0% in 2009, 2.6% in 2011)<sup>190</sup>.

German commitment to European values on the one side, and the adoption of a soft reaction towards Russia on the other, are part of the same strategic perspective of that Germany's *Sonderweg* which combines elements of both civilian and geoeconomic power. Larsen uses the expression 'flexible model' to describe this potentially conflicting German way, which tends towards "acting in great power concert to address urgent needs or in the case of Russia even to assume independent role as a pragmatic bridge builder", "as long as it does not mean deviating radically from the original European project".<sup>191</sup>

### *Ukraine crisis*

The outbreak of the crisis in Ukraine has been described as "the most severe confrontation in relations between Russia and the West since the Cold War" by Forsberg, and as a major international crisis on which Germany has taken the lead demonstrating the strength of its foreign policy, referring to its use of economic power and diplomacy, by Ulrich Speck.

From the Georgian events to the Ukraine crisis, bilateral relations between the two countries enter a period of tensions, powered also by the Russian domestic

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<sup>189</sup> Federal Foreign Ministry, Press Releases, 22.06.2009  
<http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2009/090622-abruetzungszusRUS.html>

<sup>190</sup> OEC Exports destinations of Germany  
[http://atlas.media.mit.edu/en/visualize/tree\\_map/hs92/import/deu/show/all/2008/](http://atlas.media.mit.edu/en/visualize/tree_map/hs92/import/deu/show/all/2008/)

<sup>191</sup> *Ibid.*

developments. In 2012 in view of the presidential elections, German Coordinator of German-Russian Intersocietal Cooperation, Andreas Schockenhoff, expressed his concern about harassment of GOLOS, the Russian independent association for protection of voters' rights: "Free and independent election observation is one of the core elements of European and international democratic standards. Russia is obliged to uphold these standards by its membership of international organizations such as the OSCE and the Council of Europe."<sup>192</sup> In the list of German concerns, respect for political rights has been followed by respect of civil and human rights, which has been threatened by the implementation of laws against the "spread propaganda promoting male and female homosexuality, bisexuality and transgenderism among minors"<sup>193</sup>. Markus Löning, Federal Government Commissioner for Human Rights Policy and Humanitarian Aid, declared that "the legislature's bill contravenes the European Convention on Human Rights"<sup>194</sup>. In October 2012, he expressed again the German grave concern by anti-gay legislation and urged "Russian authorities to repeal the laws that contravene the Human Rights Convention without delay"<sup>195</sup> and emphasised his disappointment for the adoption of the high treason law in Russia by stating that "the deterioration of the human rights situation in Russia is evident. I am deeply concerned that Russia is moving in a direction which we, as democrats, cannot tolerate."<sup>196</sup> Violations of human rights played a huge role in the deterioration of German-Russian relations as for Germany human rights are "universal, inalienable and indivisible", as declared in November 2012 Foreign Minister Westerwelle: "our guiding principle here, enshrined in our Basic Law, is that human dignity is inviolable."<sup>197</sup>

The lack of results from the Modernisation Partnership was also exacerbated by the introduction of the "Foreign Agents"<sup>198</sup> law by the Russian Federation criticised by

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<sup>192</sup> Federal Foreign Office, Press Releases, 26.01.2012 [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/120126-Ko\\_RUS\\_Wahlen.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/120126-Ko_RUS_Wahlen.html)

<sup>193</sup> Federal Foreign Office, Press Releases, 09.02.2012  
[http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/120209\\_MRHH\\_RUS.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/120209_MRHH_RUS.html)

<sup>194</sup> *Ibid.*

<sup>195</sup> Federal Foreign Office, Press Releases, 26.10.2012  
[http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121026-MRHHB\\_Minderheiten.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121026-MRHHB_Minderheiten.html)

<sup>196</sup> Federal Foreign Office, Press Releases, 31.10.2012  
[http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121031-MRHH\\_RUS.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121031-MRHH_RUS.html)

<sup>197</sup> Federal Foreign Office, Press Releases, 13.11.2012  
[http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121113-BM\\_MRR.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2012/121113-BM_MRR.html)

<sup>198</sup> The law requires independent groups and NGOs to register as "foreign agents" if they receive even a minimal amount of foreign funds and engage in political activities.



Löning for cutting NGOs off “from their ties to international human rights organisations and leaving them isolated”<sup>199</sup>. Andreas Schockenhoff warned Russia that “the new restrictions also put at risk the Modernization Partnerships both Germany and the EU have agreed with Russia. For Germany this is particularly the case, given our extraordinarily dense network of ties with Russian civil society”<sup>200</sup>.

Nevertheless, ‘cooperation’ and ‘exchange’ with Russia still remained in German interests in 2012 as clearly stated by the Minister of State, Cornelia Pieper, at the opening of German year in Russia, which slogan was “Germany and Russia – shaping the future together”. “We want to expand and strengthen the relations between Germany and Russia. The projects, which have been jointly conceived by Russian and German partners, place a high value on “cooperation” and “exchange”. Working together on a project encourages the partners to get to know each other better and also promotes understanding for the other partner’s point of view” declared Pieper<sup>201</sup>. In the following month, Foreign Minister Westerwelle commented Russia’s accession on WTO defining it a “key milestone” and declaring that “new perspectives will also open up for German companies and German-Russian trade.”<sup>202</sup> Emphasis on German-Russian cooperation was put by Westerwelle also in 2013, before the escalation of events in Ukraine. In April, during the German-Russian NGO conference, he reiterated the importance of German-Russian collaboration for European peace and stability on the basis of freedom, democracy and rule of law by emphasising the role of economic exchange, which “trade volume reached a record of more than 80 billion euros”<sup>203</sup> and also agreed with his counterpart Lavrov to widen the scope of topics within the Modernisation Partnership as a proof of common will to keep the dialogue open. At the 20<sup>th</sup> anniversary of German-Russian Forum in May 2013, Westerwelle underlined the importance of Russia as

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<sup>199</sup> Federal Foreign Office, Press Releases, 13.07.2012

[http://www.auswaertiges-  
amt.de/EN/Infoservice/Presse/Meldungen/2012/120713\\_MRHHB\\_NGO\\_Gesetz\\_Russland.html](http://www.auswaertiges-<br/>amt.de/EN/Infoservice/Presse/Meldungen/2012/120713_MRHHB_NGO_Gesetz_Russland.html)

<sup>200</sup> Federal Foreign Office, 06.07.2012

[http://www.auswaertiges-  
amt.de/EN/Infoservice/Presse/Meldungen/2012/120706\\_KO\\_RUS\\_NGO\\_Gesetz.html](http://www.auswaertiges-<br/>amt.de/EN/Infoservice/Presse/Meldungen/2012/120706_KO_RUS_NGO_Gesetz.html)

<sup>201</sup> Federal Foreign Office, 19.06.2012

[http://www.auswaertiges-  
amt.de/EN/Infoservice/Presse/Meldungen/2012/120619-D\\_Jahr\\_RUS.html](http://www.auswaertiges-<br/>amt.de/EN/Infoservice/Presse/Meldungen/2012/120619-D_Jahr_RUS.html)

<sup>202</sup> Federal Foreign Office, Press Releases, 11.07.2012

[http://www.auswaertiges-  
amt.de/EN/Infoservice/Presse/Meldungen/2012/120711\\_BM\\_Russland\\_WTO.html](http://www.auswaertiges-<br/>amt.de/EN/Infoservice/Presse/Meldungen/2012/120711_BM_Russland_WTO.html)

<sup>203</sup> Federal Foreign Office, Speeches, 25.04.2013

[http://www.auswaertiges-  
amt.de/EN/Infoservice/Presse/Reden/2013/130425-  
BM\\_R\\_RUS\\_NGO\\_Konf.html](http://www.auswaertiges-<br/>amt.de/EN/Infoservice/Presse/Reden/2013/130425-<br/>BM_R_RUS_NGO_Konf.html)



strategic partner for Germany, as they can “help ensure Europe to become a continent with close social and economic networks”<sup>204</sup> and furthermore, he declared that “Germany and Russia are holding an open dialogue in a spirit of partnership”<sup>205</sup>. On the occasion, German Foreign Minister also provided a definition of the already well known label ‘special relations’: “What makes German-Russian relations special is what we share: our shared history, our shared culture, shared interests and also shared challenges. In our world of change, we will only thrive if we maintain close networks. For Germany as a major exporter, these networks are especially important.”<sup>206</sup>

The escalation of the events started in 2013 with the refusal of Ukrainian President Viktor Yanukovich to sign the Association Agreement and the Deep and Comprehensive Free Trade Agreement (DCFTA), thus dropping negotiations with the EU. This led to Euromaidan protests that eventually evolved into a revolution and resulted in a new interim government installed in Kiev (Hyde-Price, 2015). The pro-Euro protests on Maidan square in Kiev were calling for the signing of EU association agreement and the step down of President Yanukovich, who was heavily supported by the Russian Federation. As violence escalated into clashes with riot police, the Weimer Triangle, formed by the Foreign Ministers of Germany, France and Poland, flew to Kiev to negotiate an agreement, which resulted in the announcement of new presidential elections at the end of 2014 and in the ousting of President Yanukovich. Having perceived West’s intervention as a violation of its sphere of privileged interests, the strong reaction of the Kremlin culminated with the annexation of Crimea, a southern region of Ukraine where an armed secessionist movement emerged right after the ouster of Yanukovich. Furthermore, Russia has been supporting the armed pro-Russia groups in eastern Ukraine that were seeking to create the semi-autonomist regions of Donetsk and Lugansk.

Germany’s reaction to the events in Ukraine has followed the multilateral approach pushing for a joint Western position by advocating European unitary stance and coordinating responses with the United States. German government strongly reacted to

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<sup>204</sup> [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2013/130515-BM\\_Forum.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2013/130515-BM_Forum.html)

<sup>205</sup> *Ibid.*

<sup>206</sup> *Ibid.*

Russian aggression of Crimea and its annexation, defining it as an unacceptable intervention that violated international law and the 1994 Budapest Memorandum, in which Russia pledged to respect Ukraine's independence and sovereignty in its existing borders<sup>207</sup>. The Berlin-led strategy, as defined by Speck, was to avoid military confrontation and bring the conflict to the diplomatic and economic levels<sup>208</sup>.

The approach of German chancellor relied on diplomacy, in particular to the “power of long-term diplomatic efforts”, and ruled out the use of military force to solve the crisis, thus opposing the rearmament of Ukraine with NATO military equipment. Angela Merkel, initially, used the strategy of diplomatic engagement with Putin through regular telephone calls, such as the phone talk on February 23 to agree on preserving Ukraine's territorial integrity, and the call on February 28, when Putin declared again that no Russian troops were active in Crimea<sup>209</sup>; through talks and meetings, as in the case of the Weimar triangle, to push for negotiations with Ukrainian and Western leaders or in the case of her failed attempt to persuade the Russian President to rescind the referendum in Crimea; she was also the lead negotiator in the two Mins ceasefire agreements. The primary goal of the diplomatic effort, as pointed out by Ulrich Speck, was to “bring Russia and Ukraine to the negotiating table” in order to resolve the international crisis.

The German led-diplomatic effort aimed at broker a solution to the Ukrainian crisis did not prevent Russia from annexing Crimea and despite the initial reluctance of some EU leaders, in July 2014 the so-called tier-three sanctions were agreed and imposed. As the chancellor stressed in her speech at the US Chamber of Commerce in Washington, “the option of resolving the crisis with Russia by means of dialogue is and remains on the table. If however, the situation in Ukraine is further destabilised then Europe, the United States and all partners will not hesitate to adopt further sanctions.”<sup>210</sup> The implementation of the three stages of sanctions, including travel bans, visa restrictions,

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<sup>207</sup> Budapest Memorandum on Security Assurances, 1994 <http://www.cfr.org/nonproliferation-arms-control-and-disarmament/budapest-memorandums-security-assurances-1994/p32484>

<sup>208</sup> Speck, U., *German Power and the Ukraine Conflict*, Carnegie Europe Article, March 2015 <http://carnegieeurope.eu/2015/03/26/german-power-and-ukraine-conflict-pub-59501>

<sup>209</sup> Rinke, A., *How Putin Lost Berlin. Moscow's annexation of Crimea has transformed Germany's Russia policy*, German Council on foreign Relations, IP Journal, 2014

<sup>210</sup> Angela Merkel, *Speech by Federal Chancellor Angela Merkel at the U.S. Chamber of Commerce in Washington on 2 May 2014*, Press and Information Office, 2014 [https://www.bundesregierung.de/Content/EN/Reden/2014/2014-05-12-us-handelskammer\\_en.html?nn=709674](https://www.bundesregierung.de/Content/EN/Reden/2014/2014-05-12-us-handelskammer_en.html?nn=709674)

asset freezes on Russian officials and economic measures, have been highly significant, because it proved to the Kremlin that the European Union was unified by having reached an internal common consensus in rejecting Russian aggression to Ukraine, and ready to act together also at the cost of undermining national economies.

Contrary to Georgian events of 2008, this time Germany reacted quite immediately. Although, it did not have a clear cut policy vis-à-vis Ukraine (Forsberg, 2016), German Government supported pro-EU protesters, which had been visited even by Foreign Minister Westerwelle, and as soon as the crisis escalated Germany took the role of mediator. The reasons for the leading role assumed by Germany in responding to the Ukraine crisis have been explained by Hyde-Price, who recognises four main points. First, the crisis had a strong international impact and represented a challenge to European security; therefore, Germany's central position in Europe, its growing economic and political power in the EU, and its special relations with Russia pushed Berlin to play a major role. Second, German interests had been put at stake more than any other European interests: the need for stable and open markets is linked to rule of law, functioning states and stable geopolitical order in its Eastern neighbourhood. Hence, German approach relied on support for Ukraine's sovereignty and Russia's condemnation, along with diplomatic engagement with Moscow. Third, German government strongly believed in the diplomatic solution of the crisis as demonstrated by Merkel's efforts to mediate between Moscow and Kiev such as the proposal of OSCE "fact finding" mission<sup>211</sup>. Also, Steinmeier, returned to the Foreign Office in 2013, played an important role in negotiations by advocating peaceful dialogue and brokering peace deal between the pro-West opposition and Yanukovich's supporters<sup>212</sup>. The final explanation regards the security dimension and the role of *Bundeswehr*. Hyde-Price puts the emphasis on the security challenge posed by the Ukraine crisis to Europe, which required a constructive multilateral approach. He recognises German approach of *Ostpolitik* as the best strategy in seeking to de-escalate the conflict as it combines deterrence with political dialogue.

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<sup>211</sup> Putin agrees to Ukraine "fact-finding" mission after talk with Merkel, Deutsche Welle, 2 March 2014 <http://www.dw.com/en/putin-agrees-to-ukraine-fact-finding-mission-after-talk-with-merkel/a-17468591>

<sup>212</sup> *Ibid.*

Germany's will to firmly react to Russia's aggressive attitude toward Ukraine was already evident in the first speeches released from the Federal Government members in the aftermath of the annexation of Crimean peninsula. In 2014, only one year after Westerwelle's speech at the 20<sup>th</sup> anniversary of German-Russian Forum, the new German Foreign Minister Steinmeier held a speech at the meeting of the Forum's Members by using different tones. The meeting took place right after the annexation of Crimea and the whole speech was focused at underlining the gravity of events and the need to contain the consequences of the breakdown. Although he reiterated the importance of German-Russian ties and the Forum's initiative throughout the years, he condemned Russia's actions by stating that "the attempt to redraw borders seven decades after the end of the Second World War is in violation of international law"<sup>213</sup>, and warned that "the political consequences have not yet fully emerged"<sup>214</sup> being at the stake the very key building block of foundation of European peace. Steinmeier assessed the German foreign policy position by claiming that "Sunday's referendum is not in line with the Ukrainian constitution, and that the active pursuit of Crimea's secession from Ukraine violates international law."<sup>215</sup> Moreover, he openly declared that Germany was ready to risk also its economic and strategic ties with Russia as reported by the Federal Foreign Office: "possible reactions may include measures that – although harming us – would demonstrate that we cannot accept the continuation of a policy that divides and splits up Ukraine, or that seeks to transpose the action taken in Crimea to other countries in Eastern Europe. (...) If Russia were to pursue this foreign policy, we would support taking strong action, even if this were to bring economic disadvantages for us."<sup>216</sup> A week before, German chancellor addressed in a policy statement Russia's actions in Ukraine as a "violation of fundamental principles of international law" also adding that "they would not be relativised by other international law violations". By ruling out the military option to defuse the situation, she emphasised the need to adopt serious political and economic measures by claiming that "it is vital that we do not simply return to business as usual, and indeed we have not done so."<sup>217</sup> Despite stating

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<sup>213</sup> Federal Foreign Office, Speeches, 20.03.2014

[http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2014/140319-BM\\_dtrus-Forum.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2014/140319-BM_dtrus-Forum.html)

<sup>214</sup> *Ibid.*

<sup>215</sup> *Ibid.*

<sup>216</sup> *Ibid.*

<sup>217</sup> The Federal Government, Policy Statement, 13.03.2014

that none of the 28 EU members was willing to implement a third round on measures as this could affect the economic cooperation with Russia, she also openly asserted to be “ready and determined to take them if they become unavoidable”<sup>218</sup>. Bilateral trade data on German exports to Russia shows the decrease of the economic factor’s relevance, reason why Germany became willing to implement the sanctions. In 2013, Russia imported goods from Germany to a total value of 45.5 billion dollars<sup>219</sup>. In 2014, the import value from Germany decreased to 37.3 billion dollars<sup>220</sup>, which is 16.9% less than the previous year. In 2015, this value fell to 22.4 billion dollars<sup>221</sup>, less than half of the import value in 2013.

As evident, the logic of *Ostpolitik* has continued to play a significant role in decision-making, although relations with the Russian Federation have considerably cooled. While analysing Germany’s Russia policy during the crisis, it becomes clear that the factors shaping its direction have been both external and domestic. Marco Siddi provides an explanatory description of their interaction, identifying as external factors the hard-line positions towards Russia took by Eastern Europe and the need to act in accordance with the transatlantic foreign policy; and as domestic factors the critical stance of mass media and public opinions, and the interests of German industries and companies that had invested in Russia and were initially skeptical towards the sanction regime, even though they eventually became more supportive of Merkel’s policy<sup>222</sup>.

A closer look at German domestic scenario is necessary to understand the evolution of *Ostpolitik*, which tenets, as declared by Angela Merkel in 2014, had not changed<sup>223</sup>. At first sight, the development of events seems to contradict the chancellor’s statement and suggest a general shift of Germany’s Russia policy on the basis of a firm approach

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[https://www.bundesregierung.de/Content/EN/Reden/2014/2014-03-13-regierungserklaerung-ukraine\\_en.html?nn=454918](https://www.bundesregierung.de/Content/EN/Reden/2014/2014-03-13-regierungserklaerung-ukraine_en.html?nn=454918)

<sup>218</sup> *Ibid.*

<sup>219</sup> OEC Export Destination of Russia

[http://atlas.media.mit.edu/en/visualize/tree\\_map/hs92/import/rus/show/all/2013/](http://atlas.media.mit.edu/en/visualize/tree_map/hs92/import/rus/show/all/2013/)

<sup>220</sup> OEC Export Destination of Russia

[http://atlas.media.mit.edu/en/visualize/tree\\_map/hs92/import/rus/show/all/2014/](http://atlas.media.mit.edu/en/visualize/tree_map/hs92/import/rus/show/all/2014/)

<sup>221</sup> Export Destination of Russia

[http://atlas.media.mit.edu/en/visualize/tree\\_map/hs92/import/rus/show/all/2015/](http://atlas.media.mit.edu/en/visualize/tree_map/hs92/import/rus/show/all/2015/)

<sup>222</sup> Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukraine Crisis: A New Ostpolitik?*, *Europe-Asia Studies*, 68:4, 665-677, 2016

<sup>223</sup> *Merkel will “enge Partnerschaft mit Russland“ fortsetzen*, Frankfurt Allgemeine Zeitung, 16 May 2014 <http://www.faz.net/aktuell/politik/inland/die-kanzlerin-in-der-f-a-z-merkel-will-enge-partnerschaft-mit-russland-fortsetzen-12941420.html>

toward Russia. Along with Merkel, most politicians took critical stance towards Putin's actions, even Steinmeier, who has been a supporter of Russia's conciliatory policies, could not ignore the interference in Ukraine and despite the initial disagreement on sanctions and on the exclusion of Russia from G8, he ended up with favouring the sanction regime. Many leaders of both governing coalition's parties and opposition parties held similar positions by publicly criticising the Kremlin's behaviour, sometimes also comparing its actions to those of Nazi Germany (Schäuble, 2014) and supporting Merkel's policy. Alongside politicians, also representatives of German business seemed to be inclined to agree upon the government's line. As Adomeit reports, the director general of the Federation of German Industries (BDI), Markus Kerber, agreed to support the policy of sanctions and to condemn Russia for its violations of international law by arguing that "we adhere to the principle of the primacy of politics"<sup>224</sup> as well as Ulrich Grillo, president of the BDI, one month before announced to support the policy of German chancellor in spite of the worsening of German-Russian relations<sup>225</sup>; and Markus Felsner, President of the Eastern Europe Business Association of Germany, declared that "most of the enterprises support the sanctions" because what Germany business needs is legal framework for investments, not closeness to the Kremlin<sup>226</sup>. Forsberg reports that a third of companies operating in Russia withheld their investments<sup>227</sup>, thus resulting, according to the Federal Foreign Office, in the decline of bilateral trade by 35% in 2015 in respect to 2014 and in the decline of exports by 36%. This would suggest that contrary to what Kundnani and Szabo argue, Germany's foreign policy is not determined by national business interests.

However, as highlighted by Siddi, the principles of *Ostpolitik* did not disappear in both policy making and business communities. Foreign Minister Steinmeier, although his alignment with Merkel's position, has continued to consider the policy of detente

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<sup>224</sup> *Gesprächskanäle müssen offen bleiben: Der BDI Hauptgeschäftsführer Markus Kerber setzt im Umgang mit Russland auf Deeskalation*, Handelsblatt, 20 May 2014 in Adomeit, H., *German-Russian Relations: Change of Paradigm versus 'Business as Usual'*, Study Committee for Franco-German Relations, Note du Cerfa 120, IFRI, February 2015

<sup>225</sup> Matlack, C., *Russia Sanctions Could Put Germany Inc. On the Front Lines of Trade War*, Bloomberg Businessweek, 18 March 2014 <https://www.bloomberg.com/news/articles/2014-03-18/russia-sanctions-could-put-germany-inc-dot-at-the-front-of-trade-war>

<sup>226</sup> *Für die Wirtschaft ist Polen wichtiger als Russland*, Frankfurter Allgemeine Sonntagszeitung, 26 October 2014 in Adomeit, H., *German-Russian Relations: Change of Paradigm versus 'Business as Usual'*, Study Committee for Franco-German Relations, Note du Cerfa 120, IFRI, February 2015

<sup>227</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, *International Affairs* 92: 1, 2016, pp. 21-42

and engagement the most influential approach<sup>228</sup> and publicly sought to accommodate with Russia<sup>229</sup>, as he still considered their partnership a long-term goal<sup>230</sup>. Former chancellor Schröder, as well as previous chancellors Schmidt and Kohl, has been critical toward the government's line and stressed the need to resume talks with Moscow, thus also expressing his disappointment on the expulsion of Russia from the 2014 G8. In an interview with a German newspaper, he also expressed his opinion in regard to the EU Association Agreement offered to Ukraine by calling it a fundamental mistake of the EU who ignored Ukraine's deep cultural division thus forcing the country to choose between East and West<sup>231</sup>. The business communities associated themselves with the government's policy of sanctions, but remained doubtful about their effectiveness and especially concerned about their counterproductive effects. The Committee on Eastern European Economic Relations (CEEER) in particular expressed its criticism and concern for the increasing negative consequences of sanctions on the German economy, also urging the chancellery to not implement a tougher US round of sanctions<sup>232</sup>. Among the critics of the chancellor's approach, the voice of Matthias Platzeck, head of the German-Russian Forum, was particularly harsh as he declared that Germany should endorse Russia's annexation of Crimea to resolve the Ukraine crisis<sup>233</sup> and repeatedly criticised the implementation of sanctions. Another example is that of Joe Käser, the chief executive of Siemens who met with Vladimir Putin after the annexation of Crimea and reiterated the company's commitment to long-term investments in Russia<sup>234</sup>, arguing that the "short term turbulence" would affect their relationship (Kundnani, 2015). In addition to the political and business oppositions pushing towards a more

<sup>228</sup> Interview at the Federal Foreign Office of Germany in Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukraine Crisis: A New Ostpolitik?*, Europe-Asia Studies, 68:4, 665-677, 2016

<sup>229</sup> Forsberg, T., *From Ostpolitik to frostpolitik?, Merkel, Putin and German foreign policy towards Russia*, International Affairs 92: 1, 2016, pp. 21-42

<sup>230</sup> Interview at the Federal Foreign Office of Germany in Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukraine Crisis: A New Ostpolitik?*, Europe-Asia Studies, 68:4, 665-677, 2016

<sup>231</sup> *Ukraine-Konflikt: Schröder macht EU für Krim-Krise mitverantwortlich*, Spiegel Online, 9 March 2014 <http://www.spiegel.de/politik/deutschland/krim-krise-ex-kanzler-gerhard-schroeder-kritisiert-eu-a-957728.html>

<sup>232</sup> Karnitsching, M., *German Businesses Urge Halt on Sanctions Against Russia*, The Wall Street Journal, 1 May 2014 <https://www.wsj.com/articles/SB10001424052702303948104579535983960826054>

<sup>233</sup> Kirschbaum, E., *Senior German Politician under Fire for Plea to recognise Russian Crimea*, Reuters, 19 November 2014 <http://www.reuters.com/article/us-ukraine-crisis-germany-platzeck-idUSKCN0J31PF20141119>

<sup>234</sup> Bryant, C., *Siemens CEO meets Putin and commits company to Russia*, Financial Times, 26 March 2014 <https://www.ft.com/content/6d774238-b506-11e3-a746-00144feabdc0>



cooperative approach to Moscow, in the aftermath of Crimea's annexation some events pointed at further dialogue and re-engagement with Russia: in 2015 Angela Merkel was the only Western European leader to participate in the 70<sup>th</sup> Moscow anniversary of the end of the Second World War; like her, also Steinmeier took part in Volgograd commemoration events, in which occasion he called for a reconciliation and a peacefully resolution of antagonisms and conflicts between Germans and Russians<sup>235</sup>. In 2015, two other significant meetings seem to indicate German will of keeping the door open for political dialogue with Moscow and the reluctance to abandon *Ostpolitik*. In October, Sigmar Gabriel, the leader of the Social Democrats, visited Moscow and met with President Putin and Gazprom chief Alexey Miller lamenting the state of German-Russian relations (Dempsey, 2015) and upholding the energy project cooperation with the promise of bringing Nord Stream 2 under Berlin's legislation (Meister, 2015). In November, Miller and Schäfer, Member of E.ON Management Board, met in Saint Petersburg resuming cooperation on the new joint gas transmission project<sup>236</sup>, which would double the capacity of the Russian export route to Germany from 55 bcm to 110 bcm. Although chancellor Angela Merkel defined the project as a purely commercial activity of the economic actors involved and that the role of politics would be reduced to ensure the fulfillment of legal obligations (Fischer, 2016), she openly supported the expansion of the pipeline as well as other officials of the government coalition. Moreover, as pointed out by Siddi, the signing of shareholders' agreement upon Nord Stream 2 have sent the political message that German companies are willing to resume cooperation with their Russian counterparts in spite of the sanctions.

Drawing from these occurrences, which have been followed by other and more current events such as the declared intention of German government in 2016 to ease sanctions on Russia and re-engage with Moscow<sup>237</sup>, it appears clear the "geo-economic" nature of the German Federal Republic, which Russia's policy is highly driven by commercial interests.

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<sup>235</sup> Federal Foreign Office, Frank-Walter Steinmeier *Speech by Foreign Minister Frank-Walter Steinmeier in Volgograd to commemorate the end of the Second World War 70 years ago*, Press and Information office, 07 May 2015 [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2015/150507\\_Wolgograd.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2015/150507_Wolgograd.html)

<sup>236</sup> *Gazprom and E.ON address implementation of Nord Stream 2 project*, Gazprom release, 27 November 2015

<http://www.gazprom.com/press/news/2015/november/article253145/>

<sup>237</sup> Friedman, G., *Germany Looks to Ease Russian Sanctions*, Geopolitical Futures, 1 June 2016 <https://geopoliticalfutures.com/germany-looks-to-ease-russian-sanctions/>



### **Assessing the nature of Germany's foreign policy**

Right after the fall of the Berlin Wall and its reunification, Germany defined its interests according to a normative view, within the framework of multilateralism, cooperation and civilian norms. It laid as the basis of its foreign policy a set of normative values, such as democracy promotion, respect for human rights and reliance on supranationalism, thus fitting the “civilian power” model. Since the 2000s, however, Germany has slowly moved from the “civilian power” to a “geo-economic power”, by prioritising its economic interests over the political ones. It became more willing to impose its national economic preferences on other states, it started to rely on a selective multilateralism and used its economic strength to increase its diplomatic leverage at the international stage.

This shift in the nature of German foreign policy became apparent during the government of Gerhard Schröder, when the national interest was defined in economic terms, and later in 2005 when the government coalition was headed by the new chancellor Merkel, giving the impression of a return to the “civilian power” model with more emphasis on normative values. These structural shifts fall under Hermann's fourth level of foreign policy change, which is linked to the country's role in the world and to a foreign policy's redirection. However, the regained role of “civilian power” under Merkel's administration was well imbued with a strong economic component, which, as previously mentioned, benefited from the new members' integration in the multilateral EU framework. As the German economy grew, so the relationship between the state and business intensified, leading to what have been defined by Luttwak as the “reciprocal manipulation”<sup>238</sup> in which businesses lobby the government's policies for their interests (Kundnani, 2011).

The prevalence of the geo-economic fashion in German foreign policy, in this case towards Russia, has been assessed in the analysis of the first two defining moments: the Nord Stream project and the Georgian conflict. In the former case, Germany acted primarily according to its commercial interests, taking little account of those of Poland and the Baltic States, and justifying the energy deal as an efficient alternative to

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<sup>238</sup> Luttwak, E., *From Geopolitics to Geoeconomics*, The National Interest, 1990 in Kundnani, H., *Germany as a Geo-economic Power*, The Washington Quarterly, 2011

decrease EU's dependence on Ukraine's and Belarus' routes. Despite the German-Russian project provoked controversy in Europe, sharpened divisions among EU members, increased concerns of Eastern Europe and undermined Eastern European countries' interests, Germany signed the agreement anyway, and even managed to ease criticism and convinced the Baltics to approve the project. It was a demonstration of how politics and economics were becoming increasingly intertwined<sup>239</sup>. In the latter case, the conflict in Caucasus was regarded as "the most serious foreign policy crisis to date"<sup>240</sup> concerning the legitimacy of the use of armed force, violation of territorial integrity of another state and violation of international law. Nevertheless, Germany demonstrated to be very careful about sanctioning Russia, freezing the then ongoing cooperation discussions and doing anything else different from engaging in diplomatic political dialogue with the Kremlin. Stable relations with Moscow, at that time, were still regarded as a priority especially in the field of energy and security. It is no coincidence, indeed, that in the same year Germany initiated the Partnership for Modernisation with Russia, in 2010 the Meseberg Initiative<sup>241</sup> was agreed between the chancellor Merkel and President Medvedev, and in 2011 the works for the Nord Stream gas pipeline construction began.

In the case of the Ukraine crisis, it is important to take into consideration the climate and the context in which it took place. Since 2012, relations between the two countries had started to intensify due to Putin's return in office, further deteriorating with the scandal of Pussy Riot, Russia's violation of human rights and anti-gay law, and reached the lowest point of reliability and mutual trust in 2014. As the conflict broke out, Germany took the leadership role in the de-escalation of the conflict, becoming the advocate of a common policy towards Russia, implementing sanctions and leading to the Minsk agreements. The idea of "change through rapprochement" and the labels 'special' and 'strategic' disappeared from Germany's policy discourse. Russian intervention in Ukraine, the escalation of violence in the region and lastly the violation

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<sup>239</sup> *Nord Stream: A commercial project with a political vision*, Deutsche Welle, November 2011 <http://www.dw.com/en/nord-stream-a-commercial-project-with-a-political-vision/a-15508713>

<sup>240</sup> Beste, R., Feldenkirchen, M. & Szandar, A., *Merkel's Most Serious Foreign Policy Crisis*, Spiegel online, 2008 <http://www.spiegel.de/international/world/germany-and-the-caucasus-conflict-merkel-s-most-serious-foreign-policy-crisis-a-572726.html>

<sup>241</sup> Meseberg Process was an initiative aimed at resolving the frozen conflict in Transnistria. Germany offered the Russia the establishment of a joint EU-Russia Political and Security Committee in exchange of Russian cooperation in solving the conflict with Moldova.

of international law by annexing Crimea were crucial in determining the first German foreign policy actions, which accounted for a general shift in Germany's Russia policy towards the tenets of a more value-based "civilian power" model. Merkel talked about the need to find new solutions in European energy politics, thus proving to be ready to challenge the influence of Russian oil and gas and reduce German dependence on Russian energy exports (Meister, 2012), and it has been also acknowledged, as Adomeit observes, by the German industry the primacy of politics over economics. At the same time, despite sanctions and support for Ukraine, Merkel made it clear that the cooperation and communication with Russia were still desirable.

	Economics <i>Realpolitik</i>	Geopolitics <i>Moralpolitik</i>
NORD STREAM	<ul style="list-style-type: none"> <li>- Pro-Russia leadership</li> <li>- Economic interlocking with Russia</li> <li>- Energy dependence</li> <li>- Energy security discourse</li> </ul>	<ul style="list-style-type: none"> <li>- No geopolitical concerns</li> <li>- Little account for Eastern Europe interests and concerns</li> </ul>
GEORGIAN CONFLICT	<ul style="list-style-type: none"> <li>- Economic cooperation</li> <li>- Energy deals</li> <li>- EU security issue</li> <li>- Modernisation Partnership</li> </ul>	<ul style="list-style-type: none"> <li>- Violation of international law</li> <li>- Use of armed force</li> <li>- Illegal recognition of Abkhazia and Ossetia</li> </ul>
UKRAINE CRISIS	<ul style="list-style-type: none"> <li>- No result from Modernisation Partnership</li> <li>- Trade without change</li> </ul>	<ul style="list-style-type: none"> <li>- Putin's return to presidency</li> <li>- Violation of human rights (Pussy - Riot, anti-gay laws, activists)</li> <li>- Violation of international law (annexation of Crimea)</li> </ul>

Table 1. Economic and geopolitical factors in German foreign policy's scale in the three cases

As emerges from Table 1., it is necessary to consider both the economic and geopolitical landscape in the behavioural analysis of foreign policy decisions taken by the German government in the three macro-events which are the subject of this thesis. In 2005, the absence of relevant factors in the geopolitical context and the presence of a pro-Russia leadership had, understandably, led Germany to initiate a strong cooperation with Russia that would meet its domestic economic and energy needs, thus fostering their strategic partnership and privileging a 'Russia first' policy. In the Ukraine case, on

the contrary, the gravity of the occurred events is not enough to account for the firm reaction of German government; in fact, looking at the wider context contemporary to the crisis' escalation, it is evident how the frayed relations between Germany and Russia were already negatively affecting the economic partnership. The German discontent for the lack of results of the Modernisation Partnership has contributed to reduce their 'strategic' relations to the merely satisfaction of German, and European, energy needs through the import of gas from Russia, which proved to be an insufficient factor to counterbalance the severity of Ukraine events that were shaking the political international landscape. Controversial, instead, is the case of the Georgian crisis. To evaluate a such different reaction, in comparison to Ukraine, from Berlin vis-à-vis similar actions of force taken by Moscow is useful to observe the table, which reveals that the reason of diverging approaches in response to the events has to be found in the diverse economic context: the conflict in Georgia occurred in a period of cooperation necessity, especially in the security and energy sector, with the Russian Federation. It was in the German interest, therefore, not to compromise their relationship, even at the expense of its role as European mediator and defender of international values.

## CONCLUSION

The study conducted over three events of focal importance for German-Russian relationship has led to a major consideration: the economic variable represents the factor having the most weight in balancing their relations. The results of the analysis reflect the initial hypotheses, according to which when the economic ties are strong, it is more likely that German foreign policy is aimed at maintaining a stable trend in its relations with Moscow, whereas if geopolitical concern prevails over a low economic interest, Germany is more inclined to change its attitude towards Russia. Even though the geopolitical dimension is fundamental in determining dynamics of states' relations, the case study on the Georgian conflict demonstrates that economic interests can have, and indeed had, a major weight in determining Germany's foreign policy outcomes, forasmuch as the geopolitical variable can be ruled out for not having causal significance. In fact, keeping the other factors constant, if geopolitical concern had been the factor having causal implication, a change in Germany's Russia policy would have been expected also in response to Russia's aggression of Georgia, as instead happened in 2014 after the Ukraine crisis. However, given that in 2008 it did not occur any foreign policy change, the gravity of geopolitical events cannot eventually be accounted as the most relevant factor shaping the trend of their relations. This relevance can, instead, be attributed to the economic variable, as the analysis reveals that the only case in which a major change occurred has been in a context where the economic interest was lower than in the other two cases, thus providing a more favourable condition for the change.

Unlike the Nord Stream and Georgian cases, in fact, Germany's reaction to the events in Ukraine cannot account for a general continuity in the foreign policy direction of the German country. There has been a structural shift which was evident in the high degree of Germany's engagement in the conflict's resolution, and in the predominance of the geopolitical concern provoked by Russian violation of international law in respect to the economic interest. This change, according to Hermann's classification, can be identified as a 'problem or goal change', given that the initial goal of German foreign policy, namely the constructive cooperation with Russia or the so-called 'change through interlocking and trade', has been replaced by the new priority of defending the international values and the European security order. The change of goal was followed

also by the ‘mean’s change’, in the sense that as the constructive trade cooperation was not the ultimate goal of Germany’s Russia policy anymore, economic interests lost leverage in shaping policy directions in favour of values, thus explaining the imposition of sanctions as a punitive tool. At the domestic level, in fact, business did not have the major role in shaping Germany’s foreign policy and the “geo-economic” interpretations of its Russia policy that suited Schröder’s *Ostpolitik* fail to assess Merkel’s strong response. The former chancellor’s *Ostpolitik* has been described by Szabo as a policy where the national interest is defined in economic terms, multilateralism is used in view of the necessities, business defines the national interest, democracy and human rights are subordinated to foreign policy objectives, and economic power is exercised to impose national preferences<sup>242</sup>.

Over the last years, however, critical voices from the side of the representatives of German business lobby have raised, lamenting the long-lasting damage done to German economic relations with Russia and the weakened trust between the two partners<sup>243</sup>. The abiding effect of German government’s decision of implementing several rounds of sanctions was severe on its economic stability. German foreign policy response to the crisis has been an attempt to balance between the interest-led *Realpolitik* and the value-based *Moralpolitik*. Germany wrestled to reconcile its civilian values with its economic interests, which are two sides of the same coin and reflect the German political division between human rights supporters and *Russlandversteher*<sup>244</sup>. The Russia policy has been the subject of serious political debates, and now more than ever it has become clear that the foreign policy approach of the “Modernisation Partnership”, driven by economic interests and by the idea of cooperation through trade, is in tension with the civilian power emphasis on human rights and multilateralism of *Moralpolitik*. Nevertheless, as argued also by supporter of politics over economics like Stefan Meister, Berlin “would not entail a reversal of its cooperative approach towards Russia” and still regards the engagement with Moscow as a more advisable solution than isolation. Thus, the most

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<sup>242</sup> Szabo, S.F., *Germany, Russia and the Rise of Geo-Economics*, London; New York: Bloosbury Academic, 2014

<sup>243</sup> Siddi, M., *German Foreign Policy towards Russia in the Aftermath of the Ukrainian Crisis: A New Ostpolitik?*, *Europe-Asia Studies*, 68:4, 2016, pp. 665-677

<sup>244</sup> “Those who understand Russia” or “Russia firster”, Meister, S., *Reframing Germany’s Russia Policy – an Opportunity for the EU*, Policy Brief 2014, ecf.eu

likely approach for Berlin is to follow a double path by advocating dialogue with the Kremlin, collaborating with Russia on common challenges, while remaining credible and reliable to its allies (Westermann, 2016).

As also Szabo pointed out, developments in Ukraine may shift Germany's policy in the short term, but are unlikely to fundamentally alter the long-term nature of their relationship. Germany did not accept the violation of international law, nor it could endorse the annexation of Crimea within the Russian Federation, therefore, by acting as facilitator in chief it was also ready to impose tough sanctions being aware of the consequences for its economy. Nonetheless, three years after, the crisis in eastern Ukraine has settled into a new "frozen conflict" in the post Soviet space and the attention has been diverted towards other major international challenges, and today German industrials and business representatives have manifested the will to re-engage with Russia. The resumed cooperation on Nord Stream 2 project, a new supply route across the Baltic Sea and covering 1.200 km for 55 bcm of gas per year, is a demonstration that *Ostpolitik* has not disappeared, on the contrary the expansion of the gas pipeline can be used as "a lever for the improvement of German-Russian relations."<sup>245</sup> In 2015, The German Minister of Economic Affairs and Energy asserted that Germany and Russia "have to change our relationship", also adding that sanctions cannot last forever<sup>246</sup>.

This recovery trend, according to which in the next coming years there will likely be an economic re-engagement between Germany and Russia, has been supported also by the high offices of Germany. On 23 March 2016, Foreign Minister Steinmeier during an interview on German-Russian relations declared that despite the unsatisfactory situation in Ukraine, the two partners need each other in overcoming challenges and resolving conflicts. He referred to the economic situation by stating that "our economic ties with Russia remain very close. (...) I am pleased that most German companies are continuing to work with Russia despite this difficult environment. This shows an expectation that trade between us will gather momentum once again. And this is what we should work

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<sup>245</sup> Adomeit, H., *Germany's Russia Policy: From Sanctions to Nord Stream 2*, Transatlantic Academy 2015-16 Paper Series, N.o 3, March 2016

<sup>246</sup> *Ibid.*

on.”<sup>247</sup> A renewed engagement between the two countries seems to not being tied only by economic trade, rather it seems to be a reconciliation in a wider sense which could put an end to the so-called *Frostpolitik*. The new German Foreign Minister, Sigmar Gabriel, visited Moscow on 9 March 2017 and on this occasion he stressed the need for reopen a positive dialogue with Moscow and the need for Germany and Russia to cooperate once again: “Russia is a large and important neighbour for Europe. We urgently need one another and need as good a cooperation as possible – for peace and security in Europe but also in order to tackle the world's many major conflicts.”<sup>248</sup>

To conclude, there are right reasons to believe that the so-called *Frostpolitik* is not meant to last. It is not causally called “special relationship”. Germany and Russia share much more than other countries do, and the first chapter of this work describes the historical and cultural legacy that Germany carries. This legacy added to its geographical position has allowed the Federal State to become a ‘bridge’ between Russia and the West, and it has always played this role both in good and hard times. In this network of actors and factors that play a role, the two countries, by sharing common interests, have realised huge energy projects and trade ventures, they have created an interdependent relationship that resulted in a win-win situation for both. Perhaps, Germany’s major foreign political challenge has been to balance its Russia policy between values and interests. It has showed its willingness to keep an open channel of communication with Moscow even in the most serious period of crises, and at the same time to be ready to put its business interest at stake in order to punish Russia for its actions. By taking the leadership in the de-escalation of the Ukraine crisis, Germany affirmed once again its leading role within the European Union; a role which enables the country to have a strong influence on the European scenario, where the way in which Germany approaches Russia has high implications. Political and economic tensions between Europe and Russia do not favour a stable European security order, another reason why the re-engagement with Moscow is inevitable. A rapprochement tendency has been demonstrated by the renewed talks between the German Chancellery

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<sup>247</sup> Federal Foreign Office, Interview, 23 March 2016 [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Interviews/2016/160323\\_Interfax.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Interviews/2016/160323_Interfax.html)

<sup>248</sup> Federal Foreign Office, Interview, 9 March 2017 [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Interviews/2017/170309\\_BM\\_Interfax.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Interviews/2017/170309_BM_Interfax.html)



and the Kremlin in order to try to ease tensions between Berlin and Moscow and keep the dialogue open. Once again, the line of *Ostpolitik* seems to gain the upper hand. The most advisable approach has always been a constructive path, which leads to international cooperation against common threats and fosters political and economic engagement. As the former Prime Minister of Bavaria, Edmund Stoiber, claimed “There is no greater peace guarantee than mutual interests and close economic relations.”<sup>249</sup>

The results of the analysis, inter alia, confirm the effectiveness of the methodology used to investigate the complexity of German-Russian relations and which, however, can be applied in other contexts with other actors and with similar features.

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<sup>249</sup> Zeit Fragen, *Movement in German-Russian relations?*, Current Concerns, Zurich, 2017  
<http://www.zeit-fragen.ch/en/numbers/2017/no-8-4-april-2017/movement-in-german-russian-relations.html>

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