Szabo, Stephen F. "Who Makes Russia Policy?." *Germany, Russia, and the Rise of Geo-Economics*. London: Bloomsbury Academic, 2015. 35–60. *Bloomsbury Collections*. Web. 26 Apr. 2023. <<http://dx.doi.org/10.5040/9781472596352.ch-003>>.

Downloaded from Bloomsbury Collections, www.bloomsburycollections.com, 26 April 2023, 00:06 UTC.

Copyright © Stephen F. Szabo 2015. You may share this work for non-commercial purposes only, provided you give attribution to the copyright holder and the publisher, and provide a link to the Creative Commons licence.

Who Makes Russia Policy?

The key players in the German policy process on Russia are the German government, the major political parties, and German business. Russia policy is what might be called “intermestic,” a combination of domestic and international policies given the interweaving of the Russian and German economies. This means that not only are a number of ministries that deal with foreign and security policy involved in policy formulation, but also a number that are considered domestic ministries. The German private sector is especially important in this policy area as well.

The political parties and the Bundestag

While there is a broad consensus in Germany that Russia must be engaged rather than merely contained, there are some differences between the two main parties and these are reflected in differences between the Chancellor’s Office and the Foreign Office. The parties and the Bundestag play a role in Russia policy and foreign policy in general, although less significant than that played by the government. Most politicians see their careers in domestic policies and view foreign policy as a specialization with few prospects for career advancement. Foreign policy has been the domain of the Government (i.e. the executive branch) not the parliament. Given the nature of the parliamentary system in Germany, Members of the German Bundestag (MdBs) tend to specialize in a policy area and stay within that policy area throughout their careers, serving on the relevant committees and acting as spokespersons for their party groups, or *Fraktionen* on their policy areas. Their positions are coordinated with the parliamentary party leadership and, if their party is in the Government, with the relevant ministry. A number of parliamentarians

serve as State Secretaries in the ministries and serve as links between the party, parliament, and Government.

On Russia policy there are few Russia specialists in the parties or in the Bundestag. Andreas Schockenhoff, a CDU MdB served as Coordinator for German–Russian Inter-societal Cooperation and Markus Löhning, FDP, was Federal Government Commissioner for Human Rights Policy and Humanitarian Aid in the Black–Yellow coalition, and have been influential on the civil society aspects of German–Russian relations. The Foreign Affairs Committee tends to have jurisdiction on most aspects of Russia policy and has a few members who have been more active on Russia including Marieluise Beck of the Greens, Ralf Mützenich of the SPD, and Philipp Missfelder of the CDU. Gernot Erol, who was Deputy Floor Leader of the SPD group and returned to the Foreign Office in the second Steinmeier term, has also been a major figure in the party on Russia policy. Three of the most senior figures, Ruprecht Polenz, CDU, Rainer Stinner, FDP, and Hans Ulrich Klose, SPD, have been influential voices but left the Bundestag after the 2013 elections. Their departure left a major void not only on Russia but on foreign policy in general with few immediately visible successors.

In general, there are two broad views in the German policy debate on Russia. There is the human rights and values faction, which focuses on the democratic and human rights situation in Russia. The second main grouping emphasizes a realist or economic approach and advocates a strategic economic partnership with Russia.¹ The Greens and some of the CDU are in the former group as well as many NGOs and civil society organizations while the latter is dominated by the SPD and German business groups. The Free Democrats have been divided between a pragmatic faction and a human rights faction. Their departure from the Bundestag following the 2013 election has removed them as players in foreign policy for at least the next four-year term of the parliament.

The SPD, both the leadership and the base, are more likely to lean closer to Russia than is the CDU. This is due not only to the legacy of Gerhard Schröder and his appointed successor, Frank Walter Steinmeier, but also to a cultural and political affinity to Russia and a distancing from America, which can be traced back as far as the first postwar SPD leader, Kurt Schumacher, who preferred a neutral and unified Germany to an Atlanticist and divided one. This was followed by Brandt's Ostpolitik that left a deep détente culture in the party. The SPD in the 1980s had an intensive dialogue on values with the East German Communist (SED) party and attributed the end of the German division largely to Gorbachev and Soviet policy.² The closeness of the Social Democrats to Russia reached its apogee under the Chancellorship of Gerhard Schröder, when the

SPD accelerated a shift toward Moscow and away from Washington, a shift that was ameliorated by the Presidency of Barack Obama.

Schröder came into office critical of the overly personalized “sauna diplomacy” of Helmut Kohl with Boris Yeltsin. The Russian financial crisis of 1998 and Yeltsin’s physical deterioration had brought the Russian image to a low point in Germany. The arrival of Putin on the scene in June 2000 and the first get acquainted meeting with Schröder gradually warmed into a close political and personal relationship between the leaders. As one of Schröder’s former aides in the Chancellor’s Office put it, “They came from similar backgrounds and both fought their way up.” They were both from poor families and worked their way up the political ladder by intelligence, guile, charisma, and ambition. Both studied law and were cynics about power. They both liked wealth and the good life, having been deprived of it as youths. Schröder was an “Armani Socialist,” part of the so-called Tuscany wing of the left (the German equivalent of American limousine liberals), and someone who liked his association with industrial bosses from his time on the Volkswagen board. Putin made himself one of the wealthiest men in Russia through his use of protection arrangements with the oligarchs.

The recovery of the Russian economy under Putin opened up new opportunities for the German economy while the alliance between Putin and Schröder against the Iraq war solidified the relationship. The break between the Schröder government and the Bush administration over Iraq pushed Germany into a coalition with France and Russia against the United States for the first time since the formation of the Federal Republic in 1949 and marked a major turning point in German foreign policy.³ Russia policy had been a *Chefsache* or Chancellor’s policy, already under Kohl, and this became even more the case with Schröder.⁴ As one former German diplomat and former ambassador to Russia put it, “In Putin’s Russia, nothing happens unless you talk to the president. Schröder was perfect for that.”⁵

After Schröder lost the Bundestag election of 2005, his chief aide, Frank Walter Steinmeier, who had played a key role in developing this relationship in the Chancellor’s Office, continued Schröder’s policies when he became Foreign Minister under the first Merkel government. It was Steinmeier and his top aide, Gernot Erler, who developed the policy of “Modernization through Interdependence” in dealing with Russia. Schröder also made an infamous statement labeling Putin in 2004 as a “flawless democrat” and reaffirming in 2012 after the Russian parliamentary elections that he did not take back this assessment, but he did tell one aide later that he regretted saying this with

the comment, “what does it really mean?”⁶ Schröder played on the realist tendency in the SPD that regards Russia as the Big Neighbor, one that must be accommodated. Even the Atlanticist former Chancellor, Helmut Schmidt, was quoted in 2003 as saying, “Russia poses far less of a threat to world peace today, than for example, the United States.” Schmidt went on to describe Putin as “an enlightened potentate.”⁷ Add to this the importance of German energy companies in the heartland of SPD political power, North Rhine Westphalia, and there remains a powerful Russia realist group within the party.

There is also a smaller democracy promotion faction within the party. Frank Walter Steinmeier has characterized the larger debate on Russia as follows: *Principle Free Realpoliticians*, who don’t worry about human rights but limit Russia policy to economics and energy or, if they are older, to security policy. *Incorrigible Do Gooders* who ignore all reality and believe that Russia can be changed only through the force of their outrage. He set these up as straw men and as clever and relatively dumb clichés and urged a more open and less fundamentalist debate, arguing that this is not over who is a better democrat but what is the best way to promote change.⁸ The clear affinity for Obama within the Social Democrats and the reset policy of his administration toward Russia in his first term substantially narrowed the gap with the United States, or at least with the Democrats, on Russia policy. The return of tensions to the United States–Russian relationship in Obama’s second term could open up old fault lines with the SPD.

The Christian Democrats under Kohl had moved from his early characterization of Gorbachev as Goebbels in 1986 to his close relationship with the last Soviet leader who had enabled German unification. Kohl put a lot of stake in personal relationships throughout his political career, and practiced sauna diplomacy with Boris Yeltsin. He did all he could to ensure that Russia would not be isolated over NATO enlargement and was central to the creation of what later became the NATO–Russia Council. After Kohl left office in 1998, the CDU was as critical of Schröder’s Russia policies as Schröder was of Kohl’s while in opposition. It pledged that if it won the 2005 election there would no longer be a Berlin–Paris–Moscow axis and called for “clear words” from the German Chancellor on the suppression of human rights in Russia.

Following the return of the CDU to power in 2005 in the Grand Coalition government, despite a tension between the realist “Silence for Gas” policy and the value-based “Speaking and Gas” policy,⁹ Russia policy remained fully economized under the modernization partnership led by Steinmeier and the Foreign Office planning staff. As one of Germany’s most experienced Russia watchers, Hannes

Adomeit, wrote of this concept, “Divested of its rhetoric, it’s central idea is to help Russia overcome the perennial lopsidedness of its economy—preponderance of raw materials, notably oil and gas, and lags in technological innovation and global competitiveness—and at the same time increase the export and investment opportunities of German industry in Russia.”¹⁰

The values faction of the CDU remained concerned about this tendency and pressed for more emphasis on the human rights dimension in German policy and for more concern for the views of the Central European partners in NATO and the EU, especially Poland.¹¹ This view found some support within the Chancellor’s Office both with the Chancellor herself and with one of her key advisors, Eckhard von Klaeden. Von Klaeden, a leading Russia critic, estimated that 60 percent of his party supported his view, implying that close to a majority did not.¹² The geo-economic realist part of the party had formed an informal alliance with the SPD on Russia policy using the concept of a modernization partnership as a means of bridging the values and interests approach by tying economic modernization to advances in human rights and thus appeasing both factions. The short life of the concept is proof that the linkage did not work.¹³

Chancellor Merkel, as she has done on so many issues, straddled both sides. While seeing the need for a stable and constructive relationship with Russia, her formative years in East Germany left her with a strong concern for freedom and democratic rights. Her realist side was shared by her top foreign policy advisor, Christoph Heusgen, who in a meeting on November 22, 2006 with Deputy Assistant Secretary, David Kramer, said about the relationship with Russia that it is a “frustrating one,” but “we have to work with these guys, we need them on Iran and other things.”¹⁴

Russia policy remained relatively unchanged during the Grand Coalition, with Merkel emphasizing the importance of Russia and Russian energy. As one observer noted at the time, “with Angela Merkel, sobriety replaced the personal relationship that had existed between Boris Yelstin and Helmut Kohl, as well as the one between Gerhard Schröder and Vladimir Putin,” yet although she was critical of Schröder’s policy, “she never developed alternative concepts of her own.”¹⁵ The *Spiegel* observed, “Cronyism is gone but the cooperation continues.”¹⁶ The relationship with Russia began to deteriorate during the last year of the Grand Coalition. The short Georgia–Russia war and the energy crisis brought on by the confrontation between Russia and Ukraine and then with Belarus forced Steinmeier to stop talking about a modernization partnership.¹⁷

In its 2009 electoral manifesto, the CDU stated that “We want relations with Russia to be as close as possible, but that the depth and breadth of relations depend

on Russia's behavior and willingness to meet its international obligations and play by the rules."¹⁸ The 2009 elections resulted in the replacement of the Grand Coalition with a Black–Yellow one of CDU/CSU and FDP. This was followed by the return of Putin to the Presidency in 2012 and the growing suppression of human rights and democracy activists, including German NGOs. As a result of both developments, members of the CDU fraction in the Bundestag became more vocal in their criticism of developments in Russia.

Leading the way was Andreas Schockenhoff, the German Special Envoy for Russia and the Civil Society representative at the Petersburg Dialogue meeting. Schockenhoff was placed in this position by Merkel, who believed that the Petersburg Dialogue was one with too many Soviet holdovers and resembled the old Soviet tactic of transmission of the party line rather than dialogue. She wanted to change this by bringing in civil society and wanted Schockenhoff to play this role. He prepared a motion on Russia in the Bundestag in November 2012 stating, "The German Bundestag seriously worries that Russia will be facing stagnation instead of progress on its path toward building an open and modern society due to the deficit of rule of law, investments and innovation."¹⁹ The Foreign Ministry rewrote this to read that Russia is "the key and essential partner of Germany and Europe . . . the largest state in the world that stretches through two continents . . . and is the crucial energy supplier in Europe." They added that global problems could only be solved with Russian participation.

Within the FDP, both the former party leader and Foreign Minister, Guido Westerwelle, and the chief foreign policy spokesman, Werner Hoyer, in opposition had been critical of the SPD's Russia approach and had favored nuclear power as a way of easing German energy dependence on Russia.²⁰ However, the legacy of long-time leader and Foreign Minister, Hans Dietrich Genscher, remained with the party, a legacy that would engage Russia and seek to ensnare it in a web of dependency.

The Greens have been the most critical of Russia on human rights grounds. They are also deeply suspicious of the collaboration between Russian and German energy companies, which they see as blocking the move toward renewable energy sources. One of the most prominent critics is Marieluise Beck, a member of the Bundestag and of the Foreign Affairs Committee. She received applause during the debate on the Schockenhoff motion when she referred to bribes paid by Siemens and Daimler in Russia and stating that they were not able to raise their voice in defense of the foundations of the rule of law. The Greens have the best contacts of all the German parties to Russian civil society. Although they

accepted Schröder's Russia policy when they were in coalition with the SPD, they have less hope that Russia will modernize.

The SPD has not had the intensive debate over Russia, which the CDU and Greens have experienced. There is no Social Democratic Schockenhoff. The party faction abstained on the Bundestag resolution of November 2012 and in the words of one party insider, has been "stunned by the new moral approach which forgets the interest based policy."²¹ Steinmeier continues to hold the view that engagement with Russia remains the most viable policy as there is more to the German–Russian relationship than just the human rights dimension, but has open questions on whether this should be discussed and is still valid.²²

He confirmed this upon his return to the Foreign Ministry in the renewed Grand Coalition government at the end of 2013. He replaced Schockenhoff with Gernor Erler as the Parliamentary State Secretary in charge of German–Russian relations. Steinmeier in his first visit to Moscow after returning to the Foreign Office stating, "It is important to me at the beginning of my second term to offer a confidence full and constructive cooperation with Moscow." He had also written in an article in a German magazine that, "We need Russia for the practical solution for all security policy crises and conflicts of our time."²³

While the passage of a compromise version of the Bundestag resolution passed in 2012, it indicated that, "the German political establishment across the political spectrum is increasingly worried about the direction in which Putin is taking Russia."²⁴ Despite this critique, there remains a broad German consensus on an approach of hedged cooperation and integration.²⁵ But this is accompanied by a growing sense in German policy and opinion-shaping circles that the hopes invested in the Medvedev era that Russia was moving in the direction of democracy have been crushed and that the engagement paradigm has failed. Yet it is unlikely that this represents the beginning of a paradigm shift in German policy as there remains no real alternative to some form of continued engagement.

Inside the German government

Chancellor's office and foreign ministry

As a leading expert in the study of German foreign policy, William Paterson, has noted, "A foreign minister has the advantage of inheriting a huge specialist ministry with embassies around the globe while a chancellor has to build up a specialist

foreign policy staff in the Chancellor's Office. A foreign minister unlike a chancellor can devote almost all his/her time to foreign affairs while a chancellor has a quite different and hectic schedule (Helmut Schmidt calculated that no chancellor could devote more than ten percent of time to foreign affairs.)²⁶ When Steinmeier and the SPD were part of her coalition, Merkel tended to defer to the Foreign Office on Russia policy, or at least to take it into account. Steinmeier brought his experience from running the Chancellor's Office for Gerhard Schröder to the Auswärtiges Amt (AA) and was the major architect of Russia policy during his term. The Chancellery was restrained in its support of Steinmeier's concept of "Rapprochement through closer ties" (*Annäherung durch Verflechtung*), expressed in a policy paper produced by the AA while he was Foreign Minister. There was always a certain tension and rivalry between the two bureaucracies during this period, heightened by the fact that both parties were practically equal in their parliamentary representation and were temporary partners soon to be electoral rivals.

After her victory in the 2009 election and the creation of a CDU-FDP coalition resulted in Guido Westerwelle becoming Foreign Minister, Russia policy decisively shifted to the Chancellor's Office. The FDP was a much smaller partner in terms of seats in the Bundestag and its leader, Westerwelle was a relative neophyte in foreign policy. He took the post out of a combination of habit (all previous FDP leaders had been Foreign Minister in coalition governments) and politics (all Foreign Ministers had always been the most popular politicians in public opinion surveys). In doing so he followed the advice of Hans Dietrich Genscher, a former FDP Foreign Minister, who had urged him to take the job.

Westerwelle, however, proved to be a weak foreign minister and was discounted by the Russians as a serious interlocutor. He tried to make a mark with trips to Central European nations and developed a special relationship with Poland and its Foreign Minister, Radek Siroski, but was unable to develop his own Russia policy. While he and his top aide, Werner Hoyer, had criticized the use of the term strategic partnership in dealing with a Russia that does not share Germany's values, he used the phrase on his first official visit to Russia in 2009. Given that Merkel had already had four years' experience in foreign policy as chancellor, she felt more confident in dealing with key foreign policy issues than she did as a foreign policy ingenue in 2005. In addition, once Westerwelle was forced to step down by his party as chairman of the FDP and vice chancellor in May 2011 following a series of electoral defeats at the regional level, his political weight and that of his ministry further diminished.²⁷ Yet the Foreign Office continued to list the relationship with Russia as a strategic partnership on its website and Westerwelle used the term in his Tutzing speech of June 2013.

The chancellor's office is organized into six Directorate Generals plus a Protocol section with the key advisors on foreign and security policy located in the Foreign, Security, and Development Policy division (referred to as *Abteilung 2*), which was headed by Merkel's long-time chief foreign policy advisor, Christoph Heusgen. One of the CDU's top foreign policy parliamentarians, Eckart von Klaeden, was a Minister of State (*Staatsminister*) in the chancellery, but in this role was responsible for the reorganization and reduction of the federal bureaucracy. The chancellery staff remained small and preoccupied by the Eurozone crisis, while Russia policy was not a high priority for the chancellor. This had the effect of slowing any change or producing any initiatives in Russia policy.

The chancellery has taken a skeptical and geopolitical line on Putin's Russia, looking for ways to work with it in such areas as the issue of Moldova's breakaway region, Transnistria. The assessment has grown during Putin's second presidency that he is weakening the country and is increasingly isolated, yet there is no alternative partner with whom to deal. The assessment is that Putin sees Germany as a provider of hard cash, technologies and investment. Putin, always the cynic, believes that material interests will prevail, a view reinforced by the time he has spent with German CEOs, and thus ignores advice or criticism from the German government. His view gains credence from German business groups, which continue to view the Chancellor's criticisms of the Putin system as not conducive to good relations and openly miss the Schröder policy. Merkel has become increasingly skeptical about doing business with Putin, and, like Obama, sees little payoff in working with him and expects little change from the new Putin government. As a rational scientist and a woman who has used male egotism to play her rivals off against each other, she has been put off by Putin's displays of über-masculinity and his crude attempts to intimidate her. As one of her former aides put it, "She is super rational and not impressed by dogs," referring to Putin's attempt to intimidate her with his dog Koni. Her meetings with Putin have been cold and businesslike. As previously noted, one of her key advisors reportedly has described her reaction to Putin speaking to her in German as reminiscent of the style of a Stasi interrogator.²⁸ Her appointment of Schockenhoff was part of her attempt to rebalance the Russia relationship with a greater regard for the interests of eastern EU states, especially Poland, as part of a larger Europeanization of her approach. On the other hand she got solidly behind the rescue of the American car maker, Opel, by Sberbank, Russia's largest bank in the election year of 2009 and she supported the completion of the Nord Stream pipeline.

This approach has been characterized by Susan Stewart of the Stiftung Wissenschaft und Politik as: “On the whole under Merkel parallel tracks are visible: In the economic and energy realms Germany’s approach toward Russia has been guided primarily by German business interests, even when these ran counter to broader EU goals. However, with regard to security, rule-of-law and other spheres, Germany’s Russia policy has tended to be more in line with EU aims and has been able to ‘upload’ certain ideas to the Brussels level.”²⁹

The Foreign Office is engaged in Russia policy across a number of Political Directorates, especially Political Directorate 2 headed during the FDP/CDU/CSU government by Hans Dieter Lucas, an experienced East Europe and Russia hand, which covers most of the key security policy areas including NATO and Russia, Eastern Europe, and North America. Also important is The Directorate General for Disarmament and Arms Control 2A directed by Rolf Nikel, who worked for both Schröder and Merkel in Abteilung 2 of the Chancellery; and the Planning Staff headed by Thomas Bagger. A new actor is the department for Economic Affairs and Sustainable Development. This section deals with economic aspects of foreign policy and export promotion and has been gaining weight as Germany has become more of a global geo-economic power, reflecting the declining role of traditional diplomacy.

As the earlier look at statements made by both the Foreign Office and the Chancellor on Russia over the Christian-Liberal years shows, there is a good deal of similarity between the two in their comments on Russia and the German strategic partnership with its big neighbor to the east. While the weight of the Foreign Office on Russia policy declined under Westerwelle, he improved German relations with the smaller EU member states in East Central Europe, especially with Poland but the professional Foreign Service continued to argue that Russia cannot be changed from the outside and should be attached to as many Western networks as possible.

The other Ministry playing a role is the Ministry for Economics and Technology. It was headed during the Christian-Liberal coalition by the young chairman of the FDP, Philip Rösler, who replaced Westerwelle as party chairman in the spring of 2011 following a devastating electoral loss for the party in Baden Württemberg. This massive ministry has interest in energy and raw material policy, foreign trade promotion, and promotion of activities of German Trade and Invest (GTAI), the economic development agency of Germany; as well as the Foreign Trade Chamber (*Aussenhandelskammer* or AHK) of the German Confederation of Industry (BDI). The AHK lobbies for and supports companies that want to expand into Russia.

Georgia: A case study in Germany's Russia Policy

The case of Georgia's candidacy for the NATO Membership Action Plan (MAP) and the German reaction to the Georgia–Russia war illustrates the tensions in Germany's approach toward Russia and the actors who shape that policy. Angela Merkel's split with the Bush administration at the NATO Bucharest Summit in April 2008 found her taking a realist approach toward Russia. Merkel went to the meeting with the understanding that the Bush Administration would not push for any further NATO enlargement. Condoleezza Rice offers a different interpretation in her memoirs, stating that the United States came to the summit without an agreement with the Germans and “no agreement in hand” but noting that President Bush had come down on the side of MAP for Georgia and Ukraine.³⁰ At that summit, much to Merkel's surprise, Bush, with no prior notice, proposed inviting Albania, Croatia, and Macedonia to join the alliance and for offering a MAP, to Georgia and Ukraine. Merkel and French President Sarkozy resisted the strong American pressure to admit Georgia and Ukraine to the MAP, the first step toward NATO membership. She was reported to be upset and even angry over the way Bush raised the issue at the last minute after she believed a compromise was in the works in which Washington would welcome the interest of Ukraine and Georgia in NATO and encourage them to work toward the MAP. As one American report described it at the time,

“Germany and France have said they believe that since neither Ukraine nor Georgia is stable enough to enter the program now, a membership plan would be an unnecessary offense to Russia, which firmly opposes the move. . . . Mrs. Merkel visited Moscow on March 8 and met Mr. Putin and his successor, Dmitry A. Medvedev. She told them that Russia would not be allowed a veto over NATO membership. But a senior German diplomat, Wolfgang Ischinger, said that offering membership to a divided Ukraine could destabilize the new government there, and that not enough diplomacy had taken place beforehand with Russia.”³¹

Merkel stated at the time that, “We came to the conclusion that it is too soon for these two ex-soviet countries to be awarded NATO MAP candidate status . . . Countries that are directly involved in regional conflicts cannot, in my opinion, become members of NATO.” However she went along in the end with a statement by NATO Secretary-General Jaap de Hoop Scheffer that “We agreed today that these countries will become members of NATO,” a statement a German Russia watcher called “not necessarily reassuring (to Russia) as it had a temporary smell to it.”³² Merkel's opposition, shared by Steinmeier, was based on her concern that this would unnecessarily disrupt German and European relations with Russia over countries that were not worth the cost and did not meet NATO membership criteria.³³

She, like most German leaders and commentators, had a deep distrust of Georgian President Mikhail Saakashvili for his intemperate ways and feared that MAP status would send the signal to Georgia that it would receive military assistance against Russia and to Russia that NATO was prepared to take aggressive anti-Russian positions. However the Russian–Georgian war of August 2008, seemed to change her view. The Spiegel reported this change as follows:

Her attitude changed. It was no longer dominated by annoyance over Saakashvili. Now she was enraged at the highhandedness of the Russians. It seemed to her that they wanted to oust the Georgian president from office. Merkel is extremely sensitive to the issue of regime change. She knows how long and difficult it was to bring democracy to eastern Europe. Merkel sees Saakashvili, for all his faults, as a democratically elected, legitimate president. Georgia became for the chancellor a country that has to be helped.

Nevertheless, she remained skeptical when she flew to Tbilisi. She spoke with Saakashvili, and something must have happened during their two-hour meeting because, afterwards, Merkel gave a press conference that made headlines around the world. She stood next to the president and said, “I think that a clear political statement is once again very important in this situation: Georgia is a free and independent country, and every free and independent country can decide together with the members of NATO when and how it joins NATO. In December, there will be an initial assessment of the situation, and we are clearly on track for a NATO membership.”

A new Eastern policy appears to be taking shape in the chancellery in Berlin. Merkel wants—in agreement with Foreign Minister Steinmeier—to support Georgia, but without driving Russia into a corner.³⁴

The reaction of Steinmeier was more non-committal. “We face the danger of a dangerous conflagration,” he said, without identifying a culprit in the conflict. Deputy Foreign Minister, Gernot Erler commented that the Georgians had breached a 1992 ceasefire agreement struck with Russia over South Ossetia, monitored essentially by Russian peacekeepers. “In this sense, it is also a question of a violation of international law as soon as you start to go down the road of military action.” He acknowledged prior provocation of the Georgian leadership from Russian-backed South Ossetia’s separatists, but said he understood Russia’s reaction.³⁵ Gerhard Schröder was more sympathetic to the Russians, observing that, “I assume that no one in the Moscow leadership has an interest in military conflicts. There are enough internal problems in Russia that need to be solved . . . In my view, there have indeed been serious mistakes made by the West in its policy toward Russia. . . . There is a perception of Russia in the West that has very little to do with reality.”³⁶ Steinmeier was reported to be unsettled by Merkel’s strong stance on Georgia and worried that she might be backing away from their

common position on MAP status. He remained deeply skeptical over any speeding up of the MAP process and hoped that Merkel continued to see it this way.

On the other side of the aisle, Merkel's own party was divided with CDU Russia critic, Eckhard von Klaeden declaring "It would be good if Moscow would stop adding oil to the fire," and that the Kremlin had intentionally brought about the conflict by issuing Russian passports to a majority of South Ossetians. Andreas Schokenhoff took a more Georgia critical stance, strictly rejecting awarding candidate status to Georgia, on the grounds that First, acceptance into MAP would now amount to "rewarding Georgia's rather dubious behavior." Second, it would be tantamount to "breaking with the enlargement strategy" of NATO, because this enlargement should not be directed against Russia. "In this situation, it would be interpreted as anti-Russian," Third, "What can and will NATO actually do if Russia launches another military campaign against Georgia as a calculated reaction to MAP? Are we prepared to escalate?"³⁷

At the end both Merkel and Steinmeier's approaches were designed to support Georgia without pushing Russia into a corner. They allowed Sarkozy to take the lead in creating a neighbors conference to deal with the issue and helped with reconstruction aid, sending a message of solidarity with Georgia while keeping the lines open to Russia. This was a classic case of what analysts in the German Foreign Office labeled as Merkel's mastery of double meanings.³⁸

German business

German business remains the key driver of German policy toward Russia. It is not the exclusive force but the most important one. German business, especially manufacturing and the energy sector, are influential in this broad area of what is considered public policy. It is in the private sector where Germany encounters and engages with the world and is the reason why Germany has become the most successful economy in the West. This is especially the case regarding Germany's relationship with Russia. During the Cold War, German business was limited primarily to the European and American markets. The end of the division of Germany meant the end of the division of Europe and the opening of markets in east and central Europe to German business.

These economic interests foster a mutual recognition of interdependence between the two countries. More importantly, they encourage German industry to lobby for good relations with Russia. This factor was almost completely absent during the Cold War, when German business was focused almost exclusively on European and especially U.S. markets; Germany's conservative foreign policy

was oriented accordingly. Now, the Christian Democratic and Liberal parties, the parties with the closest ties to German industry, are evolving from Cold War anti-communist sceptics into pragmatic Russophiles who see the former Soviet Union as a promising target for capitalist expansion.³⁹

The growing role of the private sector in international relations is not limited to Germany. As Steve Coll notes in the American case:

The Gates Foundation, The Open Society Foundation, Google, Facebook, Apple and (alas) even the Walt Disney Company have arguably projected more influence in the Middle East and North Africa in recent years—including on the course of the Arab Spring—than the Department of State. These corporate and philanthropic actors have sometimes bigger budgets but also strategies that are better attuned to changes in technology, demography, and culture that are weakening states and empowering people and small groups worldwide.⁴⁰

On Russia, German manufacturing and energy companies are the main players with the large multinationals leading the way and the small-to-medium-size firms, the *Mittelstand*, following in their wake. The German–Russian trade and economic relationship is well supported institutionally. Thus, the annual German–Russian Regierungskonsultationen, that is, the meetings of the German cabinet and the Russian executive, regularly include discussion of economic issues. Since 2000, a German–Russian Working Group for Strategic Questions of German–Russian Economic and Financial Relations (SAG) at high levels of the government and economics has been “linking politics and business” and is “providing impulses for joint pilot projects,” with “discretion being at a high premium.” At governmental level, on the basis of a previous declaration and an agreement on German–Russian Strategic Partnership in Education, Research and Innovation, the corresponding ministries are implemented the German–Russian Year of Education, Research and Innovation. Economic working groups with high-ranking members of the German and Russian business community meet in the context of the Petersburg Dialogue held in conjunction with the annual meetings of the cabinets. In 2009, the German–Russian Energy Agency (RUDEA) was founded, a joint venture linking the German Energy Agency on one side and Gazprombank and the Russian Energy Carbon Fund on the other, with the goal of “developing energy efficient markets in Russia . . . and opening new markets for German enterprises for energy efficiency technology.”⁴¹ The list of projects includes natural gas, energy efficiency, design, and construction of aircraft, automobiles, and railway transport.⁴²

Given these interests, it is not surprising that German business will make extensive lobbying efforts to support a relationship where the German state must play a large role, given the role of the Russian state in the economic relationship. As one experienced German Bundestag staffer put it, "The companies are the door openers while the German political class is standoffish. There is no real Russophile caucus in political circles as no one wants to be branded as Putin's friend. Companies will not say we have had enough and have developed person-to-person chemistry with Russians."⁴³

Lobbying in Germany is quite different than in the United States. In the latter, corporations give direct contributions to campaigns and use this as an effective lever to get what they want. American politicians are quite vulnerable to this form of inducement and pressure as the political parties have only a small role to play in providing campaign finance, leaving candidates to be political entrepreneurs. The Citizens United decision of the US Supreme Court in 2010 dramatically expanded the role of money in American politics leaving both candidates and politicians even more vulnerable to the pressure of money.

In the German case, public financing and the strong role of political parties in recruiting and selecting political candidates have limited the role of outside money in politics. In the 2013 parliamentary election campaign, for example, all the parties together spent \$93 million compared to the \$1.2 billion spent in the 2012 US presidential campaign.⁴⁴ However, interest group representation is both explicit and legitimate in German politics with candidates being both recruited and selected as representatives of a variety of interests including both business and labor. In recent years there has been a tendency away from large confederations of business and labor groups toward smaller more professional lobbying offices. One report estimated that there are up to 6,000 lobbyists based in Berlin.⁴⁵ The exact number is not known as lobbyists in Germany do not have to register.

In addition politicians can make substantial outside income and land lucrative jobs after leaving politics. The case of Gerhard Schröder is the most prominent example but Peer Steinbrück, the SPD Chancellor candidate in the 2013 election brought public attention to this source of outside influence on politics. Joschka Fischer became a consultant to the Nabucco gas pipeline project and Hans Dietrich Genscher formed a consulting group which promoted the interests of Azerbaijan among other foreign clients. It was reported that Steinbrück, after he left the post of finance minister in 2009 earned €1.25 million in fees for outside-speaking from 2009 to 2012. His complaint at the start of the 2013 election campaign that the Chancellor was underpaid made matters worse.⁴⁶ Eckhard von

Klaeden of the CDU left politics after the 2013 election to join Daimler, another example of the role of outside incentives in political careers. The Russia lobby in Germany has collected a large number of former diplomats and business people with a stake in the Russian market.

A number of members of the Bundestag on key committees dealing with energy policy and Russia represent the interests of German business. In addition to this mode of lobbying, German business has a number of lobbying organizations who use the media, public conferences and meetings, like the Petersburg Forum, to get out their message. The exhibition on Germany and Russia sponsored by Germany's largest crude oil and natural gas producer, Wintershall, is one example of this type of public relations effort.

The most influential Russia lobbies of German business have been, the Ost-Ausschuss der Deutschen Wirtschaft (OA), or the Committee on Eastern European Economic Relations, the German Russian Forum and the Confederation of German Industry (BDI). The most significant of these has been the Ost-Ausschuss, which was founded in 1952 and is the oldest regional business initiative in Germany. It has both provided support to companies investing in Russia and other post Soviet countries, (but significantly not Poland, the Baltic States, or countries of East Central Europe) and served as a mediator between German business leaders and policymakers. The Ost-Ausschuss has been extremely successful and influential when it comes to lobbying the German government on its policy toward the East, most importantly Russia. One obvious reason for this is the fact that the OA's membership encompasses a wide range of companies with substantial investments in Russia. It is a joint organization of the Federation of German Industries, the Association of German Banks, the German Insurance Association, the Foreign Trade Association of the German Retail Trade, and the German Confederation of Skilled Crafts, and all together it has almost 200-member companies.

Prior to 1989, the main objective of the OA was to overcome the economic division of the Western and the Eastern parts of Europe. Even as the Federal Republic of Germany was gradually granted some freedom in managing its economic relations with the outside world, West German–Russian business relations remained limited due to the so-called CoCom list, based on an export embargo agreed upon by the Western countries toward the Warsaw Pact countries. CoCom was designed to prevent the leakage of sensitive technology into the hands of the Soviet Union including so-called dual purpose technology that could serve both commercial and military uses.

Despite the export restrictions and other practical constraints, such as the nonconvertibility of the Deutsche Mark and the Ruble, the OA had already

started negotiations with the Soviet Union in the early 1950s. In the following years, it secured the closing of trade agreements with Romania (1954), China (1957), and the Soviet Union (1958). Soon after an embargo on steel pipes had been lifted, the OA facilitated the negotiations about the first German–Russian pipeline. Starting in 1970, Mannesmann AG supplied pipes to the Soviet Union, which in turn agreed to supply gas to Ruhrgas AG once the pipeline was built, and to pay for the pipes from the money it was to get for the gas. Later the Deutsche Bank also entered this arrangement and supported below market interest rate credits to the Russian side.

During the 20 years of postwar CDU chancellorships, business representatives were continuously at odds with CDU leaders over the extent of restrictions applying to Germany in its trade relations with the East. The OA's motto of change through trade (*Wandel durch Handel*) became a forerunner to Willy Brandt's *Ostpolitik*. It is no coincidence that the 1963 Tutzing speech of Egon Bahr, the architect of the *Ostpolitik*, was titled "change through rapprochement" (*Wandel durch Annäherung*) and Foreign Minister Westerwelle used the *Wandel durch Handel* phrase in his June 2013 Tutzing speech. In the 1980s, business tensions with political leaders focused more on the credits the West provided to ailing Eastern economies. While the Ost-Ausschuss welcomed the increased economic activity between the blocs, it did not find the strings attached satisfactory. When Germany was in the midst of Gorbymania in the late 1980s, the Ost-Ausschuss leaders were questioning the Soviet leader's commitment to substantive economic reforms. Since the fall of the Berlin Wall it has supported the transformation process in the young democracies of Eastern Europe and is the voice of German business in many bilateral economic bodies. The OA was headed for many years by Klaus Mangold, a former member of the Daimler Chrysler board of management who was also on the E.ON and Metro boards and serves as honorary consul of the Russian Federation for Baden Württemberg. He was instrumental in creating the Petersburg Dialogue, increasingly a "business *über alles*" meeting, which avoided issues that the Russians would find sensitive, like human rights. With his retirement in 2010 the OA lost a very forceful and effective leader and his departure has weakened its influence.

The Dialogue avoided discussion or criticism of Putin's growing repression of opposition within Russia and Mangold's successor, Eckhard Cordes, wished Putin success in the presidential election and said his candidacy was encouraging news. Cordes is also prone to lecturing the German media for their insufficient knowledge of Russia.⁴⁷ The committee published a strategic paper in 2011, which advocated abolishing visas between the EU and Russia and other East European

countries, a proposal taken up by Foreign Minister Westerwelle in 2013. Its executive director, Rainer Lindner, called the December 2011 parliamentary election, “the most free and democratic” since the end of the Soviet Union.⁴⁸ This was too much for Angela Merkel who made it clear to the Petersburg Dialogue’s organizer, that if changes were not made, she would delink the consultations between German and Russian government officials from the meeting. As noted earlier, she also had her close confidant and Deputy Floor Leader in the Bundestag, Andreas Schockenhoff, appointed to head the civil society working group of the Dialogue.⁴⁹

The German–Russian Forum is a nonprofit organization founded in 1993 with offices in Berlin and Moscow. It organizes conferences, workshops, seminars, career fairs, and exchange programs to enhance the cooperation between Germany and Russia. The Forum derives its significance from its high-profile membership. Half of its 300 members are representatives of the business world, including Germany’s largest companies.⁵⁰ The others are politicians, political parties affiliated think tanks, leaders of media concerns, journalists, and academics. The Forum’s Chairman since 2003 has been Ernst-Jörg von Studnitz, a former German ambassador to Russia. Its Kuratorium includes Eckhard Cordes and Klaus Mangold, Gernot Erler of the SPD, Manfred Stolpe and Lothar de Maziere, former leaders in eastern Germany after unification and Hans Joachim Gorning, a managing director of Gazprom Germania and someone suspected of former ties with the Stasi. The Forum’s is best known as a co-organizer of the Petersburg Dialogue.

Unsurprisingly the German business community has a much more positive view of Russia than the rest of German society. An annual poll of German business assessment of the business climate in Russia commissioned by the OA found that in December 2011 about two-thirds of those polled assessed the business climate in Russia as very good and that 64 percent expected positive shifts in economic development. The Eastern Committee concluded, that German business likes stability and link it to Putin’s return.⁵¹ However Boris Nemzov, a Russian opposition figure warns that “Europe must decide between gas and values” as it has in dealings with Iran and Venezuela. While Putin may be seen in the West as a strong man, he is destroying the institutions of the state and provoking future unrest.⁵²

The issue is not so much what German business should do but how its interests should be reflected in broader German policies. Businesses have different interests, missions, and constituencies than governments. They are in business to make money and to increase shareholder value. They are not humanitarian

organizations and while they can do much to promote decent work conditions for those who they employ, and should be pressured to do so, they should not be expected to risk their profits by alienating foreign political authorities by mixing business with politics. Political leaders, in contrast, have an obligation to balance and weigh economic interests into a broader spectrum of values and interests and should do this in pursuit of the public or national interest. This is the distinction between the private and public sector. The question, then, is to what degree political leaders allow economic and private interests to dominate large policies.⁵³ In a geo-economic state such as Germany the boundaries between public and private have become blurred.

Visa liberalization: A case study in German policy making

The Ost-Ausschuss membership and its leaders have focused on a number of issues regarding Russia, including greater support for both the German *Mittelstand's* efforts in Russian and the development of a Russian *Mittelstand* as partners, improvement in Russian infrastructure and workforce training and rule of law effort. Visa liberalization has been a key policy priority and provides an informative case study in how Russia policy is made in Germany and to some extent in Brussels.

The question of visa liberalization between Russia and the European Union has been on the agenda of their bilateral talks since 2003. After Russia's WTO accession had become more or less a done deal, the visa question became the most important issue for that country in its relations with the European Union. A mismatch between Russian and European expectations had been evident for a long time. In 2011, while Dmitry Medvedev was still president, he tried to speed up the process and secure that negotiations would progress automatically once Russia met certain technical requirements. At that time the head of the European Commission, Jose Manuel Barroso, said that the lifting of visa requirements was still years away. After Putin's reelection, the Magnitsky scandal and Russia's demand for a visa waiver for those holding so-called service passports (i.e. civil servants), negotiations stalled for more than a year. In response, Russia changed strategy and threatened to introduce retaliatory measures, such as requiring visas from the crews of European airlines. In the meantime, Russia also managed to secure an agreement on the introduction of three-year, multiple-entry visas to the United States, which further increased its confidence to put pressure on the EU.

The idea of visa liberalization has also been highly contested within the EU. While Germany did not oppose the deal as staunchly as Britain or the Baltic

states did, it also did not come forward with its support. However, this position changed in early 2013 when Westerwelle was joined by the Minister of Interior in supporting the liberalization. This in turn led to an acceleration of the negotiations between Russia and the EU as well. The currently discussed arrangement would grant multiple-entry visas to students, journalists, businesspeople and those holding service passports *with* biometric identification. When a German government spokesman was asked the government's response to Russian opponents of Putin who will not be given visa free travel while Russian officials will, he responded, "Our relations with Russia are broad and they include these groups of persons you mentioned. Any rapprochement with Russia will benefit all the people in Russia and in the EU."⁵⁴ However the economic motive was clear to many observers. Critics noted that opponents to Russian President Vladimir Putin—be it businessmen like Mikhail Khodorkovsky or punk singers like Pussy Riot—are still being jailed and say the judiciary serves as a political arm of the government They also suggest that economic interests—Russia is Europe's largest gas supplier and German companies have set up several joint ventures with Russian businesses—play a stronger role than they should.⁵⁵

This refers to the major reason for the change in German policy, the tenacious lobbying by the Ost-Ausschuss which had been publishing studies about the visa issue's adverse effects on business relations and polls showing that the liberalization is a priority for an overwhelming majority of German companies doing business in Russia. The OA noted that while Finland was issuing 800,000 visas annually to Russians, the German number was just 300,000. The organization had hired private companies to assist in outsourcing applications.

German resistance to visa liberalization, especially in the Foreign Office, goes back to the attempt of then Foreign Minister Fischer to liberalize visas with Ukraine in 2005 as a way of opening Europe up to the east. The political reaction in Germany was severe as he was charged by the CDU of opening the door to prostitutes and criminals with inadequate screening procedures. The affair almost cost him his job and since then German diplomats have been sensitive to blanket visa liberalization to eastern neighbors.

This decision to liberalize the visa regime is acceptable to otherwise opposing sides in Germany. Those arguing for a more lenient approach would support an even wider ranging scheme, while those worried about Russia's human rights abuses see it as an opportunity to support the most open, pro-Western elements in Russian society, although Germany's neighbors, with the exception of Poland, do not view it this way. The decision was in direct contrast to the decision of the United States to limit visas to certain Russian officials under the Magnitsky Act and in the face of opposition in the European Parliament. This policy stands in marked contrast to the Magnitsky sanctions passed by the US Congress banning visas to Russian officials associated with the imprisonment and

murder of Magnitsky. In fact German authorities refused to grant safe passage to Magnitsky's employer, William Browder, to attend a conference in May 2013 in Berlin on the case in Germany, citing concerns that Russia would request his extradition.⁵⁶ In an earlier discussion Westerwelle told the press in Berlin, "Some of their [Russia's] decisions I cannot comprehend. But we have to keep up discussions with Russia in a spirit of mutual respect. They are our strategic partners." He added: "If the visa liberalization for service passports happens, it would be a nice, welcomed progress. It is a very important topic to them. Putin brings it up all the time, so it is important for us too."⁵⁷

The role of German think tanks, political foundations, and academia

The German strategic community remains small given the growing weight of Germany in the world and its growing independence from both American and European foreign policy. The Stiftung Wissenschaft und Politik (SWP), the German Council on Foreign Relations (DGAP), and a few academic centers are the principle places for nongovernmental interest in Russia. Although Germany is the leading Western power in developing Russia policy, German expertise on that contrary is generally believed to be declining. As Hannes Adomeit characterizes opinion in this community: . . . "the overwhelming majority of German academic specialists on Russia, Moscow based correspondents of the major German newspapers and television channels, the heads of German political foundations working in Russia, the Russia desk in the foreign office and the (few) members of parliament knowledgeable about Russia and Eastern Europe hold a negative view of the direction the country has taken under Putin."⁵⁸

While the evaluation of the direction of the Russian economy, politics, and society remains largely negative, on foreign policy, the general sense of the German expert community of the Russian world view, as summarized in a survey taken in 2009, is one of a nineteenth-century zero-sum power politics. While Russia is seen as having an inflated view of itself as a great power, in reality it is more of a regional power. "Russia thinks geostrategically and follows national interests."⁵⁹ This view is characterized by the following commentary by a journalist for the *Frankfurter Allgemeine Zeitung*:

It is Russia's tendency to see relations with the West as a zero-sum game—in which a gain of one side always corresponds to a loss of the other—that makes

closer cooperation difficult and that turns natural conflicts of interest into serious conflicts. The fact that the Kremlin defines its interests as part of a power game and not factually makes it difficult for the West to formulate a policy that takes into account the legitimate interests of Russia (and not only its rulers). The West cannot respond to the destructiveness of Putin's foreign policy in kind, but it should stick to its firm principles.⁶⁰

Given its energy and other natural resources and its role in Germany's immediate neighborhood, Russia remains an indispensable partner for Germany in the view of these elites. Russia is not seen as a military threat although it can play the role of spoiler in its immediate region. It relies on its energy resources as a major instrument of its foreign policy. When it comes to the future relationship, German specialists remain divided. Even in 2009 during the Medvedev presidency, there was no consensus on where the relationship was headed with views ranging from no change and a continuation of a case-by-case pragmatic approach to a sense that Russian modernization would hang on the 2012 elections. Most believed full modernization was a long way off. The division between the value oriented and economic realists within the parties also characterized broader elite opinion. German policy is seen being driven largely by economic interests and change would likely come from the private sector. If the cost of doing business with Russia becomes too high then a change in German policies would follow.

Germany's strong pursuit of its economic interests in its relationship with Russia will likely remain constant, leaving it vulnerable to criticism within the EU. If, though, as appears increasingly possible, Russia becomes weaker internally due to its failure to modernize on a variety of fronts, it may grow less attractive as an economic partner for Germany. This could bring other aspects of Germany's Russia policy to the fore, ones that are more compatible with adherence to principle and broader EU interests.⁶¹

At the DGAP, Alexander Rahr served as the think tank's top Russia specialist until his departure for Wintershall in 2012. He was Program Director of the Berthold Beitz Center at the DGAP and a Senior Advisor at the Wintershall Holding GmbH before joining the company full time in 2012. From 1977 to 1985 he was visiting research fellow in the Soviet leaders research project at the Federal Institute of Eastern Europe and International Research, Cologne. The Institute was the top policy center on the USSR and was merged into the SWP after the end of the Cold War. Rahr served as a research fellow at the Research Institute of the DGAP and Director for Russia and CIS Programs from 1994 and is emeritus professor of the Moscow State University of Foreign Affairs. The Beitz Center,

created in 2004 is named after Berthold Beitz who held a leading position in Krupp and then in Thyssen Krupp and had been a major force in the expansion of business between then West Germany and Russia in the 1970s.⁶² Rahr is the leading German academic advocate of close German–Russian cooperation and his ties to the Ost-Ausschuss and to Wintershall reflects the influence of German business as well as Russian interests on the Russia policy debate. Here is part of his commentary after the November 2012 Petersburg Dialogue meeting.

The majority of people in Germany are happy that over the past twenty years we have developed normal strategic and allied relations with such a major world power as Russia. Bilateral trade has exceeded \$80 billion a year. But the trouble is that there are traditional groups in the West, above all in Germany and France, groups of intellectuals who could venture too deeply into the realm of philosophizing, which may lead to the rejection of modern Russia for a number of reasons. They view Russia as an undemocratic country that is infringing on human rights and freedom of speech. They have gone so far as to question the need for partnership. . . . I was impressed by how well Chancellor Angela Merkel maneuvered between the pragmatic line and the advocates of a policy of [European] values. Of course, burning problems, such as the verdict against the punk group Pussy Riot, attract public attention. But it is important that despite any misunderstandings and differences in world outlook, the most important of our joint projects have not been curtailed, but are continuing and have even been expanded. At the same time, we must not forget about our ideological differences, which has survived following the collapse of communist beliefs, and is hindering our progress. The Cold War legacy is still hanging over our head.⁶³

Rahr became increasingly critical of Merkel and Germany's Russia policy in 2013, accusing German Ostpolitik of "having lost its balance" and arguing that "When we speak today of Russia only democracy and human rights are mentioned, but never is it discussed what Europe and Russia can gain as partners."⁶⁴ At the same time, one of Rahr's colleagues at DGAP, Stefan Meister, was a leading critic of Germany's Russia policy, labeling it too accommodating.⁶⁵ He has been critical of the concept and execution on the modernization partnership with Russia, calling it a false approach based on false assumptions. The Germans want a political modernization while the Russia elite is only interested in technology transfers. The Germans want the rule of law while the Russians want to hinder it in order to protect their power and privileges. He argues for a more critical German approach, given the dependence of the Russians on the European market. The current German approach undermines the credibility of Germany

with a growing critical Russian public and hinders modernization. Meister left the DGAP to join the European Council on Foreign Relations Berlin office in 2013.

Rahr was succeeded by Ewald Böhlke as head of the Beitz Center. Böhlke served from 1995 to 2012, as a scholar for futurology at Daimler AG, focusing on regional research in Eastern Europe and the Middle East, the implementation of scenario workshops for the air and space industry, and strategic analysis and consulting on cooperation projects between European and Russian businesses.

A more critical assessment of Putin's Russia can be found in the analysis of the Russia Research Group in the Stiftung Wissenschaft und Politik, the leading foreign policy think tank of the German government. Its former top Russia analyst, Hannes Adomeit, has been critical of the German approach to Russia, denying that it is a strategic partnership or that the modernization partnership has modernized Russia.

Official Berlin's portrayal of Germany and Russia as being "united by a strategic partnership" is wide of the mark. In reality, a common strategy does not exist. There is no agreed-upon plan of action with corresponding means allocated and a set time frame. Objectives diverge, and so do values. Officially, the "partners" convey the notion that, some disagreements notwithstanding, the relationship is one of friendship and trust. However, since 2000, diverging perceptions and differences of interest have combined to undermine confidence. Even propagandists for Moscow's point of view in Berlin acknowledge that the "friendship" is essentially "cold," and serious analysts characterize the state of affairs as an "alienated partnership . . . in private, German government officials and—openly—German non-governmental actors, including business leaders, are disillusioned and disappointed about the course Russia has taken under Putin."⁶⁶

Similarly, Susan Stewart, an analyst in the Russia Research group at SWP is critical of the impact of Germany's economics driven policy on its relationship with Poland and other EU member states.⁶⁷

Finally the European Council on Foreign Relations has an office in Berlin but tends to focus more on Germany within the EU has not looked at German–Russian relations in a systematic way. Its addition of Stefan Meister will improve this capability and one of the leading advocates of understanding Germany as a geo-economic power is Hans Kundnani, who is the editorial director of ECFR in London and has written a number of influential pieces on Germany's geo-economic approach.⁶⁸

What all this portends for German policy is difficult to say. There remains a sharp divide between the worlds of academia and of policy with think tanks in a netherworld. Most of these analysts believe that Germany's Russia policy is largely driven by economics and business.⁶⁹ Russia policy is largely determined by German economic interests and is driven by the private sector. As Timothy Garton Ash observed, "While German business has globalized itself spectacularly over the last quarter century, with companies holding board meetings in English, and managers being as much at home in Sao Paulo as in Stuttgart, the political class has become even more provincial than it was before."⁷⁰ In fact some of the best and brightest of the German foreign policy elite have moved to the private sector including, Wolfgang Ischinger to Allianz, the aforementioned Eckhard von Klaeden to Daimler and Thomas Mattusek to Deutsche Bank. The next chapter examines the role of business in the German–Russian relationship.