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Germany's *Russlandpolitik*: Implications for the United States, Poland, and Europe

Russia as the centerpiece in the German–American relationship

Both Russia and Germany remain important to the American foreign policy agenda. Russia is a component in a wide array of policies central to any American administration, including dealing with Iran and the construction of a broader nonproliferation regime, energy security, nuclear arms reductions, and Afghanistan. Russia policy will also be central to American designs for European security, including how to deal with aspirants in the shared neighborhood between NATO and Russia. Finally the Russian role in helping to broker the Syrian regime's use of chemical weapons in 2013 helped bail the Obama administration out of a dangerous cul-de-sac and might result in the destruction of Syria's chemical arsenal.

Germany has become Washington's key European partner in all areas of European policy, and will be a key player in Europe on dealing with Russia. Berlin plays a decisive role in shaping a coherent and successful Russia policy and no unified European policy on Russia is possible without Germany. Yet while Germany is crucial to any Western policy consensus on Russia, there are real differences in interests, cultures, and approaches between Berlin and Washington, which could lead, and have led, to divisions if not handled well. There is a real prospect that without a common approach, Germany will increasingly play the role of mediator between Russia and the United States on issues that go beyond the bilateral policy agenda.

There has long been an undercurrent in American thinking of worry about Germany's reliability as a partner on Russia, dating back to Lenin's withdrawal of Russia from World War I, through the Rapallo complex of the 1920s, the

Molotov–Ribbentrop Pact of 1939 and then over divisions on détente policies in the 1980s. What then are the sources of both divergence and convergence of approaches between Berlin and Washington and how can the two develop a common strategy?

The legacy of 1989 in Germany and the United States

Part of German–American divergences on Russia lies in the lessons learned from the both World War II and the end of the Cold War. Germany conducted a war of annihilation against the Soviet Union designed to destroy and eliminate populations rather than secure limited objectives. A sense of guilt for these atrocities still remains in contemporary Germany and fosters an inclination to avoid policies that seem aggressive, including assertive rhetoric.¹ In addition, Germans tend to believe that the reason the Cold War ended peacefully and Germany was reunified was due to détente and engagement with the other side. The German public has consistently credited Gorbachev and former Foreign Minister Hans Dietrich Genscher for the peaceful ending of East–West hostilities. The lesson drawn for future policy was that dialogue, diplomacy, mutual trust, and multilateralism were the best approach for dealing with seemingly intractable opponents.

The American strategic culture is, in Cooper’s terminology, a modern one.² It remains national rather than post-national and views the world in balance of power terms, although it has a stronger ideological component than that of a traditional realist state. It gives force and the threat of the use of force a higher priority than do most EU countries, especially Germany, and has a greater belief in the concept of just war. Its unparalleled military capabilities are both a product and reinforcement of this culture. Consequently, a major narrative in the United States on why the Cold war ended is a vindication of the more aggressive policies of Ronald Reagan, the Reagan of the military build up, the Strategic Defense Initiative, “the evil empire” and “tear down this wall Mr. Gorbachev.” The alternative narrative that emphasizes the Reagan of Reykjavik and arms control agreements is less prominent than it is in Germany. The successful realist diplomacy of G. H. W. Bush and James Baker in ending the Cold War peacefully is often downplayed. This neoconservative Republican view of the world, one that emphasized the role of resolution and military strength in the defeat the Soviet Union, and which disparaged negotiations as appeasement, remains an important strand in American thinking about the world in general and Russia in particular.

In addition, the argument between the realists and the neoconservatives within the Republican party and realists and liberal interventionists among Democrats, was also one about the relevance, or lack thereof, of domestic political systems to foreign policy. Realists in America, as in Germany, tend to look primarily at external behavior of states and the implications of state behavior for the international political system while both neoconservatives and many idealist and interventionist Democrats stress the importance of democracy and the respect for human rights at home as fundamental to international behavior.³ Realists view the struggle with Russia as simply a continuation of a struggle built into a state system, which is based on the competition for relative power advantage and security. Their approach toward Russia is one, however, which would recognize Russian interests and the limits of American power in a region close to Russia and in which American influence is less important than the dangers of over-extension and vulnerability. American realists also emphasize the American stake in a good working relationship with a power that has a permanent seat on the UN Security Council and a nuclear arsenal, which can still destroy the American homeland.

Thus the legacies of over 60 years of diplomatic experience have led policymakers in Washington and Berlin toward diverging strategic cultures, a divergence reinforced by American military capabilities and Germany's downgrading of military force as an instrument of statecraft. This divergence crosses party lines so that even a Democratic American president is more likely to see the need for a hard power component of a smart power approach to the world as compared to a Christian Democratic chancellor. That this legacy is still very much alive and well was evident during Foreign Minister Steinmeier's first visit with Secretary of State Hillary Clinton in February 2009. The correspondent from the *Sueddeutsche Zeitung* contrasted this cordial meeting with those between Steinmeier and Condoleezza Rice, in which they disagreed strongly over the causes of the fall of the Soviet Union, with Steinmeier declaring it the result of detente policies while Rice credited it as the fruit of Western strength.⁴

The German and American publics and Russia

When we look at the German and American public's views of Russia today, the differences are less dramatic than we would expect, given this background. As described in Chapter 2, the German public is quite critical of Putin's Russia on human rights and democracy grounds. The 2013 Transatlantic Trends survey,

for example, found that Germans were more skeptical than Americans about the desirability of Russian leadership in the world. While Americans were almost evenly split over whether it would be desirable for Russia to exert strong leadership in world affairs, with 46 percent saying that this was undesirable to 40 percent holding it desirable, a full 69 percent of Germans felt that this was undesirable to 29 percent who felt the opposite.⁵ Also on the favorability of opinion question the negative to positive responses were 74–21 percent on the negative side for Germans and 59–28 on the negative side in the United States.⁶ In addition, Germans feel about as warmly toward Russia as other Europeans or Americans.⁷

Americans are like Germans in that they don't like Putin's Russia but know that they have to live with it. Already by 2008 a Chicago Council on Global Affairs survey found that Americans support talking with leaders of countries of hostile or unfriendly nations, with up to two-thirds of those surveyed supporting talks with North Korea, Cuba, and Iran.⁸ This and other surveys indicate a resurgence of a more restrained approach to Russia and the world following the debacle of the Iraq war and the growing strains on the American economy. Even prior to the election of Barack Obama as president, polls were showing a growing American public fatigue and disenchantment with the Bush administration's approach and legacy in foreign policy, including skepticism about the ability of the United States to export democracy. The 2013 version of Transatlantic Trends confirmed this when it posed the following question. "Concerning recent developments in the Middle East and North Africa, some people say that stability is more important even if it means accepting nondemocratic governments. Others say that democracy is more important even if it leads to a period of instability. Which view is closer to your own?" Only 47 percent of Americans responded democracy to 43 percent for stability while in Germany 55 percent chose the democratic option to 41 percent stability.⁹ If policy gaps develop between the United States and Germany over Russia policy there are to be found more at the elite level rather than with the general public in both nations. This divergence among elites is due not only to history and political culture but also to the nature of the stakeholders in Russia policy in both countries.

Assymetrical economic stakes

While the publics are not as far apart as conventional wisdom posits, there is a clear divide between the United States and Germany when it comes to the economic stakes involved. While German business has

been the “anchor” of the German–Russian relationship for centuries and the energy relationship a key component of that anchor, the American economic stake in Russia is far smaller. Russian–American trade between the two countries was about \$40 billion in 2012 with US exports totaling only \$10.7 billion and imports at \$29.3 billion. This is a major increase from the late Yeltsin years when total trade was around \$10 billion or even over the past five years from 2007 when it stood at only \$27 billion.¹⁰ The United States was the thirteenth largest investor in Russia in 2011, with \$1.3 billion in total investment, \$88.2 million of which was Foreign Direct Investment or FDI.¹¹ America exports automobiles, machines, and tools, including tractors and agricultural goods while importing raw materials, largely petroleum products and minerals.¹² The entry of Russia into the World Trade Organization in August 2012 and the lifting of the Jackson–Vanik restrictions on trade with Russia to grant Russia Permanent Normal Trade Relations (PNTR) status opened up the prospect of increased US exports to Russia. Those promoting the granting of PNTR have argued that would open Russian markets for American firms in the areas of aerospace, agricultural machinery, and agriculture in general, automotives, chemicals, construction, and a wide variety of other areas.¹³ There have even been arguments similar to those made by the Ost-Ausschuss regarding how business can promote opening up society in Russia. Under Secretary of State William J. Burns told the annual meeting of the United States–Russia Business Council that:

Nor is it just the John Deeres and Boeings who stand to benefit. A predictable, rules-based system with recourse to dispute resolution will also help small and medium-sized businesses that lack the reach and resources to compete in a more uncertain environment. Respect for WTO rules can unleash a new wave of business activity in Russia—not just from American businesses but from businesses around the world. . . .

To tap into its remarkable pool of talent, and to attract the critical mass of investment needed to diversify its economy, Russia must also provide firms—both foreign and Russian—with a level playing field, including better legal protections and transparent, predictable rules. Russia’s ratification of the OECD anti-bribery convention will be a step in the right direction and we welcome systemic reforms such as those proposed last spring that would protect whistleblowers who expose official corruption. These steps would send strong signals to investors about Russia’s commitment to rule of law. Other tools like a Bilateral Investment Treaty should also be explored. The protections and

reassurance that Bilateral Investment Treaties bring would encourage Russians and Americans alike to invest in each other's economies.¹⁴

However the coupling of the granting of PNTR with the Magnitsky legislation banning the travel of officials associated with the death of the Russian lawyer, put a damper on these hopes and brought out the dangers of investing in Russia.

American investment in Russia remains low, although many American firms invest through European subsidiaries, and is part of a general trend in which investment in Russia comes from accounts held by Russians in Switzerland, Cyprus, and the United Kingdom to move money in and out of the country, with the outward flow increasing in 2012. There is no energy relationship to speak of and given the development of shale oil and gas this area is not likely to be a significant one in the future. The American Russia lobby is confined the US Chamber of Commerce and to groups like the Coalition for United States–Russia trade and the United States–Russia Business Council, which are small in comparison to their German counterparts.

In contrast to German interests, American interests in Russia are almost entirely strategic, starting with nuclear weapons and Russia's role in areas of key importance to the United States, especially in Central Asia and the Caucasus and to the security threats posed by Russia. As Samuel Charap has observed, "The (Russia and the United States) national security establishments continue to view each other as adversaries, almost twenty-five years after the Cold War ended."¹⁵ The democracy agenda has been more important in the formulation of US policy than it has in Germany, but the Obama administration has downgraded this as a priority and now seems closer to the German approach. The contrast is striking between the second Obama inaugural speech when he stated, "We will support democracy from Asia to Africa, from the Americas to the Middle East," and his speech on September 24, 2013 to the UN General Assembly in which he, in the words of the Washington Post editorial board, "explicitly ruled out the promotion of liberty as a core interest of the United States."¹⁶ In short there are more German stakeholders in the relationship with Russia on the economic side than there are in the United States while there are more American stakeholders in the strategic community than there are in Germany. The former benefit from engagement while the latter tend toward threat perceptions.

While there are substantial geopolitical, cultural, and economic differences between German and American views, interests, and policies toward Russia, the need for a common approach remains crucial to both countries. A major split over Russia policy could have important spill over effects on the broader United States–German relationship and on overall Western policy toward Russia.

The German–American strategic debate

The debate on how to deal with Russia depends on assumptions about what motivates Russian foreign policy and the linkage between domestic politics and external behavior. As described by Ellen Barry, there are two broad scenarios, concerning where Russia is headed: interdependence and cooperation or retrenchment and nationalism.¹⁷ Under the first scenario, the financial and strategic pressures working on Russia will force it to pull back on its foreign ambitions and cooperate with the West. The second scenario takes the opposite conclusion, namely that tight economic times will foster nationalist behavior and policies. Russian leaders will try to play the nationalist card against an external enemy, especially against the United States, as Prime Minister Putin did in his scathing attack at the Munich Security conference in 2007 and at the Davos World Economic Forum in January 2009. As Barry notes, “to a Russia intent on reclaiming great power status, there may be something elemental about resisting America.”¹⁸ The economic crisis only accentuated the debate within Russia itself on the lessons it needs to draw from the collapse of energy prices and the severe financial crisis within Russia. As one commentator put it, “Will they conclude that the west has ‘infected’ Russia and retreat into isolationism? Or will they realize that Russia’s fate is inextricably tied to the world economy and engage more fully?”¹⁹ These considerations have been reinforced by the energy revolution of the past five years and its implications for the broader Russian economy.

The assumptions about the direction and sources of Russian policy lead to different strategic conclusions. Those tending toward what Peter Rudolf calls an “essentialist view of Russian foreign policy,” see Russian foreign policy through a prism in which, “the authoritarian turn in the Russian polity and a strong-handed assertiveness in Russian foreign policy are two sides of the same coin.”²⁰ The West, under this approach, “responds with a policy that in substance if not in name amounts to military containment,”²¹ It will give up on the idea that Russia will be a partner and believes that Putin will use Russian alienation from the West to solidify the authoritarian system and defend it against domestic opposition. This seems to be the direction he has chosen since his re-election to the presidency in 2012 after which he increased his resistance against the West and his reliance on small town and rural Russian nationalism against the cosmopolitan urban centers of Moscow and St Petersburg.

While the neocontainment advocates tend to believe that Russia has given up on integration and partnership with the West, another approach, which Rudolf labels hedged cooperation and integration, is agnostic about the long-term

intentions of Russia. It is based on an “interactionist” view of Russian foreign policy that accepts Russia as a great power with legitimate security interests and whose cooperation is needed for the management of key security and global issues. This school advocates an interest based, realist approach that sets priorities and avoids NATO overextension. It also holds out the hope that engagement and hedged cooperation will ensnare Russia in a web of interdependency and give it a large stake in cooperation over confrontation. In the American debate both Henry Kissinger and George Shultz are clearly in this school, and it is the one which the Obama administration has followed for the most part.²²

President Obama came into office with very limited foreign policy experience and his formative view of Russia was shaped by his work with Senator Richard Lugar on the securing of Russian nuclear assets. Early in his first term he had Vice President Joseph Biden lay out the new approach in a speech to the Munich Security Conference in February 2009, where he spoke of pushing the reset button on relations with Russia, and was reinforced by the President’s meeting with Medvedev in April 2009.²³ The term “reset” was an indication that the new administration believed that the policies of the Bush administration were not working and needed to be substantially revised. He believed that the Bush administration had overextended American commitments beyond what was within both the American national interests and capabilities. A self-described realist, the president saw Russia through the prism of American global interests and he made it clear that he favored a new, less confrontational approach toward Russia and other hostile powers like Iran.

The Obama administration regarded Russian cooperation as important to their top priority of stabilizing Afghanistan. They also sought a new START agreement and reductions in nuclear arsenals. They restructured and delayed deployment of anti-missile systems in Poland and the Czech Republic without any advance notification alienating Poland and other Central European allies, but pleasing Angela Merkel who had lobbied both Bush and Obama to stop the project. NATO membership for Ukraine and Georgia was put on the back burner as both countries had taken themselves out of serious contention for NATO membership, at least for the medium term and they looked to the EU for ways of bringing these two contentious states closer to the West. President Obama’s realism was reinforced by the economic crisis the United States was undergoing. The new team in Washington wanted to cut back on their external commitments and avoid with Russia at a time of major domestic challenges thus aid in what Obama later called nation-building at home.

The reset accomplished some of its major goals. It succeeded in lowering the climate with Russia and achieved a new Strategic Arms Reduction Treaty, agreements on civilian nuclear cooperation, on Afghanistan transit, cooperation on Iran and other areas.²⁴ Entry of Russia into the WTO opened up the prospect of an enhanced United States–Russian economic relationship. However there were significant limits to the reset policy including little movement on Georgia and continued friction and competition in Europe's eastern neighborhood and little progress toward re energizing the United Nations.²⁵

The reset also reset German–American relations both generally and in regard to Russia. The realist Obama approach fit well with that of the Grand Coalition. As noted, the Steinmeier–Clinton meeting early in the new Administration's term was a relief to the German government and public and signaled that Russia would be less of an obstacle in rebuilding the damaged German–American relationship. NATO enlargement and missile defense were defused as points of contention between Berlin and Washington and when the Merkel–Westerwelle coalition came to power at the end of 2009, the new German relationship with Poland and other nations in East-Central Europe also went down well in Washington. The START agreement was strongly supported by the Merkel government as was the accession of Russia to the WTO. Differences remained over the Magnitsky Act as German business was hardly interested in new impediments on doing business with Russia but tensions over Ukraine and Georgia eased. Chancellor Merkel came to be regarded as the most important European leader by Washington and the critical turn she made toward the new Putin regime paralleled a similar tone and assessment by the Obama team. The view on both sides was that there was little to be accomplished with a Putin government that saw the relationship with the West as a zero-sum game. When Obama canceled his meeting with Putin in scheduled for September 2013, the reaction in Berlin was supportive. As Samuel Charap described it, "Germany had a blame America first" posture when it came to troubles in NATO–Russian relations. The reset completely turned the tables on that logic, and the Germans began to be much more critical of the Russians on ballistic missile defense cooperation and other issues. In the words of one SPD foreign policy official, "if Obama can't make this work then no one can."²⁶

Yet the options for Germany remained more limited than those for President Obama. Obama had taken the view that if the relationship stopped providing real benefits for the United States he would simply move on and ignore Russia. This was never really an option for Merkel or for any German leader. Even following her cold meeting with Putin in Berlin in April 2013, where she was openly critical of the human rights situation in Russia, both the general

nonconfrontational style of German statecraft and economic ties kept her from disrupting the relationship any further. Unlike Obama, she did not feel that she could cancel a meeting she knew would not produce any real deliverables. As one reporter noted at the time, "Experts say that even if political relations cool a bit, the economic factor has simply become too important to sacrifice on the altar of human rights. They say Putin may face a few gentle, formal criticisms from Merkel this weekend, but nothing resembling the acrimonious dialogue that has thrown Russia's relationship with the US into full reverse in recent months."²⁷

Strategic options for the United States

American administrations have a number of options in approaching the German–Russian relationship. They can choose a bilateral approach with Russia, an EU-centered one or one focused around Germany and Poland. The EU, under French leadership brokered a weak settlement of the Russia–Georgian conflict and the Russia–Ukraine gas dispute and should play a larger role. However this will require greater cohesion on developing a European-wide Russia strategy, a major task. There is no European consensus on Russia and Russia policy, although Europe is closer to one now than it was four years ago. Still European countries diverge in their interests, vulnerabilities, and strategic cultures as they relate to Russia.²⁸

This leaves a number of bilateral options including France, the United Kingdom, and Poland. While it will work with the United States on a number of strategic issues, most recently Libya and Syria, France is not really a major player on Russia. France has the convenience of nuclear power that allows it to remain independent of Russia on energy and as a permanent member of the UN Security Council, it finds it useful to work with Russia on strategic issues as President Chirac did during the Iraq war when he formed a coalition with Berlin and Moscow against Washington as part of his effort to promote a multipolar world. This policy was later abandoned both due to Putin's intransigence and the impact it had of France's relationship with the new member states of East-Central Europe.²⁹ France also does not have the deep economic relationship with Russia that Germany has, although during the Sarkozy Presidency and in the wake of the financial crisis the French economic stake in Russia has grown. French investment in Russia rose to nearly €12bn in 2012 and military cooperation is intensifying with the two French-built Mistral-class helicopter carriers on contract with the first, the *Vladivostok*, to be delivered to Russia

in 2014. However, under Francois Hollande, France has clashed with Putin over Syria and the Russian image in the country is quiet negative. France is less engaged in both Russia and Central Europe than the other potential partners and has no real Ostpolitik. It has ceded influence within the EU to Germany on Russia policy and remains focused on the Mediterrean.³⁰ Still every French government has an imperative to balance its relationship with Washington with that with Moscow and France will continue to have an interest in a good working relationship with Russia but it will not be a primary partner for Washington developing a Russia policy.

While the United Kingdom is home to many Russian oligarchs and their money, its relationship with Russia is the worst of any of the major European powers and it remains marginal to any European discussion on Russia. It still suffers over the poisoning of Russian émigré Alexandr Litvinenko in 2006 in London by Russian security services, subsequent harassment of the British Council and the British ambassador in Moscow as well as disputes with BP and Shell over oil and gas fields in Russia. The personal relationship between David Cameron and Vladimir Putin has been a frosty one as illustrated at the Petersburg G20 meeting in September 2013 when Putin referred to Britain as “a small island that no one listens to.”³¹ Yet the economic relationship has grown. As one Russian minister put it, “Paradoxically, the UK-Russia business relationship has never suffered due to politics and lots of UK businesses are in Russia. More and more Russians are going to Britain for the education and the financial services.” In fact the volume of trade actually quadrupled over five years and reached \$22.5 billion in 2008.³² BP reentered the Russia market with a deal for Arctic oil with Rosneft and United Kingdom investment in Russia has grown, yet the United Kingdom remains isolated from Russia and is likely to be more of a supporting player for the United States in this policy area.

Poland's resets with Germany and Russia

Poland remains the other key partner for both the United States and Germany in developing a Russia policy. Germany would be in an awkward position regarding its smaller neighbors to the east if the United States made clear that Germany was acting as its sole partner in this area. Having Poland in support of a joint United States–German policy is therefore crucial. The Polish relationship with both Germany and Russia underwent a remarkable improvement with the replacement of the Kaczynski government (2005–7) by that led by Donald Tusk

and his Foreign Minister Radek Sikorski. Characterized in 2007 by a European Council on Foreign Relations report as a “new cold warrior,” that report observed of Poland at the time, “Motivated by Russian pressures, but also by unresolved historical grievances, they have missed few opportunities to criticize Russia in public.”³³ The Schröder government helped bring Poland into the EU in 2004 but was regarded with suspicion in Warsaw given his clear priority for the Russian relationship and his neglect of the smaller member state’s interests.

The relationship between Merkel and Kaczynski was a low point in the post-Cold War Polish–German relationship. The German chancellor maintained strategic patience during the Kaczynski years and moved ahead with improving the relationship once the Tusk–Sikorski team came in. The most dramatic example of this new attitude came in a remarkable speech in Berlin by Sikorski on November 28, 2011 when he stated, “I fear German power less than German inaction.”³⁴ Although Sikorski was referring to the euro crisis he was also making a broader point. The new Polish government realized that it could better defend its own interests when the whole EU stood behind it and that a poor relationship with both Berlin and Moscow only isolated Warsaw. As the former Polish ambassador to both Berlin and Washington, Janusz Reiter puts it, “A good relationship with Germany widens Poland’s room for maneuver and makes it a more attractive partner for others. It also makes Poland more relaxed about Russia.”³⁵ This view is seconded by long time East Europe watcher Edward Lucas who characterized the change in the following summary:

The genius of the Tusk-Sikorski approach to Polish foreign policy is that the two men have stopped playing to the gallery and started thinking about the real Polish national interest. It cannot possibly be in Poland’s interest to have bad relations with all its immediate neighbors (and arguably not with any of them). It is particularly perverse to pick fights with both your important neighbors, while relying on support from faraway countries such as the United States or even from Britain (“been there, done that,” Poles might say bitterly to that idea). The quality and quantity of attention that Poland can expect in Washington is not commensurate with Poland’s need for external support, especially if it is on icy terms with both Berlin and Moscow. That was the dead-end into which the previous government of Jarosław Kaczyński had backed the country.³⁶

However the follow on Russian investigation and handling of the plane crash in Smolensk, which took the life of Polish President Lech Kaczynski and 95 high officials of the Polish political elite in April 2010 remains a festering wound in the relationship.

The Polish public was open to this shift as well and was never really comfortable with a confrontational approach toward Moscow. Polls show consistently that the Polish public is relaxed about Germany. Two-thirds believe that they have benefitted from German unification, largely due to the large trade and investment relationship. For two decades now, Germany has been Poland's most important trading partner, with a share of 26 percent in the export sector and 22 percent in imports. Since 2009, Poland has held tenth place in the ranking of Germany's trade partners ahead of Russia. In 2012, Poland attracted a total of €13.6 billion in foreign direct investment (an increase of 30 percent, compared to 2010) with, €3.6 billion due to German companies (2010: €1.8 billion). The value of FDI inward stock from Germany was €23 billion. In the same period, Polish companies invested approximately €1.0 billion in Germany.³⁷

On their views of Russia, Poles in 2013 had a 59–30 percent unfavorable to favorable view of Russia compared to the German public's 74–21 percent unfavorable over favorable view.³⁸ On German views of their relationship with Poland, a 2013 Bertelsmann survey found that 70 percent believed it was good to only 18 percent poor while the German view of its relationship with Russia was divided with 47 percent hold it to be good compared to 42 percent bad. Fifty-nine percent thought that Germany's relationship with Poland should be based on cooperation and compromise while 32 percent felt that it should be based on strong defense of their own interests; the numbers for the relationship with Russia were 43 percent for cooperation and 48 percent for a strong defense of interests.³⁹

The tougher line of Merkel and Schockenhoff on Russia since the end of 2012 has also bolstered Polish confidence in German policies in their region, as noted by one leading Polish analyst: "Looking east, Germany under Merkel has provided Poland with much-needed reassurances with respect to Russia and Eastern Europe. Germany and Poland are now much closer together in their assessments of Russia's tactics. They also coordinate closely and put out joint feelers toward Russia—as evidenced by more frequent trilateral meetings among foreign ministers and planning staffs. Poland would like that to continue after the German election."⁴⁰

The relationship between Guido Westerwelle and Radek Sikorski was a close one as Westerwelle made the repair of German relations with the region a priority, making his first official visit to Warsaw and not Paris, as had been the tradition. They authored a joint letter on November 8, 2011 to the EU High Representative for Foreign Affairs and Security Policy, Catherine Ashton, urging the EU to revamp its relationship with Russia. The letter called for a mix of

measures to support Russian modernization, including Russian entry into the WTO and a possible free trade zone with the EU and Russia and also urging a firm line on rule of law and human rights.⁴¹

This all has meant that Poland has now become an active player in any joint United States–German approach toward Russia. However as Lucas points out, while Germany now takes Poland seriously, “Germany is polite and friendly but it is not an ally for Poland in the sense that it sacrifices its own important interests to suit Poland.”⁴² Germany and Poland differ on a number of issues relating to Russia. Berlin is less supportive of the EU’s Eastern Partnership and on Georgia, it remains more open to a common security approach to Russia, it is more hesitant on pulling Ukraine toward the EU, it went ahead with the North Stream pipeline over Polish objections and has complicated the development of a Polish Liquefied Natural Gas terminal. As Polish analyst, Bartek Nowak points out, “Poland was forcing the Eastern Partnership while Germany was forcing Modernization Partnership with Russia. Both projects in both countries were considered as being in competition. In fact this reflected very different attitudes towards countries ‘in-between’ EU and Russia. Apart from this, Germany believed, that in Russia the bottom-up modernization is possible. Poland has never believed in this (only during a very short period after 2010 Smolensk tragedy).”⁴³

There is agreement among Polish and German analysts that Russia pursues a zero-sum approach to foreign policy and is continuing the superpower politics of the Soviet Union. However German analysts have tended to see Russian foreign policy as motivated by a feeling of fear and lack of appreciation and acceptance as a great power while their Polish counterparts see a more consistent pursuit of national interest.⁴⁴ Germans see Russia as a partner due to its global role while Poles see it as a partner due to its geographic proximity and need to stabilize the region. While Germans do not see Russia as a direct threat they and Polish analysts understand why Ukraine, Belarus, and the Caucasus see it as a threat. The Poles are less sanguine than the Germans on threat perception. As one of Poland’s leading foreign policy analysts, Pawel Sieboda, describes it, “the Polish leadership shudders when it observes Russian defense policy. Poland does not understand Nato’s insouciance towards Russia’s military potential. Russia’s army has serious shortcomings, but Russia remains a nuclear power—and an unpredictable one at that. The 2008 Georgia war may have been forgotten in the west. Not in Poland.”⁴⁵ Poland was a driving force in NATO’s contingency planning for its region.

Polish analysts are more likely to regard Russia as a country that will use economic instruments and energy for broader foreign policy purposes than do

their German counterparts. Germans are likely to believe that a partnership with Russia could stabilize Ukraine and the frozen conflicts in the region while Poles are more skeptical about Russian cooperation in solving international conflicts. Importantly, Poles want to link Russian modernization efforts with democratization of the country while the Germans are more divided on linking the two. There remains a greater tendency in Poland to push democracy promotion efforts in Russia than there is in Germany.⁴⁶

Unlike Germany, the Polish–Russian economic relationship is insignificant. Trade remains centered around imports of Russian oil and gas with Poland exporting about \$1.4 billion to Russia and importing \$6.3 billion in 2011. Foreign direct investment is also minimal with Polish FDI in Russia totaling \$597 million and Russian FDI only \$32 million in 2010.⁴⁷ The entry of Russia into the WTO has not had much of an impact on this relationship to date. On the energy side, Poland is making a major effort to reduce energy dependence on Russia, constructing an LNG terminal and exploring shale gas options at home. Poland still imports about two-thirds of its gas from Russia and had been involved in price disputes with Gazprom, given that it is paying above market prices to it due to this dependence.

The German–Polish relationship regarding Russia will be tested in the coming years over policies relating to the Eastern Partnership and specifically to Ukraine, Georgia, and the area that lies between the EU and Russia. Poles will remain far more skeptical about Russia as a security partner and about bringing it inside the tent on dealing with European security. Germans took Medvedev's proposal for a pan European security treaty far more seriously than did the Poles, who saw this as another ploy to weaken NATO. While the Obama administration badly mishandled the missile defense issue, informing the Poles that they were changing the system on the anniversary of the Soviet invasion of Poland in 1939 and without any previous consultation,⁴⁸ Poles still regard the US security commitment as vital and have a view of NATO as an Article 5 defense alliance rather than a cooperative security organization.

Ukraine will be a real test of German–Polish cooperation on Russia policy. On Ukraine Janusz Reiter sees “Germany as the key and it is divided on the issue. Many Germans do not understand the historical importance of making Ukraine a part of Europe. However, Merkel would not sacrifice Ukraine for a better relationship with Russia. Germany remains the key player in the EU on Ukraine.” Germans remain more skeptical about the prospects for reform in Ukraine. Merkel in 2012 compared Ukraine to Belarus and seemed to threaten a boycott of the EURO 2012 championships. Germans have been reluctant to do

more with Ukraine until it shows substantial progress on democratic reforms and fear harming prospects for the long-term evolution of Russia democracy by pushing for Ukraine to opt for the West. Putin's pressures on Ukraine to join his new customs and Eurasia Union and not to move closer to the EU brought Poland and Germany initially closer together on this issue but may still serve as a long-term irritant in that relationship, given that the German relationship with Russia is far more important than its ties to Ukraine. From the Russian perspective keeping Ukraine out of the EU orbit allows it to maintain a neighboring state with a corrupt structure whose elite will remain dependent both on Russian energy and financial aid and also on the corruption of the Putin system.

The role of the European Union

The key question regarding where Poland and Germany go on Russia relates to the role of the European Union in dealing with Russia. Poland has a clear interest in Europeanizing Russia policy to the greatest extent possible. As Edward Lucas points out, "Compared to any individual country in the newish members of the EU, Russia indeed looks like a superpower; compared to the EU as a whole, Russia looks puny in everything except its nuclear arsenal. The Kremlin can cause great mischief in, say, Georgia, or in Ukraine, or in Latvia. But it is in no position to pick a fight with the EU as a whole. This does not mean that the former captive nations can rely on a united EU policy toward Russia. But it does mean that Russia approaches its relations with the EU from a position of fundamental weakness."⁴⁹

Poland needs to be part of a larger European approach where Germany has been more likely to follow a bilateral relationship with Russia. "Germany as a big country, does not need to fear not being treated by Russia as an equal partner and therefore it is more willing to talk with Russia bilaterally."⁵⁰ This bilateral approach was especially clear in the energy policy area where Germany blocked any real consolidated EU energy policy for a variety of reasons and which remains a major obstacle to closer Polish-German cooperation on Russia policy, as Poles fear that Germans will go their own way in relations with Moscow. However Germany has an interest in also using the EU to give it greater weight in dealing with Russia and can at times hide behind the EU when it wants to pursue policies that will antagonize Russia. This may be the case regarding the commission's tough stance on Gazprom. The shale and renewal energy revolution also has the

prospect of shifting the balance of interdependence back toward Europe and thereby reducing Russian leverage.

Russia has traditionally not taken the EU seriously as a foreign policy actor and has preferred to work bilateral deals instead. The prolonged European financial and economic crisis combined with Russia's own domestic uncertainty has reinforced the aversion in Moscow to dealing with Brussels. There are signs this is changing. The movement of the European Commission to liberalize energy markets and to take on Gazprom is a sign of a greater Europeanization of energy policy and even on Russia policy. The Eastern Partnership and the EU's moves to include Ukraine, Moldova, and Georgia in a Deep and Comprehensive Free Trade Agreement have raised the geopolitical stakes for both sides. The future of Ukraine, in particular, is a central issue for Putin. Putin's plan to create a Eurasian Economic Union is a clear attempt to shape a Russian sphere of influence to counter that of the EU and is a signal that the EU may become a far greater threat than NATO. Russia clearly sees the Eurasian Union as an alternative to the EU and as an instrument for "enhancing Russia's geopolitical standing in relation to its two biggest neighbors in Eurasia, the European Union to the west and China to the east. This is a far cry from Moscow's policies of the early 2000s, which prioritized Russia's integration into the European Union."⁵¹

There is little doubt that the European Union is the best way to leverage the power of its member states in their relationship with bigger powers like Russia, China, and the United States. But the member states will have to conclude that this advantage of size and scale outweighs parochial interests. Some like Greece and Cyprus are especially vulnerable to Russian pressure and could be used by Moscow to block actions on Ukraine. Angela Merkel seems to doubt what she has termed the community approach in favor of an intergovernmental one in foreign and security policy and the continuing European economic and political crisis has undermined confidence in the EU as a serious foreign policy actor. The disenchantment with Europe and with the European market that has been growing in Germany since the onset of the economic crisis in the eurozone and the pull of Germany Inc. to move beyond European markets in order to sustain German economic growth may continue to tilt Germany toward either more bilateral policies or toward a more intergovernmental approach within the EU.

From the American perspective, the United States would clearly favor a European approach to Russia as part of its own Russia policy. The increasing devolution of responsibility from Washington to Europe to deal with problems in its region has been a hallmark of the Obama foreign policy in such cases as Libya, Mali, and in dealing with Russia's role in Europe. The Pacific Pivot,

war fatigue following Iraq and Afghanistan, the need to rebuild the American economy and the rise of new non-Western powers has all resulted in a new strategic environment in Europe. When it comes to central and eastern Europe the American role will be either enhanced or replaced by the EU, led by Germany and Poland. However the United States is still important and even crucial to maintaining stability in this region. Whether it will continue to see this as a major strategic interest will be central to stability in this part of Europe.

Russia will be a great challenge for the United States–German relationship during the remaining Putin years and beyond. As one German analyst points out, “Despite Germany being a key ally, there was, and is, a great deal of US mistrust in Germany over its perceived softness on Russia, its ties with Iran, and its close economic relations with China.”⁵² It will take statesmanship in both Washington and Berlin to contain the built-in differences over Russia and to shape a common strategy. As a report by the Bertelsmann Foundation already stated in 2008, “If the U.S. can acknowledge that Europe’s perspectives on Russia start from a fundamentally different point of view, and can move on from there, they may find great utility in an open and candid trans-Atlantic exchange about what to do next with Russia.”⁵³

The end of the American reset will create a time of testing, especially given the limits to any German reset on Russia. The United States will have to continue to pursue a path of foreign policy restraint and realistic balance if it wants to stand a good chance of shaping a healthy new relationship with both Moscow and Berlin. However a mishandling of the United States–Russia relationship could severely test the United States–German relationship.

Future administrations will follow an approach which balances a bilateral relationship with Russia with a United States–European Union approach. Strategic arms control agreements will be bilateral and many of US interests with Russia are global. A weak, divided and ineffectual Europe will also make a bilateral approach more appealing in Washington. In some ways, the two great nuclear powers are closer in their strategic cultures than America is to Europe’s. The United States still remains the primary point of reference for Russia’s policies, not the EU, and this remains important to Russia’s view of its status. However the key issues facing the United States with Russia, which concern Russia’s role in its neighborhood, will require a joint approach with Germany, Poland, and the EU remaining the key players in Europe on Russia policy. As a German–American study group on Russia policy convened by the Friedrich Ebert Stiftung in 2012 concluded, “Neither Berlin nor Washington have discovered the ‘silver bullet’ when it comes to Russia policy. While the answer to the question ‘what to do’

remains elusive, one fact is clear: when Germany and the U.S. pursue divergent policy approaches toward Russia, one can seriously undermine the other.”⁵⁴

In the wake of the Ukraine crisis

The Russian annexation of Crimea and its destabilization attempts in Ukraine look like traditional geopolitics and have awakened references to a new Cold War, but this misses the transformation in the nature of international politics that has been brought about by the forces of globalization and its implications for Germany's relationship with Russia and the West. Russia's use and the threat of the use of military force in Crimea and Ukraine is only the opening of a much longer game, one in which economic interdependence will be decisive factors. Not only are the Western assumptions about dealing with Russia now bankrupt but so are the assumptions about where Germany will stand in this central challenge to the post-Cold War order in Europe. Germany emerged during the crisis as the key player in the shaping of Western policy toward Russia with some observers writing of a Russo-German Europe.⁵⁵ President Obama relied on Chancellor Merkel to take the lead in mediation attempts with Russian President Vladimir Putin and it was clear that whatever sanctions regime emerges will only go as far as Berlin permits.

Ukraine has pushed the tension between interests and values to its limits, with Merkel delivering a number of tough speeches and warning Putin that his actions risked “massive damage to Russia, both economically and politically,” and has moved progressively closer to sectoral sanctions. However, it remains an open question over whether really biting sanctions will be supported by the German government over the long haul and without Berlin on board it is unlikely that the United States will be able to go very far in its sanctions policy without opening divisions in the West and penalizing its own companies to the benefit of European competitors. While Germany remains the key, the role of economics and finance in Russia's relationship with other European countries, including Britain (a magnet for rich Russian's money), France (going forward with the sale of Mistral-class amphibious assault ships to Moscow), Italy, and the Netherlands, means that this new geo-economic relationship goes far beyond Germany. Facile comparisons between the Cold War and this new Cold War ignore this geo-economic dimension and miss the new nature of the West's relationship, not only with Russia, but also with China and other emerging authoritarian economies.

Despite Russia's actions in Ukraine, including its absorption of Crimea, the security policy of Germany is unlikely to be substantially altered. Defense spending will not be increased. When Defense Minister Ursula von der Leyen suggested that NATO show more support for its members, which could face Russian military aggression, she quickly had to pull back in the face of substantial resistance from the German public, parliamentarians, and the Vice Chancellor, Sigmar Gabriel, who criticized her for contributing to the escalation of tensions. Yet the arguments about *Wandel durch Handel* and the need to continue to engage Russia have created a growing gap between the public statements of Merkel and others in her government and party and the continued prioritization of the economic relationship.

In the case of Ukraine, geo-economic Germany confronts a Russian use of military power with only economic tools with which to respond. Germany's Russia strategy is, like Washington's, now in tatters. Both capitals will have to come up with new approaches. The discussions in Washington seem to be between those who favor a new containment strategy with an incremental and conditional approach to targeting the Russian economy and those who would like to see a more aggressive sanctions policy and a more active use of arms shipments and NATO deployments.⁵⁶ In Berlin any idea of a containment strategy and writing off dealing with Putin is a nonstarter and would mark a reversal of its long-standing reluctance to use economic levers for political purposes in its dealings with Russia.

Geo-economic Germany assumes that economics will trump the use of military force over the medium term, if not immediately, and that Russia's dependence on outside markets will eventually draw it back from further confrontation. While the German public and the German media remain among the most critical of Putin in Europe, they also remain reluctantly realist regarding the use of sanctions, fearing they will harm the German economy.⁵⁷ Germany will continue to be dependent on Russian energy for the medium term as neither American gas or European sources can replace Russian sources for at least a decade. While there may be an adjustment to the *Energiewende*, it is unlikely that future German governments will reverse the move away from nuclear power as a means of lessening dependence on Russian energy. The CEO of engineering giant Siemens, Joe Kaeser, met with Putin in March 2014 to make a long-term commitment to continuing investments in Russia as Obama was in Europe meeting with Chancellor Merkel and calling for sanctions. Gazprom remains on track to take over leading German gas storage and distribution company Wingas.

While Chancellor Merkel has no illusions about Putin and has taken an increasingly tough line on Russia, Steinmeier and his party have always been more Russia-friendly. While Steinmeier himself has become more critical of Russia, barring a major escalation by Putin in Ukraine beyond Crimea, Germany will continue to look for ways to dampen down the split with Moscow. Its economic interests in Russia will continue to outweigh those it has with Ukraine and the Foreign Office is likely to get support from the Finance and Economics/Energy Ministries for a geo-economic approach. The Defense Ministry, as seen in the rebuff of von der Leyen on Ukraine, has not been a central player in this arena.

The Chancellor is increasingly limited, as well, by a growing anti-American climate in Germany over the fall-out from the Snowden revelations. The prospect of a serious split between Washington and Berlin over Russia remains very real. Following the Snowden revelations, many Germans have felt betrayed and have lost trust in American policies moving Germany more into a posture of equidistance between Moscow and Washington. The depth of anger and mistrust of the United States has been consistently underestimated in Washington and has made it very difficult for Merkel to support Obama on Russia policy.⁵⁸ Add to this the contrast in reactions to between Germany and Poland and the prospects for splintering of these key relationships becomes real. This confluence of factors and trends only enhances the danger that Ukraine may end up dividing Germany from both Washington and Warsaw at a time of testing for the West.