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***German-Russian Relations:
Balance Sheet since 2000
and Perspectives until 2025***

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Abstract

The relationship between Germany and Russia, according to official portrayals in Berlin, is one of '*strategic partnership*' supplemented by '*modernisation partnership*'. The closeness and at times demonstrative cordiality of the relations have given rise to suspicion about Germany being an advocate of Russian interests in Europe for the benefit of its economy but at the expense of Europe's trans-Atlantic links. In particular, concerns have been expressed that Berlin was neglecting the interests of the smaller Eastern and East-Central European states, including those of the Baltic countries. Germany's Russia policies have also been criticised on the grounds that Berlin had ignored the more authoritarian direction Russian domestic politics and the more assertive stance the country has adopted in foreign policy under Putin, placing narrow German economic interests first and rating European values second. However, such perceptions are to some extent at least outdated. The 'special relationship' is no longer so special. Disappointment and frustration have increasingly affected the relations. With Putin back in office as president and with his foreign policy resuming its assertive Great Power character, disaffection, alienation and competition rather than amicable partnership are likely to characterize future relations.

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The Problem

According to official portrayals in Berlin, the relationship between Germany and Russia is one of 'strategic partnership', supplemented by a 'modernisation partnership'. The closeness and at times demonstrative cordiality of the relations have at the same time given rise to suspicion about Germany being an advocate of Russian interests in Europe for the benefit of its economy but at the expense of Europe's trans-Atlantic links. In particular, concerns have been expressed that Berlin was neglecting the interests of the smaller Eastern and East-Central European states, including those of the Baltic countries.

Finally, Germany's Russia policies have been criticised on the grounds of ignoring the more authoritarian direction Russian domestic politics has taken and the more assertive stance the country has adopted in foreign policy under Putin, placing narrow German economic interests first and rating European values second.

Examination of the main trends of German-Russian relations since 2000, when Gerhard Schröder was chancellor and Putin began his first term in office, will lay the basis for looking ahead to 2025, the year after Putin may have completed his fourth term in office as president.

The central questions will be derived from the above suspicions and criticisms: What is the true nature of the German-Russian 'strategic' and 'modernisation' partnerships? How special really is the 'special relationship'? How 'balanced' is the relationship in terms of their political, security, economic and social dimensions? Is it possible to identify stages in the relationship that may be correlated with changes in government in Germany, or are such stages, assuming they exist, the consequence of changes in Russian domestic and foreign policy? Most importantly, who defines German interests and constructs the policies *vis-à-vis* Russia on the basis of what cognitive or instrumental perceptions?

Trends of Development

German-Russian relations since 2000 have turned from closeness and cordiality to disillusionment and disappointment – a state of affairs that is likely to continue.

The year 2000, when Putin began his tenure in office as president, started with great hopes and positive expectations. Under Gerhard Schröder as chancellor (1998-2005) the relations were labelled and understood to be a '*strategic partnership*'. The relations in that era also had a very personal quality of common understanding and friendship between Schröder and Putin. The German chancellor publicly affirmed that he considered the Russian president to be an 'impeccable democrat' (*lupenreiner Demokrat*),¹ and he apodictically and programmatically equated German foreign policy with that of Europe, declaring in 2001: 'German foreign policy is European foreign policy. This is particularly true for Eastern policy, which has always been of utmost importance for Germany. The focal point of European as well as German Eastern policy is Russia'.²

¹ Schröder made this often-quoted remark in a talk show on German television. The host and moderator, Reinhold Beckmann, had introduced the term, asking his guest whether he thought that Putin was an 'impeccable democrat'. Schröder replied: 'I am convinced that he is.' 'Schröder: "Putin ist lupenreiner Demokrat"', *Abendblatt.de*, 23.11.2004, <http://www.abendblatt.de/politik/deutschland/article290532/Schroeder-Putin-ist-lupenreiner-Demokrat.html>. 'Schröder Putin "lupenreiner Demokrat"' yielded 9,440 results in the Google search engine (accessed on 12.5.2012). In fairness, Schröder did *not* say that Russia itself was a democracy. He only said that he was 'sure that Putin wants to and will turn Russia into a normally functioning [*ordentliche*] democracy'.

² Gerhard Schröder, 'Partner Russland. Gegen Stereotype, für Partnerschaft und Offenheit – eine Positionsbestimmung', *Zeit.de*, 5.4.2011,

The closeness gave rise to concern that Germany had embarked on a relentless 'Russia first' policy and relegated the trans-Atlantic link to lesser importance in its foreign policy. Such perceptions were especially pronounced in the new Eastern member states of NATO and the EU. East-Central European countries, such as Poland and the Baltic States, complained about the manifest lack of German support for their interests – a fact that for them was evidenced by the lack of consultation concerning the conclusion of the agreement in September 2005, shortly before Schröder left office, to construct the Nord Stream gas pipeline that directly links Germany and Russia, bypassing Poland and the Baltic states – a step that the then Polish defence minister, Radek Sikorski, compared with the 1939 Hitler-Stalin Pact.

With the formation of the 'grand coalition' government of conservatives (CDU/CSU) and social democrats (SPD), and Angela Merkel (CDU) as chancellor in 2005-2009, it seemed that the period of priority or special relations between Germany and Russia had come to an end.³ Such assumptions were in part predicated upon the notion that whereas the chancellor had grown up as the daughter of a Protestant priest in communist East Germany and resisted recruitment attempts by the state security services (Stasi), Putin had served as officer of the KGB in Dresden in the period 1985-1990. In contrast to Schröder, during her first visit to Moscow in January 2006, she pointedly met with members of the opposition to Putin; at the meeting with Putin in Dresden in October 2006, she expressed her

http://www.zeit.de/2001/15/Deutsche_Ruslandpolitik_-_europaeische_Ostpolitik.

³ Concerning such assumptions see Hannes Adomeit, 'La politique russe de l'Allemagne: la fin de la lune de miel?', Comité d'études des relations franco-allemandes de l'institut français des relations internationales (IFRI), Paris, Note No. 26(a), September 2005, *Ifri.org*, http://www.ifri.org/?page=detail-contribution&id=5436&id_provenance=97.

concern about human rights issues in Russia in connection with the murder of journalist Anna Politkovskaya; in January 2009, she was critical of Russia's stoppage of gas deliveries to Ukraine; in October 2010 she ignored Putin's proposal for the establishment of a free trade zone 'from Lisbon to Vladivostok'. On a personal level, Putin's macho antics not only failed to elicit her admiration but (in private) she considered them to be rather misplaced for a serious political leader. The Schröder-Putin *Männerfreundschaft* (virile friendship) at the political and personal level was replaced by a more sober and detached atmosphere. However, the main outlines of Germany's Eastern policy did not change. This was in part due to the vision and conviction of Frank-Walter Steinmeier (SPD), the vice-chancellor and foreign minister.

The planning staff in Steinmeier's office, in a deliberate return to the party's conceptual approach to the relationship with the Soviet Union of 'change through rapprochement' (*Wandel durch Annäherung*), developed the concept of 'rapprochement through interweaving' or 'interlocking' (*Annäherung durch Verflechtung*). Essentially, the idea of this 'new Eastern policy' towards Russia was the same as previously: By means of broadening exchanges in all dimensions and at all levels with Russian institutions, organisations and people, the country was to be 'tied into' or 'integrated into' Western political and economic organisations.⁴ Put in the terminology of the EU: Russia was to adopt major portions of the *acquis communautaire* without her being considered a prospective member. This strategy of tying Russia into Western institutions (*Einbindungsstrategie*), however, failed to take into account whether Russia, under an increasingly self-confident and assertive president, actually wanted to be bound by, or bound into, any construct without having decision-making rights. This question, of course, did not only

⁴ Frank-Walter Steinmeier, 'Verflechtung und Integration. Eine neue Ostpolitik der EU', *Internationale Politik*, Vol. 62, No. 3 (March 2007), pp. 6-11.

apply to Russia's attitudes and approaches towards the EU but also to NATO. Specifically, in the security dimension, the main point of reference in the Schröder era was the statement that 'European security cannot be achieved *without* Russia, and certainly not *against* Russia', a slogan that conveniently leaves out the possibility that European security also cannot be – and, indeed, has not been – achieved *with* Russia.

This became painfully evident after Merkel had assumed the chancellorship. Given the allegedly close relations between Berlin and Moscow, it came as a shock to the German government when Putin warned at the February 2007 Munich international security conference, and subsequently his generals specified, that Europe, if it followed the lead of the neo-conservatives in the United States, notably on the issue of missile defence and the Eastern enlargement of NATO, risked rekindling a new arms race. It would put at risk both the agreement on Conventional Forces in Europe (CFE) and the agreement on the abolition of intermediate-range nuclear missiles (INF treaty) and could be faced, as part of the threatened Russian 'countermeasures', with the stationing of such missiles – a new version of the SS-20 – in Kaliningrad.

For Berlin, such threats did not invalidate the principles of its *Einbindungsstrategie*. In fact, in a speech in Yekaterinburg in May 2008, foreign minister Steinmeier took the initiative to broaden the allegedly still 'strategic' relationship by forging a '*modernisation partnership*' between Germany and Russia. Divested of its rhetoric, its 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 Germany industry in Russia.

Nevertheless, different ideas about the content and direction of that partnership could be observed, and they have increased since 2008. By that time, given the retrogressive direction of Russian domestic and foreign policies, the term of 'strategic partnership' and its content had come under considerable criticism. Above all, on post-Soviet space, the reality of the relations, both German-Russian and EU-Russia, was not in the least that of partnership and cooperation but of *competition*. Evidence of this lay and continues to lie in the fact

that none of the 'frozen' conflicts could be solved, and only a few months after Steinmeier's 'modernisation' initiative, in August 2008, one of the conflicts 'unfroze' and gave way to Russian military intervention in Georgia and Russia's subsequent recognition of Abkhazia and South Ossetia as independent states.

As a result of both domestic developments in Russia and its more assertive foreign policy, the CDU/CSU-FDP coalition agreement in 2009, in contrast to that of CDU/CSU-SPD in 2005, did not include a special section on German policies towards Russia and it excluded any reference to both 'modernisation partnership' and 'strategic partnership'. It was also becoming obvious that 'Russia fatigue', not only politically, was gaining ground in Berlin. At the political level, initiatives designed to solve another 'frozen conflict', that of Transnistria, as evidenced in the Merkel-Medvedev Meseberg Memorandum of June 2010, failed to produce any results.⁵

In German society, too, the enthusiasm of the Gorbachev and Yeltsin eras for things Russian has waned. Disappointment, notably among specialists on Russian affairs, has become wide-spread. There is a broad consensus, not only among specialists, that Russia under Putin has deviated from the path of building democracy, a law-based state (*Rechtsstaat*), a market economy with fair competition and a civil society, and that a more authoritarian, more centralised and at the same time more corrupt system has been put in place, aptly referred to – in reference to its creator – as the 'Putin system'.

The new cold to frigid atmosphere in German-Russian relations, both at the political level and in public opinion, was highlighted by Putin's visit to Berlin, the first after just having resumed presidential office, on 1 June 2012. In contrast to previous such meetings, Putin only stayed six hours in Berlin, sandwiched between his earlier stopover in Minsk and the next stop in Paris. Press commentary

⁵ For details, see below.

characterized German-Russian relationship as being 'tense has hardly ever before' and even spoke of a 'new ice age' in East-West relations.⁶

Economic relations, on the other hand, have largely appeared to be unaffected by the disappointment and disillusionment. Their importance for Germany, in fact, has grown as a result of the 2008-2009 global economic and financial crisis and the troubles in the Euro zone.

The prediction for German-Russian relations in Putin's next term(s) in office is: more of the same. It is doubtful that the 'new' president will now start dismantling the system he has built and abandon the more self-confident and assertive Great Power foreign policy he has adopted. But Germany will continue to regard Russia as an important actor on several international issues (e.g. European security, Iran's nuclear weapons ambitions and the Syrian crisis) and as an important trade and investment market whereas Russia will continue to need Germany to buy its oil and gas, and make at least some progress in diversifying and modernising its economy.

These summary propositions will now be considered in more detail.

⁶ Mathias Brüggmann, 'Neue Ost-West-Eiszeit. Vor dem Antrittsbesuch Putins bei Merkel ist das bilaterale Verhältnis angespannt wie selten zuvor', *Handelsblatt*, 1 June 2012, p. 20. Details of the visit will also be provided below.

‘Strategic Partnership’: No Strategy but Differing Interests and Values

The confident classification of the relationship with Russia as a ‘strategic relationship’ is not of recent origin. In large part because of the input from Germany, the June 1999 ‘Common Strategy of the European Union towards Russia’ had already defined the relationship as such. In his last year in office as chancellor, in 2005, Gerhard Schröder reiterated: ‘Today, Germans and Russians are closely aligned as never before. We are united by a strategic partnership for a peaceful, prosperous Europe and a stable world order.’⁷ Four years later, Gernot Erler (SPD), one of the main architects of the Ostpolitik of the Grand Coalition of CDU/CSU and SPD (2005-2009), confirmed the classification – however, with a strange twist. To him, the essence of the strategic partnership consisted of the following: ‘We get 45 per cent of our gas and 34 per cent of our oil from Russia. This mutual dependency is a cornerstone of the notion of strategic partnership.’⁸ The German foreign office, on its website, continues to cling to the

⁷ ‘Eine neue Qualität der deutsch-russischen Beziehungen’, *Handelsblatt*, 8 September 2005.

⁸ Gernot Erler, SPD, minister of state in the German foreign office (November 2005-October 2009), deputy to then foreign minister Frank-Walter Steinmeier; as quoted by Bertrand Benoit, Daniel Schafer and Charles Clover, ‘The new Ostpolitik’, *Ft.com*, 25.10.2009, <http://www.ft.com/intl/cms/s/0/dfc87242-c19c-11de-b86b-00144feab49a.html#axzz1sqcv4iFd>.

notion and officially declares the relationship with Russia to be that of a 'strategic partnership'.⁹

At the end of Putin's first term in office as president, however, the retrogressive direction of Russian domestic and foreign policies had become obvious. German public opinion and foremost Russian specialists were appalled by chancellor Schröder's affirmation that he considered Putin to be an 'impeccable democrat'; by the bland claim, in the context of the arrest of Yukos's Khodorkovsky, that there were 'no indications that [the case] is not proceeding in accordance with the law' and that 'every state wants to collect its taxes';¹⁰ and by his praise for Putin's 'reform efforts' that had 'restored the confidence of foreign investors in Russia'.¹¹ The term and the content of 'strategic partnership' came under considerable criticism. As a result, as mentioned above, the CDU/CSU-FDP coalition agreement in 2009 did not include a special section on German policies towards Russia and it avoided any reference to both 'strategic' and 'modernisation' partnerships.¹² The new deputy foreign minister, Werner Hoyer (FDP), called the former term applied to the German-Russian relationship 'inappropriate' because the basis of common values was absent.¹³ Pointedly, furthermore, to counter criticism of Germany's

⁹ 'Strategische Partnerschaft mit Russland', *Auswärtiges-amt.de*, 19.1.2012, http://www.auswaertiges-amt.de/DE/Aussenpolitik/RegionaleSchwerpunkte/Russland/Russland_node.html.

¹⁰ 'Schröder in Moskau', *Sueddeutsche.de*, 8.7.2004, <http://www.sueddeutsche.de/politik/schroeder-in-moskau-gruenen-geht-verstaendnis-des-kanzlers-zu-weit-1.894142>.

¹¹ 'Schröder lobt Russland - trotz Yukos', *Dw.de*, 8.7.2004, <http://www.dw.de/dw/article/2/0,,1261493,00.html>.

¹² 'Koalitionsvertrag zwischen CDU, CSU und FDP. Wachstum, Bildung, Zusammenhalt', *Cdu.de*, 26.10.2009, <http://www.cdu.de/doc/pdfc/091026-koalitionsvertrag-cducsu-fdp.pdf>.

¹³ 'Westerwelle's Ostpolitik', *Faz.net*, 28.12.2009, <http://www.faz.net/aktuell/politik/inland/aussenbeziehungen-westerwelles-ostpolitik-1901479.html>.

alleged 'Russia first' policies in Eastern Europe, vice-chancellor and foreign minister Guido Westerwelle (FDP) paid an official visit to Poland first and only then to Russia. In Moscow, when he the German foreign minister did use the term, he did so with an important qualification: 'There are no "ifs" and "buts". We *want* a strategic partnership with Moscow.'¹⁴ In other words, use of the term was still inappropriate as a characterisation of the current state of affairs but pertinent as a desirable *goal*.

The problem with the portrayal of German-Russian relations as a 'strategic partnership' is precisely its characterization as a reality rather than as a policy aim. According to standard definitions, 'strategy' in military affairs is the utilization, during both peace and war, of all of a nation's forces, through large-scale, long-range planning and development, to ensure security or victory. Divested of its military component, it is a plan of action designed to safeguard vital interests or to achieve long-term aims. Typically, the achievement of objectives is tied to the allocation of means and time frames. Coupled with the term 'partnership', the meaning is obviously that two or more actors share the same goals and values, preferably on the basis of mutual trust, symmetry and equality.

Such criteria in the definition of the German-Russian relationship as 'strategic' are not fulfilled. There is no agreed-upon plan of action with corresponding means allocated and a set time frame. Objectives diverge, and so do values. Many differences of interest and points of view exist which combine to undermine confidence. However, when trust and confidence, contrary to official declarations, are lacking or at least in doubt, the content of the German-Russian 'partnership' leaves much to be desired.

¹⁴ *Ibid.* (italics mine). The reason why Westerwelle did not completely shun the term was predicated on the notion, prevalent in the foreign ministry, that abandoning it would have sent too strong a message to Russia about a fundamental policy change in Germany's Ostpolitik.

It is for this reason that the term and its usage have been criticized based on assessments of both the structure of Russia's internal system and the character of its foreign policy. Concerning the first point, after the March 2012 presidential elections critics have claimed that 'anyone who is calling Russia a democracy cannot be of this world. [...] There should be cooperation with Russia but *Russia can only be a partner if it returns to respect for the law and the safeguarding of human rights.*'¹⁵ Other critics have argued: 'It is not possible to create a functioning partnership, let alone a strategic partnership, without reliable and mutually compatible legal systems.'¹⁶ As for the second, the foreign policy dimension, presumably with a view to Russia's policies *vis-à-vis* the neighbouring countries, they have asserted: '*A country that wants to dominate [others] is incapable of being a partner.*'¹⁷ Such interpretations are worth examining for their validity.

¹⁵ This is the view expressed by General (ret.) Klaus Naumann, 'Warum Putin kein Partner sein kann', *Süddeutsche Zeitung*, 14 March 2012, p. 2, as applied to the NATO-Russia relationship (italics mine). The author was *Generalinspekteur*, the highest ranking officer of the federal German armed forces, from 1991 until 1996 and chairman of NATO's military committee from 1996-1999. His perspective is all the more remarkable as he, together with former German defense minister Volker Rühle and Admiral (ret.) Ulrich Weisser, had advocated membership of Russia in NATO as a long-term perspective provided the country met certain conditions.

¹⁶ This is the argument advanced by Heinrich Vogel, 'Noch Fragen zu Russland? Der Insider klärt auf', Book Review of Alexander Rahr, *Der kalte Freund. Warum wir Russland brauchen. Die Insider Analyse* (Munich: Hanser, 2011), unpubl. manuscript. For a much shortened version of the book review see Heinrich Vogel, 'Noch Fragen zu Russland? Ein Insider outet sich', *Das Parlament* (forthcoming, June 2012).

¹⁷ Naumann, 'Warum Putin kein Partner sein kann', *op. cit.* [fn. 15] (italics mine).

German Perceptions of Russian Domestic and Foreign Policy

Three well-established theoretical approaches to the study of international relations offer different answer to the phenomenon of 'special' relations between Germany and Russia and their 'strategic partnership': *(Neo-) Realism, Liberalism and Constructivism*.¹⁸ Useful to apply here is the, in that theoretical understanding, 'liberal' approach, according to which the decisive criterion for the explanation of foreign policy is not the power and influence of the state in the international system but, rather, the individual preferences and power of actors within the state: states pursue – irrespective of their relative power positions – policies which serve the interests of the dominant groups in politics, the society or the bureaucracy. But to this interpretation, focussing on cost-benefit calculations of 'rational' actors, elements need to be added of the constructionist school of thought, according to which ideas, norms and roles matter: not merely interests shape behavior but also values. Objective conditions such as the international balance of power or the position of actors on the

¹⁸ The following portrayal of the theoretical approaches and their applicability to the explanation of German-Russian relationship draws on 'Constructing a Different Europe: The Peculiarities of the German-Russian Partnership', in: Reinhard Krumm, Sergei Medvedev and Hans-Henning Schröder, *Constructing Identities in Europe*, SWP Series 'Internationale Politik und Sicherheit', Vol. 66 (Baden-Baden: Nomos, 2012), pp. 221-46.

global financial and economic marketplace, according to this school of thought, are relevant primarily to the perception of the actors.

The approach adopted here is to focus on the most important domestic actors in Germany, their interests, their values and their perceptions. This will be with due regard for the problem as to how to distinguish between 'genuine' and 'instrumental' perceptions, *i.e.*, between conviction and pretence, the latter used by domestic actors in an effort to influence political behavior. The central proposition of this section is that there is a gap between informed German analysis of developments in Russia, on the one hand, and perceptions – be they genuine or instrumental – at the top government level that form or seem to form the basis of policy making, on the other.

In detail, the overwhelming majority of German academic specialists on Russia, Moscow-based correspondents of the major German newspapers and television channels, the heads of the 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. In contrast, government officials, primarily in the chancellery's office (*Kanzleramt*), some high-ranking officials in the social democratic party (SPD), the leading representatives of German industry, notably the Committee on Eastern Economic Relations (*Ostausschuss der deutschen Wirtschaft*)¹⁹ and banking, and a research centre co-financed by industry perceive, or appear to perceive, Russian domestic and foreign policies under Putin in more favourable terms.

The mainstream cognitive map concerning Putin's Russia consists of the following: Contrary to the road the countries of East-Central

¹⁹ For information see the homepage of the *Ostausschuss*, <http://www.ost-ausschuss.de/a-common-initiative-economic-associations-and-enterprises>.

European countries have taken, in Russia a democratic political system, a law-based state (*Rechtsstaat*), a market economy with fair competition and a civil society failed to be developed. A system *sui generis* was put in place, aptly referred to – in reference to its creator – as the ‘Putin system’. Its structural features are held to be the following:

politically, the concentration of power in a small circle of leaders, lack of transparency in decision making, an authoritarian and populist style of government, absence of checks and balances, managed elections by means of the utilisation of government resources for the ruling party in parliamentary elections and for the closed circle’s preferred candidate in presidential elections, and reintroduction of central control over the regions;

in the *economic* realm, correspondingly, state control over ‘strategic’ resources, reestablishment of political control over the ‘oligarchs’ (as witnessed by the trials and convictions of Khodorkovsky), gross abuse of power and influence by government officials for personal gain, *i.e.*, wide-spread corruption;

in the *legal* domain, pervasive ‘legal nihilism’, the absence of a law-based state, and control over the judiciary by the executive branch of government;

and in the *social* sphere, erection of barriers for social movements to establish themselves as political parties and take part in the political process, curtailment of the freedom of the media, and limitation of the activities of non-governmental organisations.

Such perceptions were illuminated by a 2009 survey of views about Russia among German foreign policy experts. A huge majority of the specialists, 74% of the respondents, did not think that Russia could be considered a democratic constitutional state and an even greater number of 92.4% were of the opinion that the Russian government was unable to ensure constitutional rights and the security of its citizens. Asked to check on a list as to which characteristics best defined the Russian political system, with multiple answers possible, only few experts thought that features such as ‘libertarian’, ‘progressive’ and ‘social democratic’ could be properly applied (1%, 1% and 2% respectively), whereas they considered aspects such as ‘conservative’, ‘nationalistic’ and ‘authoritarian’ to be correct descriptions (20%, 50% and 63% respectively). Finally, 32%

of the specialists considered Mikhail Gorbachev to be the most important Russian person of recent history but only 3% extended that honour to Putin.²⁰

In the most recent survey of public opinion, perceptions of Russia have remained fairly stable, with the publics continuing largely to see Russia in an unfavourable light. Perhaps surprisingly, among Europeans, the French regard Russia's influence in international affairs most unfavourably, with almost six in ten (59%) giving negative ratings, followed by the Germans (54%).²¹

In Germany, the strength of conviction and at the same time deep irritation with what specialists consider to be ill-founded judgments about Putin and the system he created were brightly illuminated twice in recent years. The first example was the attempt by the University of Hamburg to bestow an honorary doctorate in economics on Putin. The endeavour produced a storm of protest, with 60 professors signing a letter, demanding that the university cancel its plans. As a result, the university authorities felt constrained to comply.²² As in a replay of the failed attempt, in 2011, an organization of public figures assembled in *Werkstatt Deutschland* (Workbench Germany), planned to award its prestigious *Quadriga* prize to Putin. The prize, according

²⁰ The survey was carried out by the Stiftung Wissenschaft und Politik (SWP) and the Friedrich-Ebert-Stiftung (FES) in autumn 2009; for the results see Felix Oldewage, 'Russia as Seen by German Political Experts On Foreign Affairs', in: Krumm *et. al.*, *Constructing Identities in Europe, op. cit.* [fn. 18], pp. 170-82.

²¹ BBC World Service Poll, *Globescan.com*, 10.5.2012, http://www.globescan.com/news_archives/bbccntryview09/backgrounder.html. The survey was conducted in the form of face-to-face and telephone interviews of 24,090 citizens across 22 countries in the period from 6 December 2011 and 17 February 2012.

²² 'Professoren gegen Ehrendoktor für Putin', *Spiegel.de*, 4.8.2004, <http://www.spiegel.de/unispiegel/studium/0,1518,311554,00.html>, and 'Ehrendoktor für Putin. Verleihung in Hamburg geplatzt', *Spiegel.de*, 10.8.2004, <http://www.spiegel.de/unispiegel/studium/0,1518,312721,00.html>. The provost, or in German Dekan, of the social sciences department was Michael Greven.

to the committee, 'honours personalities and projects whose thoughts and acts are built on values' and foremost 'values which conduce vision, courage and responsibility', and who display a 'notably civic attitude' and are 'committed to humanitarianism and welfare'.²³ Based on the conviction that Putin did not qualify for the prize, a storm of protest again arose among German specialists and the public. Thus, more than 300 members of the main professional association of Russian, East European and Slavic studies, the *Deutsche Gesellschaft für Osteuropakunde* (DGO), signed a letter of protest to the committee, saying that honouring Putin with the prize 'would give a wrong signal' and asking it to desist from its plans. In this case, too, the organisers complied.²⁴

²³ According to the organization's website, <http://www.diequadriga.com/>. The prize, obviously, is named after the sculpture on top of the Brandenburg Gate in Berlin.

²⁴ Letter to the steering committee of Werkstatt Deutschland of 8.7.2011 (unpublished) as initiated by the chief editor of DGO's journal *Osteuropa*, Manfred Sapper. This author is one of the signatories of the Letter. The Werkstatt plans, however, were criticized far beyond the circle of the Russia and Eastern Europe experts.

Values versus Interests

Such protests reflect the conviction that values matter in policy-making towards Russia. The importance, according to this point of view, does not rest in some abstract notions of democracy and the rule of law that are to be imposed on Russia. It lies in the fact that the Kremlin leaders have repeatedly professed their adherence to European values; that – in contrast, say, to China – Russia is a member of the Organisation for Security and Cooperation in Europe (OSCE) and the Council of Europe; and that it is simply fair and consistent, therefore, to hold Russia to its commitments and obligations. It is, however, also for practical reasons. Unless the rule of law, independence of the judiciary, investigative journalism and a vibrant civil society are built, they argue, rampant corruption can never be eradicated.

That is to say, still following the mainstream argument, it is artificial to draw a sharp distinction between allegedly ‘counterproductive’ values and the ‘pragmatic’ pursuit of interests. For instance, it is difficult if not impossible to conceive of the successful achievement of major contemporary Russian ‘interests’ such as the modernisation partnerships with the EU and several EU member states, including Germany, as a mere technocratic endeavour without the realisation of ‘values’ such as the creation of a law-based state. This, however, would require dismantling central aspects of the ‘Putin system’, i.e. substantial political and social change.²⁵ For change to happen,

²⁵ In detail, see Hannes Adomeit, ‘Russia’s Partnerships for Modernisation: Origins, Content and Prospects’, in: *The Medvedev Presidency: A Wasted Effort*, EU-Russia Centre Review,

liberal and democratic forces as well as non-governmental institutions in Russia, how weak they may at present be, should be supported. Conversely, in the literal and figurative sense, to conduct 'business as usual', even in cases of gross violations of human and citizens' rights, should be avoided because it amounted to undercutting those forces and could serve to 'import' corruption into German enterprises.

Opposing points of view have been expressed by German government officials, leading members of political parties, notably of the Social Democrats (SPD), representatives of German business and banking, and research institutes financed or co-financed by them. In its extreme and offensive form, they are encapsulated in Schröder's above-quoted characterisation of Putin as an 'impeccable democrat'. Reference to his cognitive or instrumental perceptions would be pointless were it not for the fact that he reiterated them in March 2012 after the Russian presidential elections, saying: 'There is nothing that I would need to take back.'²⁶ Furthermore, Schröder has retained some influence in the German public domain; maintained contact with Putin; is chairman of the shareholder's committee of the Nord Stream joint stock company, in which the Russian gas giant Gazprom is the majority shareholder; his former chief of staff in the chancellery's office (1999-2005), vice-chancellor as well as foreign minister in the Grand Coalition (2005-2009), Franz Walter Steinmeier, is currently head of the SPD parliamentary committee and leader of the opposition in the *Bundestag*, who continues to cling to the views

No. 19 (October 2011), pp. 31-51, http://www.eu-russiacentre.org/wp-content/uploads/2008/10/EURC_review_XIX_ENG.pdf; *id.*, 'Российское Партнерство для модернизации: причины, содержание и перспективы', в *Обзорах от Центра ЕС-Россия Президентство Медведева – 'мартышкин пруд'*, вып. 19 (октябрь 2011), стр. 34-54, http://eu-russiacentre.ru/wp-content/sklad/2009/10/EURC_review_XIX_RUS.pdf.

²⁶ 'Schröder bleibt dabei: Putin ist ein lupenreiner Demokrat', *Tagesspiegel.de*, 7.3.2012, <http://www.tagesspiegel.de/politik/nach-praesidentschaftswahlen-in-russland-schroeder-bleibt-dabei-putin-ist-ein-lupenreiner-demokrat/6298420.html>.

and policies he advocated during his close association with chancellor Schröder and rely on the same 'expertise' as his former chief. Finally, to close the circle, after the resounding victory of the SPD in the elections in North Rhine Westphalia, Germany's most populous *Land*, in May 2012, the return to power of the social democrats to power after the parliamentary elections in September 2013 is quite possible. Steinmeier would be one of the candidates for chancellor.

As for those views expressed, either genuine or instrumental, they largely coincide with the purportedly academic (*wissenschaftliche*) underpinning of the 'strategic' and the 'modernisation partnership' approach provided by analyses of the Eastern Committee and, for broader public exposure, the Berthold Beitz Centre of Excellence for Russia, Ukraine, Belarus and Central Asia.²⁷ However, as for the latter, it is not solid specialist analysis that is provided but biased advocacy (propaganda) in line with the viewpoints and interests of the Centre's official 'sponsors and partners' – *Ostausschuss*, Deutsche Bank, Gazprom and the Russian Embassy in Berlin. Centrepieces of the Centre's advocacy are the portrayal of the actual state of affairs and likely future development of Putin's Russia in a positive light; discreditation of research and journalism critical of Russia; insinuation that criticism of Russian domestic and foreign policies is tantamount to 'isolating' Russia; rejection of a value-based approach as 'counterproductive'; calls for an allegedly 'pragmatic' approach *vis-à-vis* Russia; and opposition to 'political interference' and 'interference of politics' with business: If one wanted to conduct business, so the

²⁷ In German: Berthold-Beitz-Centrum – Kompetenzzentrum für Russland, Ukraine, Belarus und Zentralasien in der DGAP. The Centre is named after German industrialist Berthold Beitz, at present Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation and Honorary Chairman at ThyssenKrupp Services AG; see the centre's homepage, <http://www4.dgap.org/fi/programme/bbz/>. Head of the Centre is Alexander Rahr.

refrain, including political business, one should not hit the partner with a *Moralkeule* (cudgel of morality) over the head.

European Security and the Post-Soviet Space

The most pronounced failure of the *Einbindungsstrategie* has been in the realm of European security and, above all, the European part of post-Soviet space. No amount of cordiality and good will was able to persuade the Kremlin under Putin to modify the formalised perceptions of NATO as an essentially 'aggressive' organisation, ill disposed towards Russia, and, in particular, the portrayal of the eastern enlargement of NATO as moving 'ever closer to the Russian borders' and hence as a security threat. Certainly in large part as a result of Russia's vehement opposition to NATO offering Ukraine and Georgia a Membership Action Plan (MAP) as a preparatory step for full membership did Germany reject the idea. The German government was also favourably disposed to seriously discuss president Medvedev's proposal of a new security architecture outlined in general terms in Berlin in June 2008 and formally presented as a draft treaty in November 2009. It did share some of the apparent Russian concerns such as the alleged weakness and inefficiency of the existing security institutions in Europe and was advocating a greater role for Russia in European security. Proof positive both from Moscow's and Berlin's perspective was the inability of the institutions to prevent a number of violent conflicts, from the Balkans to the Caucasus. Doubts, however, are well founded as to whether different institutions would have made any difference. If the will is lacking to engage in crisis prevention and conflict resolution, no conceivable organisational construct can produce a favourable impact on negotiation processes. This applies in particular to the post-Soviet space.

A telling example of this and also for the character of both German policies vis-à-vis Russia and Moscow's responses to Berlin is the memorandum, agreed upon by Merkel and Medvedev at Meseberg

palais near the German capital on 5 June 2010. Incorporated in the memorandum was the chancellor's expectation that Russia would cooperate to settle the Transnistria conflict – proof, as it were, of Moscow as a *bona fide* security partner. In return, as Merkel assumed (she had not received any authorisation from Brussels), the EU would upgrade the monthly meetings of the chair of the EU's Political and Security Committee with Russia's EU ambassador to a joint EU-Russia Political and Security Committee at the ministerial level. The EU-Russia Committee would become a forum for talks on the European security agenda and lay down rules for joint civil and military crisis management operations. In essence, Russia would gain a role in EU decision-making, while the joint committee would bypass NATO and implicitly the United States. The Transnistrian dispute was to become a top priority project on the working agenda of the EU-Russia Committee. However, two years after the signing of the Meseberg Memorandum, there are no signs of the Kremlin obliging and making concessions on the Transnistrian issue.

This failure points to two larger problems: First, Russia does not take the EU seriously as an actor in European security affairs. Second, official Berlin is unwilling to face the fact that Moscow has no interest in solving 'frozen conflicts' but is manipulating them in order to prevent former members of the Soviet Union from choosing the European option. Whatever the terminology, 'special' or 'privileged' interests, the Kremlin continues to consider the post-Soviet space as its sphere of influence where neither the EU, let alone NATO, should 'meddle'.²⁸

²⁸ The Kremlin's consideration of the post-Soviet space as a Russian sphere of interest and the relations with West on that space as a 'zero-sum game' are examined in detail by Hannes Adomeit, *Russia and Its Neighbourhood: Conflict and Competition with the EU*, College of Europe, Natolin (Warsaw) Campus, Research Papers, No. 4/2011, <http://www.coleurope.eu/template.asp?pagename=NatolinResearchPapers>.

The failure of the *Einbindungsstrategie*, however, is not limited to the post-Soviet geopolitical space. It can be noted also in regard to other important regions and issues.

Missile defence and Kaliningrad. In November 2011, then (still) president Medvedev reiterated threats made before by himself in 2008 and by Putin and his generals in 2007 that 'modern weapons systems' -- presumably the Iskander medium-range missile -- could be deployed in Russia's Kaliningrad exclave near Poland if the US and Nato pursued their missile defence plans and failed to provide firm and specific pledges that the shield would not be directed at Russia's nuclear forces. In the same month, purportedly in response to US plans for a missile shield in Europe, Medvedev activated a new incoming missile early warning system in Kaliningrad. In May 2012, Russia's chief of general staff warned Nato that if it proceeded with a controversial American missile defence system, force would be used against the stationing areas 'pre-emptively'. In contrast, however, to the shock waves that Putin's February 2007 Munich speech had produced among the German government, political parties and the public, the threats this time created mere ripples.

The Balkans. Berlin has been in the forefront of attempting to stabilise conditions in the Balkans, notably trying to achieve a reconciliation of the ethnic groups in Bosnia-Herzegovina and Kosovo. In fact, Germany is the largest contributor to the NATO-led peacekeeping force in Kosovo (KFOR). However, it has been frustrated in its attempts by the Kremlin's unwavering support for Serbian nationalists. Notwithstanding its own recognition of the separatist Abkhazia and South Ossetia, Russia remains far removed from recognising the independence of Kosovo.

As for *Iran* and its nuclear ambitions, Russia has not followed the lead of the United States and EU member states, including Germany, to go beyond the fourth round of sanctions agreed upon by the UN Security Council in June 2010 to a fifth, tougher, round. The current sanctions were already watered down because of Russian objections. Since then, the Kremlin has made it quite clear that it will not agree to new sanctions.

On the *Syrian* issue, finally, Merkel's pleas for a change in the Russian position, reiterated at the meeting with Putin on 1 June 2012 in Berlin, went unheeded. The Russian leader continued to refuse to

criticise the Syrian government for human rights violations and to reject the imposition of sanctions. To add insult to injury, Putin claimed that 'Russia does not support any side in the conflict' and it did not deliver 'weapons that could be used in a civil war' – assertions that were greeted with astonishment and disbelief both in the German government and the public.

The Economic Dimension

Whereas security relations since 2000 have shown no signs of improvement, German-Russian economic relations continue to be a success story. Germany was the most important single partner for Russia in economic affairs, and Russia Germany's leading energy supplier. With an 8.7 per cent share in Russia's foreign trade, Germany remained Russia's second most important trading partner worldwide, after China (10.2 per cent).²⁹ Whereas German-Russian trade turnover in 2000 had amounted to EUR 13 billion, in 2011 it reached a record high of EUR 75 billion. In that year, total trade grew by 29 per cent compared with the previous year, with German exports to Russia increasing by 31 per cent and German imports from Russia by 27 per cent. That trend continued in the first quarter of 2012, with an increase of 15.9 per cent to reach 19.5 billion EUR.³⁰

As in the Soviet era and throughout the post-Soviet economic and German-Russian trade relationship, Russia's principal exports to Germany were raw materials, in particular oil and natural gas as well as metal goods and petrochemical products. Germany's main exports to Russia were mechanical engineering products, vehicles and vehicle parts, electrical and electronic goods, and chemical products.

²⁹ The account of German-Russian economic relations is part of the German foreign office's portrayal but to be found in a different location on its website, under *Auswärtiges-amt.de*, 19.1.2012, http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/RussischeFoederation_node.html#doc388422bodyText2.

³⁰ For the most recent figures see Brüggemann, 'Neue Ost-West-Eiszeit', *op. cit.* [fn. 6].

Given its need to comprehensively modernise, Russia was for German industry not only an important and receptive export but also a major *investment* market.

In the first half of 2011, investment by German companies in the Russian Federation amounted to EUR 4.2 billion, about the same level as in the first half of 2010. There are at present more than 6,300 companies with German equity participation in 85 Russian regions.

The German-Russian trade and economic relationship is well supported institutionally. Thus, the annual German-Russian *Regierungskonsultationen*, 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'.³¹ 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 currently implementing 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 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

³¹ Klaus Mangold, 'Herzstück der deutsch-russischen Wirtschaftsbeziehungen', Ostausschuss der Deutschen Wirtschaft, *Ost-ausschuss.de*, 15.4.2009, <http://www.ost-ausschuss.de/herzst-ck-der-deutsch-russischen-wirtschaftsbeziehungen>.

technology'.³² In Berlin, a strong advocate of German business interests in Russia has been the above-mentioned Committee on Eastern Economic Relations, and in Moscow the Delegation of German Business and the German Business Association.

The buzzword in German-Russian economic affairs since Steinmeier's speech in Yekaterinburg and the emphasis Medvedev put on the 'modernisation' of Russia during his presidency, is the 'modernisation partnership'. In a review of what is being addressed under these auspices, the Russian foreign ministry in May 2010 compiled a corresponding list of projects envisaged.³³ These included the following areas:

Natural gas. The Nord Stream gas pipeline is to be completed; EU financial resources for that purpose are to be tapped; Gazprom and German partners, mainly E.ON and Wintershall with its parent firm BASF, are to cooperate more closely; Germany should participate in the construction of gas pipelines other than Nord Stream; and joint ventures for marketing Russian gas in Germany should be created.

Nuclear Energy. Implementation of the framework agreement concluded between Rosatom, the Russian Nuclear Energy State Corporation, and Siemens AG on the foundation of a joint venture to modernise nuclear power plants and to pool efforts in marketing.

³² 'Russisch-Deutsche Energie-Agentur (rudea)', Homepage, *Dena.de*, <http://www.dena.de/internationales/rudea.html>.

³³ 'Программа эффективного использования на системной основе внешнеполитических факторов в целях долгосрочного развития Российской Федерации', 11. 5. 2010. Homepage of Russky Newsweek <http://www.runewsweek.ru/country/34184/>. The website, however, is not longer available since Russky Newsweek ceased publication. The document nevertheless can be accessed under <http://perevodika.ru/articles/13590.html>. The foreign ministry itself, as far as this author is aware, never published the document but also did not deny its existence.

Energy Efficiency. The activities of the Russian-German Energy Agency are to be broadened and projects planned with Siemens in Yekaterinburg and in Krasnodar for the construction of a wind park to be implemented.

Design and Construction of Aircraft. Airbus, EADS EFW and their Russian partners, United Aircraft Corporation (UAC) and IRKUT, should carry out the agreement for the construction of the Airbus A-350 transport aircraft on the basis of the Airbus A-320.

Automobiles. Volkswagen, Daimler and BMW are to develop and produce components for automobiles of these firms.

Railway Transport. The Russian Railways, the Deutsche Bahn and Siemens should cooperate in the construction of high-speed trains and the improvement of railway connections between Europe and Russia's Asian-Pacific region.

Laser and Heavy Ions Technology. Russia should participate as the main partner in the development of x-ray laser technology on the basis of free electrons (XFEL) in Hamburg and the creation of a European Centre for the Acceleration of Heavy Ions (FAIR) in Darmstadt.

Impressive as this list may be, it clearly shows that the German contribution to any *structurally* significant modernisation of Russia is poor. Concerning Nord Stream, that project may turn out to be profitable for both the German private companies involved and Gazprom but it is entirely unclear how it could contribute to Russia's modernisation. With the exception of XFEL and FAIR, the existing and planned projects as enumerated employ standard and conventional technology that simply need to be updated. Other projects conform to the traditional pattern of the improvement of the Russian infrastructure with modern German technology – as witnessed by the order placed in December 2011 by Russian Railways with Siemens for the delivery of an additional eight high-speed trains of the *Velaro* series at a total value of EUR 600 million. It

is also typical, not just for German-Russian economic relations, that plans and projects with Russia a partner, fail to come to fruition. Thus, in June 2011, allegedly for economic reasons, the German and Russian corporations participating in the construction of the Airbus A-350 transport aircraft cancelled their agreement. Similarly, in September 2011, as a result of the Fukushima accident and the radical change in German energy policy, Siemens withdrew from the agreement on nuclear energy cooperation.

The figures, too, need to be examined in comparative perspective. For instance, concerning foreign trade, whereas the Czech Republic imported German products in the amount of EUR 2.916 per capita, and Poland EUR 1.135, Russia only imported EUR 241 per inhabitant – which meant place 39 in the overall ranking.³⁴ As for investments in the Russian economy in 2011, with a cumulative volume of EUR 22.2 billion, of which direct investment amounting to EUR 8.8 billion, Germany occupied only fourth place among the countries of origin.³⁵ Cumulative German investment in Poland, for instance, has surpassed that of Germany in Russia. Confidently, the foreign office has asserted that, ‘with the passage of anti-corruption legislation, the Russian government has tackled one of the main problems affecting foreign trade relations.’³⁶ This, however, is far remote from the actual state of affairs. The investment climate still leaves much to be desired. This is one of the main reasons why, despite its general opposition to the ‘counterproductive’ imposition of values on business, the *Ostausschuss* nevertheless is trying to persuade the

³⁴ ‘Rekordergebnis für Exporte nach Osteuropa’, Ostausschuss der Deutschen Wirtschaft, *Ost-ausschuss.de*, 2.3.2012, <http://www.ost-ausschuss.de/rekordergebnis-f-r-exporte-nach-osteuropa>.

³⁵ *Ibid.* The first three – Cyprus, The Netherlands and Luxemburg – are used by Russian firms as holding and offshore places from where they transfer money back to their homeland.

³⁶ *Auswärtiges-amt.de*, 19.1.2012, http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/RussischeFoederation_node.html#doc388422bodyText2.

Russian authorities to make greater efforts to weed out corruption, provide for more transparency and generally move away from the conditions of 'legal nihilism' that then president Medvedev deplored. To the credit of the German business community, it has generously financed a plethora of projects and programmes that benefit civil society in Russia and that it hopes will have a significant impact on social and political change.

Civil Society

The breadth of civil society contacts and exchanges, in large part with German government support and encouragement, is considerable. To provide some indications of the scope of activities, for the special purpose of strengthening the links between civil society actors in Germany and Russia, the office of Coordinator of German-Russian Intersocietal Cooperation was created in 2003. In Russia, Germany is present, in addition to its embassy in Moscow, with four consulates, located in St. Petersburg, Kaliningrad, Yekaterinburg and Novosibirsk.³⁷ The *Goethe Institut* cultural centres operate in Moscow, St. Petersburg and Novosibirsk. Partnerships have been forged between federal entities (German *Länder* and Russian provinces and republics), cities and towns, universities, museums and other institutions. As for the city and town partnerships -- a total of 81 at present -- it is not merely the big cities like Berlin and Moscow or Hamburg and St. Petersburg that are participating but also medium and small-sized towns as, for instance, Erlangen and Vladimir. More than 300 German non-governmental institutions are active in political, social and cultural exchanges and programmes, both in Russia and in Germany, including the *Deutsch-Russische Forum*, *Deutsch-Russischer Austausch* and *Deutsch-Russischer Jugendaustausch*. The *Forum*, for instance, runs training and education programmes in

³⁷ This portrayal of the scope of civil society contacts and exchanges draws on Gemma Pörzgen, 'Auf der Suche nach der verlorenen Kompetenz. Russlandpolitik im deutschen Bundestag', *Osteuropa*, Vol. 59, No. 9 (2009), pp. 3-25 (pp. 4-5).

Germany for Russian local government officials, young leaders and journalists.

All the German foundations attached to the major political parties – the *Konrad-Adenauer-Stiftung*, the *Hanns-Seidel-Stiftung* (CSU), the *Friedrich-Ebert-Stiftung* (SPD), the *Heinrich-Böll-Stiftung* (the Greens) and the *Friedrich-Naumann-Stiftung* (FDP) – have representations in Moscow and are active in various dimensions both in the capital and the provinces. Germany harbours by far the greatest number of Russian-speaking immigrants in EU-Europe, their total number being about three million. German is taught in Russian schools, universities and other educational institutions, with an enrolment of about 2.3 students – the biggest number world-wide after Poland. There are about 14.000 Russians who study at German universities.

For the period of June 2012 - June 2013, the two governments will organise a Year of Germany in Russia and a Year of Russia in Germany, to further the visibility and improve the respective images of the two countries.

Given the far-flung presence and broad scope of activities of German business representations as well as German non-governmental institutions in Russia, and the manifold exchanges of civil society actors, it is astounding that, to use the appropriate political science terminology, there has hardly been any 'spillover' from these realms of the German-Russian relationship to the political sphere.

Conclusions and Prospects

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',³⁸ and serious analysts characterise the state of affairs as an 'alienated partnership'.³⁹ The exhortations of friendship and demonstrative display of cordiality à la Schröder have come to be regarded as increasingly *pénible*. The exuberance and enthusiasm evident in Germany during the Gorbachev and still, for several years, the Yeltsin era have waned. This is evident also in the fact that, 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. It is essentially the same state of mind and emotions that have motivated thousands of Russians to

³⁸ As in the title of the book by Rahr, *Der kalte Freund*, *op.cit.* [fn. 15].

³⁹ Thus, for instance, Stefan Meister, Russian expert at the German Council on Foreign Relations (DGAP) in Berlin: *An Alienated Partnership: German-Russian Relations After Putin's Return*, Finnish Institute on International Affairs, Briefing Paper 105, May 2012, *Fiiia.fi*, <http://www.fiiia.fi/en/publication/263/>.

demonstrate after the December 2011 parliamentary elections and the March 2012 presidential elections.

The differences in perception between German and Russian policy-makers are obvious, and these have practical political consequences. The Kremlin leaders regard policies in 'their' neighbourhood as an extension of Russian domestic ordering principles, as lying somewhere between domestic politics and foreign policy. Western, including German, activities on post-Soviet space are interpreted by Moscow in geopolitical terms, as a struggle over spheres of influence where 'power vacuums' cannot exist and attention needs to be paid to the 'balance of power' – now more defined in economic rather than in military terms. To put it in political science language, Kremlin officials continue to perceive Western, including EU and German, policies in 'Wider Europe' as a zero-sum game (the gain of one side is the loss of the other). As Putin's 'new integration project for Eurasia' in the shape of the projected 'Eurasian Union' serves to confirm, the competition will in all likelihood continue in the years to come.

The value gap between the democratic, law-based German state with a successful market economy and a vibrant civil society, on the one hand, and the 'Putin system' in Russia, on the other, is also likely to remain. This is predicated on the fact that creator of the system never relinquished power during the 'tandem' episode, is unlikely to do so in the coming years and is equally unlikely to start dismantling the system he has put in place. This has consequences for the future of the German-Russian 'modernisation partnership'. Evidently, not Germany is to be modernised with Russian help but *vice versa*. Russian officials, however, consider modernisation to be primarily an exercise 'from above' and to have a narrowly economic and technocratic content. Of course, from the German business leaders' viewpoint, 'modernising' Russia is to enhance opportunities for the export of German technology and new direct investments. In fairness, however, German business leaders, despite their apparent 'value' aversion and open rejection of any 'interference' of politics with business, too, are insisting on the transformation of Russia from, in the dual sense of the word, 'state' of 'legal nihilism' to a *Rechtsstaat* – if only for the narrow sake of the security of their investments.

The German effort, therefore, is much more broadly conceived than the Kremlin desires. Despite evidence of waning interest in Russia ('Russia fatigue') and declining expertise on Russian affairs, as mentioned in the previous section, German federal and *Länder* institutions, the German business community, the foundations attached to the major political parties and a plethora of non-governmental institutions continue to be engaged in manifold activities to promote not only social and economic but also political change in Russia. Much of this is based on the conviction that, ultimately, as the Russian middle class will expand, change will come and the 'spillover' from the manifold activities at local and regional levels in the social and economic spheres from 'low politics' to 'high politics' will finally occur. It is possible but the opposite could also take place: the political system and their supporters could remain stuck in their authoritarian, conservative and *status quo*-oriented mould domestically and 'Great Power' pretensions in foreign policy. This could have the consequence that many of the Russian beneficiaries of German-Russian exchanges, the best and the brightest, in the years to come will choose not to return and the already quite significant 'brain drain' will accelerate with all its negative impact on the Russian society and economy.

Concerning foreign policy issues, the first signals and signs of Putin's third term in office point in the direction of continued failure of Germany's *Einbindungsstrategie*. This concerns first and foremost the post-Soviet space. The Kremlin will most likely continue to regard that space in 'zero-sum' terms. After having successfully blocked the 'colour revolutions', Moscow can be expected to counter the EU's Eastern Partnership by providing new impetus to its own integration efforts, such as the Single Economic Space and the Eurasian Union. The instruments it will continue to wield in its 'sphere of privileged interest' in Eastern Europe are the utilisation of the strong dependency of several of the countries on the delivery of cheap energy (Ukraine, Belarus, Moldova, Armenia) and the manipulation of the remaining 'frozen conflicts' (Transnistria, limiting Moldova's European choice) and Nagorno-Karabakh (constraining foreign-policy options of both Armenia and Azerbaijan). Two of these conflicts, from the Kremlin's perspective, those in Abkhazia and South Ossetia, have for all practical purposes been 'solved'. Competition with the EU,

including with Germany (but even more so with China), will in all likelihood remain the name of the game in the Asian part of Russia's proclaimed sphere of influence.

As the Merkel-Putin meeting in Berlin on 1 June 2012 underlined, other foreign policy differences -- missile defence and the Russian threats for the stationing of Iskander missiles in Kaliningrad, the Balkans, Iran and Syria -- were also either sidelined or could not be bridged. The meeting, furthermore, showed that Berlin is careful not to attempt to pressure, let alone confront, Moscow for fear of jeopardising chances for agreement. It may well be that there will be movement on some issues, for instance, on missile defence and Syria, but these will not be a result of German initiatives and any special relationship between Berlin and Moscow. On foreign-policy issues, particularly on issues of European and international security, Washington, not Berlin or Brussels, will remain the main point of reference.

One prediction concerning future German-Russian relations would appear to be quite safe: Trade and economic relations will continue to grow and remain the most important part of the relationship. A boost will be provided to these relations by Russia's membership in the World Trade Organisation, the corresponding accession package now pending ratification in Moscow. It is also conceivable that the EU and Russia will agree on a free-trade zone. Yet another boost to trade and economic exchanges would occur after the institution of a visa-free regime once Russia has issued biometric passports and agreed to readmission of nationals from other countries.

As for policy-making, the approach to be adopted *vis-à-vis* official Russia should be to continue conduct business without false praise, flattery and deference, without insistence on exaggerated notions of 'strategic partnership', but with confident assertion of principle and the pursuit common interests where they exist. The current German government, while remaining wedded to the 'partnership' rhetoric, has gone a long way towards the pursuit of such an approach. Any reversal of this approach is unlikely unless Russian domestic politics and foreign policy were to change.